

Annual Registration Statement
Annual Report
(Form 56-1 One Report)

2022





Message from the Chairman

The situation in 2022 was rough for most entrepreneurs. The business was difficult to operate due to the factors that impacted the world business, such as oil price, inflation, currency exchange rate, and change in technology. These factors challenged every company. Nevertheless, **PROEN Corp. Public Co., Ltd. (PROEN)** has efficiently adjusted its business plan in order to prepare for the trend change continually. Eventually, the Company had a growth in revenue totaling 1,548.36 million Baht, accounting for 45.86% YoY. Net profit was 65.07 million Baht, accounting for 45.86% YoY. Revenue and profit earned from the main business of Internet Data Center (IDC), including Construction business related to Telecom, electricity, and communication infrastructure.

An important milestone in 2022 was the preparation for Data Center business growth by beginning construction on the new IDC building. It is located on Srinakarin road, Soi 8, with an area of approx. 10,000 sq.m. to handle a server capacity of more than 1,000 racks. It is projected to operate the first phase in the quarter 4 of 2023 (about 380 racks). The new IDC was designed by PROEN with a modern building concept, consisting of energy saving and effective resource management functions considering environmental, social, and reduction of Carbon Dioxide emission factors. For the evaluation under the Corporate Governance Report of Thai Listed Companies 2022 (CGR 2022), the Company awarded “Excellence” level and aimed to have better evaluation results.

PROEN is still committed to carrying out business to be a part in driving the Country’s economic development, taking part in the creation of a good society and environment, conducting business under the Principles of Corporate Governance, and striving to be a sustainable company.

On behalf of the Board of Directors, the Management, and PROEN’s employees, I would like to thank everyone for trusting and supporting our Company. It is our great encouragement. We are committed to work for the continuing growth of the Company steadily.



Dr. Sathit Puttachaiyong
Chairman of the Board



Message from the CEO



Dear shareholders and stakeholders

The year 2022 was considered the year of opportunity for **PROEN Corp Public Co., Ltd. (PROEN)** to grow up continually. Since the Covid-19 pandemic situation trended to decrease steadily, made entrepreneurs in various sectors valued in Digital Technology. They have adopted technology to suit their organizations in order to create value added for business. For PROEN, there was a business expansion in terms of Internet Data Center (IDC), Internet Service Provider (ISP), and Cloud service. The Company has invested in the construction of the new IDC with an area of over 10,000 sq. m., in order to increase server capacity to more than 1,000 racks. The construction area is located on Rama 9 - Srinakarin Road. The foundation stone-laying ceremony before construction was performed on January 30, 2022, and the first foundation piling was completed on August 10, 2022. Currently, the project is under construction to comply with the Tier 3 Data Center standards and requirements. Phase 1 is expected to operate in the quarter 4 of 2023 in order to support the growing demand in full service information technology.

The Company has foreseen the investment opportunity that promotes the main business. To improve the potential for business competitiveness, ICON NEXT Co., Ltd. has been founded as a subsidiary to operate business in providing and consulting for maintenance service agreement for applications software and providing full scale network operation center and security operation center. For further business expansion, the Company has researched into the business of pre-approval document screening service available for 17 countries and 1 economic zone with fee payment via electronic for the person applying Electronics Visa on Arrival (E-VOA).

From the business recovery in general, the private and government agencies paid more attention to the digital technology that plays a key role in the organizations, resulting in a visibly growth of revenue from services. In addition, the Company has launched new products to support the continual adoption of customers. As a result, total revenue in 2022 was 1,548.36 million Baht, skyrocketed 123.12% compared with the corresponding period of the prior year.

From the potential development continually, the company set more challenging goals for 2023 by applying a strategic plan for 4 factors of sustainable business as follows:

- 1) Exponential growth, with a strategy to improve service potential that generates recurring income and Merger & Acquisition (M&A) focusing on investment in technology businesses to expand the business for the ability to generate more recurring income.
- 2) Create better experiences for customers, considering customer needs, cooperate and try to understand customer requirements, educate current customers, and create opportunities to increase future customers.
- 3) Consider environmental impacts, social responsibility with a commitment to manage and reduce environmental impacts, improve awareness of social responsibility, participate in social contribution, and encourage employees and business partners to be aware of social responsibility.
- 4) Corporate Governance, form a good structure of internal audit, ethics and morals of PROEN's employees for the sustainable growth with Corporate Governance.

On this final note, I would like to express our gratitude and sincere appreciation to our shareholders, suppliers, business partners, financial institutions, Government and private agencies, and stakeholders for the support, advice, and always trust in our company. PROEN continues to expand its service area, and always develop the potential of the service to be advanced in order to maximize the Company's business competitiveness. Plus, we stand for a sustainable business model under the Good Corporate Governance Principles, transparency, and focus on the development of products and services to keep up with the economy, social, and environmental situation changing in the future. The Company has to prepare for any situation and bring itself to grow up and move forward with sustainability and fully beneficial to shareholders and stakeholders.



Mr. Kittipan Sri-bua-iam
Chief Executive Officer

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Part 1

Business Operation and Performance





1

Structure and Business Operation of the Company Group





1.1 Overall Policy and Business Operation

PROEN Corp Public Co., Ltd. (“The Company” or “PROEN”) and its subsidiaries (collectively called “The Company Group”) are the internet data center and additional service providers with 23 years of business operation, in addition, the Company Group is IT equipment seller, Cyber Security service provider, and contractor for building Telecom infrastructure. The Company Group’s business is divided into 2 groups as follows.

1) Information Communication and Technology: ICT, IT service for Data Center, Internet Service Provider: ISP, and Cloud Service Provider

The Company Group provides Internet Data Center (IDC) with facilities, the Company Group’s data center is located at NT Bangrak Building, Bangrak, where is the location having the largest amount of Internet data transmission (Bandwidth) in Thailand. Therefore, clients can be able to connect to the internet quickly, steadily, and efficiently with 24-hour customer service to enhance customer convenience. Moreover, The Company Group provides Telecom equipment to support IDC business, such as Server, Computer, and Switch, and other ICT services, such as internet connection service, Cloud service which users can be able to choose software and computer resources of the Company with network administration service for clients, which can lower technology investment cost and reduce technology management for clients. Clients can be able to manage data on the Cloud, accessed by various devices, such as Mobile Phone, Tablet, Notebook, Cloud, Network Security, Web Hosting services.

Moreover, the Company Group provides ICT engineering project management service with scope of work covering consultant, design, system planning, construction, procurement, installation, and electrical engineering and communication system maintenance for private sector and public sector.

2) Telecommunication and Infrastructure Service

In 2017, the Company Group initiated its infrastructure construction business, such as transmission line construction with a Turnkey Solution relating to telecom infrastructure, such as mobile phone and radio antenna installation, optical fiber and copper wire installation, electrical system and transmission line work, micro-tunnelling by Pipe Jacking process, Horizontal Directional Drilling, cabling by tapping the road into small grooves, placing the Micro Duct down, then shooting the cable through the Micro Duct by using the air blown machine with compressed air (Micro Trenching), Telecom equipment installation to increase the efficiency of signal distribution, and installation of Wireless Backhaul for Microwave Platform.



1.1.1 Vision, Missions & Goals



Vision

We target to be the Internet Data Center service provider, to be the country's leading provider of comprehensive telecommunications services, and to create our brand as an important option in the ASEAN market.



Missions

1. Focus on innovative technology and create effective products and services.
2. Be determined in developing personnel to have expertise in specific fields with full potential
3. Be determined in continuously developing excellent services
4. Focus on strengthening and managing the development of the network system at all time for entrusting customers.
5. Focus on creating integrated telecommunications services both domestically and internationally.
6. Maintain international quality standards for information security and management to have quality by bringing such standards as an operational approach in order to offer standardized services to customers



Strategy

To achieve the missions, The Company Group developed a strategy as follows:

1. To expand the Data Center service area by increasing IDC in the external area of NT Bangrak Building, Bangrak, in order to increase client base
2. To develop new products in order to fulfil clients' requirements and to increase value for IDC services of the Company Group
3. To closely survey clients' requirements, to provide clients the news related to industry constantly, as well as to offer products and services in order to complete customer requirements promptly
4. To expand client base of construction business for Telecommunication Service



Core Value

P: **Passionate**

To be determined and passionate. By challenging achievements and pushing the goal to completion.

R: **Reliable**

To be trustworthy and dependable in the eyes of both customers and consumers.

O: **Optimal**

To increase work efficiency and provide the best and most appropriate services customers and consumers as quickly as possible.

E: **Energetic**

To express the positive energy in the workplace in order to improve PROEN and make it an organization in which anyone wants to work.

N: **Notable**

To push and challenge ourselves to the next level beyond our limits, to initiate exceptional works and reputation.





1.1.2 Major Milestone

The Major Milestone of the Company Group is as follows

Year	Major Milestone
2020	- On 21st February 2020, the Company increased its registered capital to be 158 million Baht by an issuance of ordinary shares of 96 million shares, at a par value of 0.5 Baht to offer as follows: • Right Offering; 10 million shares, the shares have been fully paid in February 2020 • Public Offering: 81 million shares • Directors, Executives and Employees, and subsidiaries: 5 million shares - Extended IDC service in the area of 18th floor of CAT Telecom Tower, Bang Rak with server capacity of 645 racks
2021	- PROEN ordinary shares registered on the Market for Alternative Investment (mai) with its first trading day on April 29th, 2021 - The company started services PROEN SASE and PROEN Any Cloud. - Start the PROEN hai project.
2022	- Offering of debentures with the amount of 500 million Baht, Term of 2 year. - Issuance and offering of PROEN-W1 which allocated to the existing shareholders, Listed Share 157,827,272 Shares and First Trade Date May, 31 2022 - PROEN Cloud and any SEA Cloud are CSA-STAR certification. - On 16th August 2022, the Company signed MOU to provide SPDPA Cloud Service with Softnix Technology Co., Ltd. - On 23rd August 2022, the Company invested and established a new subsidiary named ICON NEXT Co., Ltd. - On 29th December, 2022, there was the exercise of rights regarding the warrants PROEN No.1 (“PROEN-W1”), first time exercising, in an amount of 947,150 units. The company registered its paid-up capital on January 9, 2023, to be 158,473,575 Baht. The company had a capital increase of 3,409,740 Baht used as the company working capital.

Important service standards

ISO/IEC 27001:2013, the international standard of data security, the standard is applied for the IDC operation

ISO 9001: 2015, the international standard of management system for quality assurance, ensuring that work process can be controlled and audited

1.1.3 Utilization of Capital Increase from Initial Public offering (IPO)

The Company issued new shares for capital increase by Initial Public offering (IPO) on April 21-23, 2021 for 86,000,000 shares at the price of 3.25 Baht per share, totaling 262,740,250 Baht, Balance as of December 31, 2022 Amount 150.00 Million Baht

Spending	Spending Period	Amount (Million Baht)	Balance as of December 31, 2022 (Million Baht)	Details/Spending progress
1. Construction of new Internet Data Center (IDC) building and office.	-	0.00	150.00	The foundation stone laying ceremony was held on January 30, 2022 and piling was laid on August 10, 2022 and Main Pillar Raising Ceremony on January 31, 2023 of new Internet Data Center (IDC) building and office in Soi Srinakarin 8, Srinakarin Road. The building structure is expected to be completed and ready for services in 2024.
2. Working capital in the business of ICT services and Telecommunication, Infrastructure Services.	Apr. 30, 2021 – Dec. 31 2022	47.74	0.00	Used as working capital for the purpose
3. Financial institution debt settlement	Apr. 30, 2021 – Dec. 31 2021	65.00	0.00	Pay off short-term debts with various financial institutions
	Total	112.74	150.00	

The spending has complied with the proposes, and complied with relevant regulations of the SEC and SET



1.1.4 Utilization of Capital Increase from

In 2022, the Company issuance and offering Debentures No. 1/2022 maturity of the year 2024, Issue size 500 million baht, Balance as of December 31, 2022 Amount 273.96 million Baht

Spending	Spending Period	Amount (Million Baht)	Balance as of December 31, 2022 (Million Baht)	Details/Spending progress
1. Construction of new Internet Data Center (IDC) building and office.	30 March 2022 – 31 Dec. 2022	26.04	173.96	Capital for construction of new Internet Data Center (IDC) for the purpose
2. To invest in business Merger & Acquisition or M&A in Platform SMART Logistic business.	-	0.00	100.00	The Platform SMART Logistic business has not yet been acquired as it is under investment consideration.
3. Working capital in the business of Telecommunication, Infrastructure Services	30 March 2022 – 31 Oct. 2022	100.00	0.00	Used as working capital for the purpose
4. Working capital in the business of the company	30 March 2022 – 30 Nov. 2022	100.00	0.00	Used as working capital for the purpose
	Total	226.04	273.96	

The spending has complied with the proposes, and complied with relevant regulations of the SEC and SET

1.1.5 General Information

The company discloses details in section 5.1. General information of the company.



1.2 Nature of Business

1.2.1 Revenue Structure

Types of Revenues	Operated by	Consolidated Financial Statement					
		2020		2021		2022	
		Million Baht	%	Million Baht	%	Million Baht	%
Revenue of telecommunication networking equipment sales	PROEN, SNOC	336.81	33.50	528.37	49.77	626.91	40.49
Revenue of telecommunication network and services	PROEN, SNOC, ICONNEXT	260.37	25.89	300.56	28.31	317.10	20.48
Technology and Communication Business		597.18	59.39	828.93	78.08	944.01	60.97
Revenue of construction activities	PROEN, TELEBIZ	403.93	40.17	229.55	21.63	587.37	37.93
Construction Business		403.93	40.17	229.55	21.63	587.37	37.93
Total Revenues of Sales and Services		1,001.11	99.56	1,058.48	99.71	1,531.38	98.90
Other revenues ^{a)}	PROEN, TELEBIZ, SNOC	4.40	0.44	3.08	0.29	16.98	1.10
Total Revenues		1,005.51	100.00	1,061.56	100.00	1,548.36	100.00

Note: ^{a)} Other revenues consist of interest received from deposits held in financial institutions, interest received from loans to related parties and profits from the sale of property and residual material from construction projects.



1.2.2 Characteristics of Products and Services

1.2.2.1 Technology and Communication in Business (ICT: Information Communication and Technology), Information Technology Services for Data Center, Internet Service Provider, Cloud Service

Revenue from ICT business accounted for 78.08% of an average percentage of total revenue in 2021 and 60.97% of total revenue in 2022. Group of the companies focuses on providing services that efficiently responds to all types of customers' work efficiently under the concept of being an Turn Key Digital Transformation, the company will provide consulting on the use of information technology to support users in business process with the great ability with details of services as follows:

1. Data Center Space Rental Service

Data Center Rental Service is a Co-Location service for renting server space for an organization which the server may be assigned to perform various functions depending on the needs of users, including data backup, data processing, network connection, Web Hosting, Super Computer, etc. A good data center must be able to provide information quickly 24 hours a day. Therefore, the company has focused on the construction design of data center, the placement of various related equipment within the data center area, as well as the supervision of the operation system and the expertise of engineers who deal with difficult situations.

The Company's data center is located in the NT Bangrak Building, Bang Rak, Bangkok and was built to be equivalent to TIER 3 standard with a total rental area of 2,085 square meters with approximately 632 rack cabinets.

A Table of Data Center Qualification of each TIER based on Uptime Institute Standard

Tier Classification	Tier 1	Tier 2	Tier 3	Tier 4	PROEN
	Basic site infrastructure	Redundant site infrastructure	Concurrently maintainable site infrastructure	Fault tolerant site infrastructure	
1. Availability Level	99.671% uptime	99.749% uptime	99.982% uptime	99.995% uptime	99.982% uptime
2. Downtime	Not more than 28.8 hours/year	Not more than 22 hours/year	Not more than 1.6 hours/year	Not more than 26.3 minutes/year	Not more than 1.6 hours/year
3. Redundancy	No backup components	There are some redundant components involved in the single path for power and cooling distribution.	There are some redundant components but still some common points of use of the system and can also prevent power failure for 72 hours.	There are Fault Tolerance and prevention against power failure for 96 hours.	There are some redundant components but still some common points of use of the system and can also prevent power failure for 72 hours.

A Table of Data Center Qualification of each TIER based on Uptime Institute Standard (Continued)

Tier Classification	Tier 1	Tier 2	Tier 3	Tier 4	PROEN
	Basic site infrastructure	Redundant site infrastructure	Concurrently maintainable site infrastructure	Fault tolerant site infrastructure	
4. Distribution paths for Electrical power backbone	1	1	N+1	2N+1	2N+1
5. Critical power distribution	1	1	2N+1	2N+1	2N+1
6. Concurrently Maintainable	No	No	Yes	Yes Moreover, Concurrently Maintainable has no effect on data center operation	Yes
7. Fault tolerance to worst event	No	No	No	The most stable system and be able to operate continuously no matter how bad the event is	No
8. Compartmentalization	No	No	No	Yes	Yes for room 1801, 1804, 1806, and 6 th floor
9. Continuous Cooling	No Load density dependent	No Load density dependent	No Load density dependent	Yes Class A	No Load density dependent
10.Data Center staff	None	Daytime	24/7	24/7	24/7

Source: Uptime Institute is a US organization that rates the quality and reliability of data center.



Data Center area of PROEN at
NT Bangrak Building



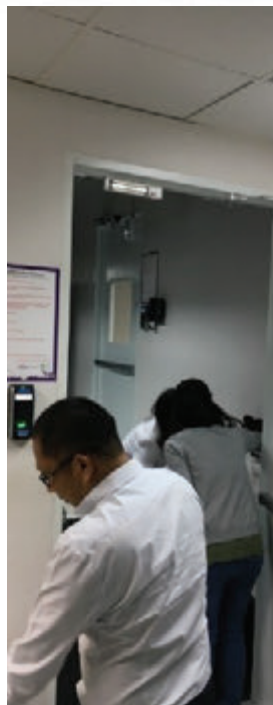
Dual Powered supply



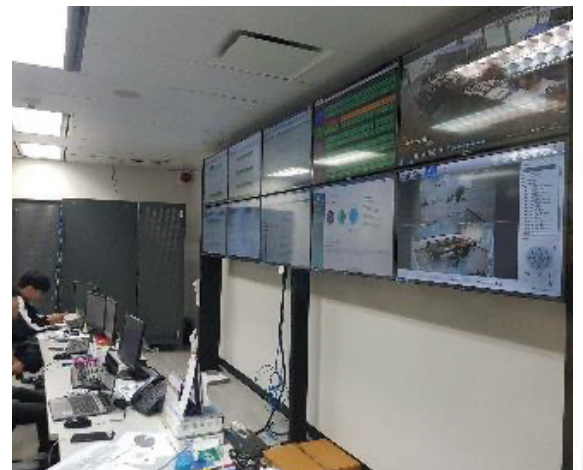
Double floor, raised
floor to prevent water
leakage that may
cause damage to
computer equipment



CCTV system



Data Center Access



Monitored by IDC Staff

There are 2 types of PROEN Data Center Service

1. Co-Location is a form of services that most customers use to own a server that the company provides rental space for placing the server with various installation systems such as electrical systems, temperature control systems, connection systems, security systems within the data center area and also provide a team of technical service engineers 24 hours a day.
2. Dedicated Server is a server rental service in Data Center which is designed for customers who do not want to purchase one.

2. Corporate Internet Connection Service

The Company is a commercial Internet Service Provider (ISP) and is licensed to provide the first type of Internet service, which is an Internet service provider, which does not have its own telecommunications network, under the name “PROEN INTERNET”. The company focuses on providing services to corporate customers who need interconnection between offices and branches, with two technologies offered for connectivity services: Multiprotocol Label Switching (MPLS) and Software defined WAN (SD-WAN).

- Multiprotocol Label Switching (MPLS) is a connection technology for transmitting/receiving data over leased line networks. It is suitable for corporate customers who want high stability and privacy of the network used to connect between offices and their branches. MPLS can be divided into 2 formats according to the needs of customers, namely Private MPLS (High-speed Internet network used within the organization) and Corporate Internet (High-speed Internet network connected to the public).
- Software Defined WAN (SD-WAN) is a transmit/receive connection technology same as MPLS. However, SD-WAN has advantages over MPLS since SD-WAN does not require a communication line between offices and branches because SD- The WAN relies on software or the cloud to create a virtual network to connect between them, and transmitting/receiving data through SD-WAN devices helps customers to cut costs in communication lines. Moreover, SD-WAN technology also facilitates when customers need to connect to a new branch later by installing additional SD-WAN devices, resulting in lower incremental costs and less connection time than MPLS.

For the SD-WAN service, the company has become partners with VeloCloud Networks, Inc., a service provider and the world’s leading Cloud-Delivered SD-WAN from the United States, to provide SD-WAN services under the name “Branch Connect” starting in 2016.

Secure Access Service Edge (SASE) is a technology that combines SD-WAN and Security, enabling data transmission between Work from Anywhere employees and branch employees to communicate and collaborate. It is safe to use with the cloud, has effective investment and is easier to manage than De-Centralize Management systems like today.

3. Cloud Service

The company is a cloud service provider where Cloud Service for sharing computer resources through the Internet is a service that users can choose to use the software and computer resources of the company within the organization without the users having to invest in both hardware and software and also do not have to set up the network by themselves. The company will be a service provider and a network administrator for users to do so, which helps reducing investment, managing the technology of users and

upgrading other related systems. Users can manage their cloud data with a variety of Internet-accessible devices such as computers, mobile phones, tablets, and share computing resources over the Internet. At present, PROEN offers a form of Cloud service in the form of Infrastructure as a Service and Platform as a Service (where customers can use IT infrastructure such as Server (IaaS) is IT infrastructure services including Server, Storage, and Platform as a Service (PaaS) that allows customers to run Application in system and customers don't have to put money and effort into Server or Software and ready to provide Manage Cloud Service, which is a service that PROEN's engineering team will help customers build applications quickly and support sufficient growth without the need for Cloud maintenance team. This makes it easy to control costs and facilitate end to end cloud deployments.)

4. Other Services

PROEN also provides:

- Network Security Services (DDoS Protection) is operated by SNOC. Its features include monitoring, alerting, and Distributed Denial-of-Service (DDoS) attacks. Besides, SNOC is also the first cloud DDoS provider in Thailand in collaboration with Nexusguard, the world's largest provider of cloud DDoS protection.
- Web hosting services and Domain Name Registrar for customers who want to have their own website and e-mail the company has arranged staff for installation and maintenance 24 hours a day. Domains registered by the Company include international domains such as .com, .net and .org, and domains in Thailand such as .ac.th, .co.th and .in.th, etc.
- Other services include installation, equipment maintenance, Data Center maintenance, monitoring the operation of the host computer, assistance in resolving difficult situations as requested by the customer, etc.

5. Information Technology Communication Engineering Project

Past service features include consultation, design, system installation, construction, procurement, maintenance in electrical engineering, communication systems for private and government agencies, as well as innovations in information technology that is suitable for the needs of each agency, the examples of past work include:

- Development and installation of a holistic executive support system project of the Geo-Informatics and Space Technology Development Agency (Public Organization), worth 14.5 million baht in 2018
- Holistic Executive Support System Development and Space Management project in the Eastern Economic Corridor (Phase 2) of the Geo-Informatics and Space Technology Development Agency (Public Organization), worth 10.0 million baht in 2019
- Upgrading the process of issuing and renewing licenses to enhance the quality of drivers under the guidelines for raising the standards of drivers (Sure Driving Smart Driver) project of the Department of Land Transport, worth 268.1 million baht in 2019.

6. Equipment and Software Distribution Business Related to Information Technology

Most of business are distributing information technology-related equipment and software to customers who use services related to the PROEN's ICT business. PROEN imports products abroad directly from product owners or purchases through dealers for more than 20 brands in Thailand. In addition, the company does not focus on the policy of storing products for sale. In most cases, the product is ordered once the order

has been received from the customer. The main products that the Company sells are as follows:

Products	Product Owners						
	Dell	Huawei	Cisco	A10	Philips	Apple	Bosch
1. Server	✓	✓	✓				
2. Switch, Network equipment and devices		✓	✓	✓			
3. Desktop and Laptop computers	✓					✓	
4. Monitor screen	✓				✓		
5. CCTV							✓

Relevant Standards

PROEN is certified with ISO/IEC 27001:2013 Information Security Management System (ISMS), an information security management system to protect data from unauthorized access, and ISO 9001:2015 standards.

1.2.2.2 Construction Business, Telecommunication and Infrastructure Business

PROEN and TELBIZ provide Turnkey Solution for construction, telecommunication, and infrastructure services such as installation of antennas for mobile phones and radios, Lan installation of optical fiber and copper cables, Electrical systems and transmission lines, Pipe Jacking, Horizontal Directional Drilling, cable laying by tapping the road into small grooves to place the Micro Duct and shooting the cable through the Micro Duct by means of compressed air (Micro Trenching), installation of telecommunication equipment to increase the efficiency of signal distribution, installation of a high-speed wireless communication technology station for a radio equipment (Wireless Backhaul: Microwave Platform), etc. In addition, Group of the companies will hire a sub-contractor to carry out the construction with the engineering team of PROEN to follow up and control work and closely resolve on-site problems in every project. The Group commenced its construction business for large projects, such as transmission line construction in 2017 and began to recognize revenue in 2018.

There are 2 types of construction projects

1. A consortium as a direct contracting party with clients, which is a collaborative nature between the Group and its partners. (joint venture) through a joint venture agreement to jointly submit e-bidding, determine the purpose of participation, determine the scope of work/ responsibilities of each party,



set up a group leader (Leading Firm), determine the delegation of powers to act on behalf of the joint venture, including determining the expiry and termination of the contract.

2. Projects in which the Group is a Sub-Contractor and is a contract party with the Main Contractor.

When the client has signed the construction contract, the client will pay an advance payment to the Group approximately 10 percent of the work value. This advance payment will be deducted from the wages, which will be deducted approximately 10 percent based on the volume of work delivered in each period until the amount deducted is reached the amount of advance payment received by the Group. Besides, the Group must place a deposit of approximately 10 percent of the work value in a savings account or a fixed account as a work guarantee for the client. The client will have a deduction of 5% of the installment as a guarantee for the company's performance. Alternatively, the Group may take a letter of guarantee issued by a commercial bank in Thailand which is worth 5% of the total work value as a guarantee for the performance instead of the amount paid that has been deducted in each work period. The guarantee will be returned to the Group after the construction is completed and the warranty period has passed, usually takes approximately 2 years after the final work delivery inspection.

For subcontractors that are listed in AVL (Approved Vendor List), the Group will pay an advance payment to subcontractors approximately 15 - 28 percent of the work value, subject to negotiation upon the signing of the construction contract. The subcontractor will place the work guarantee for the Group. The Group will have a deduction of approximately 5% of the installment every time the work is delivered or else the subcontractor may take a letter of guarantee issued by a commercial bank in Thailand which is worth approximately 5% of the total work value as a guarantee for the performance instead of the amount paid that has been deducted in each work period. The Group will return the said guarantee to the subcontractor after the construction is completed and the warranty period has passed, usually takes approximately 1-2 years after the final work delivery inspection.

The characteristics of construction work can be divided into 2 types

1. Electrical work and transmission lines

It covers electrical pole work, electrical system construction, electrical pole foundation construction, cross arm installation to add anchor points and help prevent the pole from falling, and cable management.

Work examples in 2022

The Aerial Cable System to Underground Power Cable Replacement to Become an ASEAN Metropolis - Northern Green Line Metro Project (Phahonyothin Road and Lad Phrao Road)

Employer	: Chaianunt Construction Co Ltd (1981)
Contractor	: PROEN-WRC Joint Venture (consisting of PROEN Corp Public Company Limited and W.R.C Electric and communication Co., Ltd)
Contract Value	: 450,437,265.19 baht (including VAT)
Project Type	: Contract work and procurement of materials, equipment, labor, tools and machines for construction in the Aerial Cable System to Underground Power Cable Replacement to Become an ASEAN Metropolis - Northern Green Line Metro Project (Phahonyothin Road and Lad Phrao Road)
Delivery Date	: within June 19, 2023

2. Piping work

- 2.1 Pipe Jacking, which uses a technique to lay underground pipes that use a large hydraulic jack to push pipes through the underground and assemble in front as the drill head to help drilling. Popular pipe jacking job is the construction of a sewer system
- 2.2 Horizontal Directional Drilling: HDD is for the installation of underground cable ducts for electrical systems, telecommunications, Oil pipes, water pipes, sewage pipes, which are suitable for piping longer than 100 meters. The direction and depth of the pipe end can be precisely determined.

1.2.3 Market and Competition

Technology and Communication Business

Client Groups and Competition

The Company's target clients are divided by services as follows:

1. Data Center Space Rental Service, both Co-Location and Dedicated Server Services, target group - Gaming Industry, Tech Startup, E-Commerce, Cloud Provider, state enterprises, government agencies
2. Corporate Internet Connection Service, SD-WAN, SASE, target group - private organizations, state enterprises, and government agencies
3. Cloud service, target groups include Tech Startup, Fin Tech, E-Commerce, Service Providers both domestically and internationally, private organizations, state enterprises, government agencies, and general clients
4. Other services such as Web Hosting, Mail Hosting, focusing on the target group of private organizations, state enterprises and government agencies that do not want to bring server computers to install at data centers on their own.

PROEN's main clients are online game business, online shopping business, communication and information business, entertainment business, commercial banking business, and government organizations that have plans to develop information telecommunications network systems, these group of clients focus on Information Communication Technology (ICT) that can support high throughput, and be able to deliver stable, fast, and secure data and be safe from source attacks. In addition, PROEN also has a team of engineers that are always ready and sufficient to provide assistance when problems are present.

The competition in the telecommunication and communication business in the past year, according to the development of government policies on communications and information system infrastructure and application of Big Data technology, the use of data analytics to create client engagement and behavior strategies both corporate and retail consumers who tend to use social media more in terms of promoting activities, results in internet connection services and data center services to become more competitive. This influences service providers in the aforementioned industries to adapt for competitions in terms of speed of communication, cost-effectiveness, ease of use, expanding service capacity and efficiency in service, etc.



Competitions and Competitors The list of major competitors is as follows:

Data Center Rental Space Service	Communication Equipment, Computers and Information Systems Distributor	High speed Internet Service for Corporate Customers and Cloud Service	Project Service Related to Information Communication Network System
SUPERNAP ¹	Synnex (Thailand) Public Company Limited	Advance Info Service Public Company Limited	Samart Telecom Public Company Limited
True Internet Data Center Company Limited	SIS Distribution (Thailand) Public Company Limited	TOT Public Company Limited	Advance Information Technology Public Company Limited
C.S. Loxinfo Public Company Limited	Metro Systems Corporation Public Company Limited	NT Bangrak Building	MFEC Public Company Limited
NT Bangrak Building	SVOA Public Company Limited	Interlink Company Communication Public Company Limited	Simat Technologies Public Company Limited
Internet Thailand Public Company Limited	Sky ICT Public Company Limited	United Information Highway Company Limited	Information and Communication Networks Public Company Limited

Source: www.set.or.th

Data Center Rental Space Service

As of December 31, 2022 Thailand has more than 20 data center rental service providers, the top 5 main operators, as shown in the table above, provide more than 3,000 square meters of data center rental space, mainly covering both Bangkok and perimeter. In addition, the major providers have plans to expand their additional data center services in the future to support increased internet usage. It is likely that new competitors, both small and large, will start entering this business in response to the Thailand 4.0 policy in the digital economy.

At present, PROEN has provided data center rental space service of approximately 2,085 square meters. It can be seen that the number of service areas is less than the main service providers who are listed companies in the stock exchange as shown in the table above. However, the company is under construction. The data center, which is expected to provide services with an area of over 3,000 square meters and support approximately 1,000 rack cabinets, is expected to be in service by 2024.

¹SUPERNAP is a joint venture company between SuperNAP International, True Internet Data Center Company Limited (True IDC), WHA Infonite Company Limited (WHA Infonite), BFKT (Thailand) Co., Ltd.(BFKT), Kasikorn Bank Public Company Limited (KBANK), and The Siam Commercial Bank Public Company Limited (SCB).

PROEN is the fourth largest domestic bandwidth of Internet service providers in Thailand. With the large amount of available bandwidth, PROEN is suitable to support the use of digital content business clients such as VDO streaming, online games, which require a large space of data and requires high bandwidth and continuous data transmission to provide users with a consistent and uninterrupted user experience. In addition, PROEN has also provided staff to monitor and help solve problems for clients 24 hours a day, making PROEN a service provider that corporate customers, both public and private sectors, are interested in receiving the service due to the service rates set by the company. The service fee is lower than other service providers according to PROEN's competitive strategy along with the huge amount of storage space usage and equipment installation with the company's data center system. These customers therefore tend to remain unchanged due to the high cost of equipment relocation and installation, which affects their business operations.

Telecommunication Networking Service (High speed Internet Service for Corporate Customers and Cloud Service) and Communication Equipment, Computers and Information Systems Distribution Service

The competition in this business is quite intense and prices are often used as a main competitive strategy. However, The company group has a policy of not focusing on price competition but using its strengths in understanding customer needs and providing One-stop services such as Internet Connection Service for organizations, Network Security Service, Cloud Service, etc., which enables the company group to meet the diverse needs of clients. In addition, the ability to provide IT-related equipment and software to clients from multiple product or service owners allows the PROEN to meet client needs in a short time. They can also offer the best products or services to their customers without being tied to a particular product owner or service provider.

Information Technology Communication Engineering Project

The knowledge, expertise and experience of the team in consulting, designing, and supervising are the strengths of the company. The competition in this business is normally a competition related in technical field which information technology communication engineering project that PROEN is working on have a large number of operators who are able to operate making it aggressively competitive and intense, and price is often used as a competitive strategy. Therefore, PROEN will participate in the project bidding with reasonable compensations and deliver the work efficiently in order to create effective works for the next project bidding.

Competitive Strategy

PROEN focuses on Niche marketing in which the sales team will study the data and analyze the initial needs of each customers, they will then present the service package that is suitable for each customer by presenting directly to the target customer group. The service strategy is as follows:

Products and Services

1. Choose to rent a quality network that has quality assurance from the service provider.
2. Provide employees training in order to develop their skills to be potential to work and be able to solve problems quickly and efficiently.
3. Study the behavior of both existing customers and new customers in order to understand the needs of customers by organizing a team that has expertise in collecting data and studying customers' business to meet customers' needs as much as possible.

4. Choose the service that is suitable for the size and type of the customer's business and provide the service with quality and universal standards.
5. Closely follow new technology trends to respond to customer demands in a timely manner.

Pricing Products and Services

PROEN focuses on selling and providing services that are suitable for customers' business with reliable quality and reasonable prices. The company will focus on medium and large businesses with continuous service in the medium term to the long term and also focus on building brand loyalty to the company.

Distributions

1. Allow the sales department to visit customers regularly to present various services to customers, explore existing problems and suggest good solutions to existing customers.
2. Create a web page in order to provide information and communication channels through www.proen.co.th.

Promotion

Create event marketing such as organizing exhibition of goods, arraigning seminars and press conferences for new service launch of PROEN, as well as providing knowledge of new technologies that can enhance the PROEN's products or services. Brochures and pamphlets are prepared to attract customers' interest, and advertisements are also made through the website related to the PROEN's products and services.

Procedures of Providing ICT work or ICT Project

PROEN has established guidelines for the implementation of ICT services or ICT projects as follows:

1. Sales department contact with customers to inform the terms of service / notify product details in case of new customers. The sales department prepares customer details, coordinates with the finance department to check customer history and set credit limits, credit terms and open customer accounts in the system.
2. Process of receiving requirements for services/projects
 - a. ICT Service: Sales Department receives requirements/customers' requirements and coordinates with Project Engineer Department to design solutions and products according to customer requirements such as product details, quantity, price, name, address and delivery date in order to prepare an invoice for customer confirmation.
 - b. ICT project: Project Engineer from Sales and Management Department jointly study and consider technical requirements and Terms of Reference (TOR) received from the customer or project owner and signed by the authorized person.
3. Carry out important documents such as preparing purchase orders together with the Sales department to send to the supplier.
4. Sales department monitors and follows up the progress of the work and reports the success to the Project Manager.
5. Deliver the work together with the Project Engineer Department to the customer or the project owner.

Industries

1. Technology in modern Communication Business in 2023-2025

New technology is taking on an ever-more central place in the structural reform of industry as companies look to maintain and extend their competitiveness. Within the ‘new normal’, digital technology is thus becoming a core driver of the creation of added-value in the manufacturing and service sectors. This is then allowing for more sustainable growth that is built on secure global supply chains and that responds to growing interest in environmental protection, especially with regard to lowering energy consumption. Within this context, technology that will assume a particularly important role over the next three years will include the following.

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

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

Source : An article: THAILAND INDUSTRY OUTLOOK 2023-2025, by Krungsri Industrial Team, as of January 13, 2023

Worldwide IT Market Outlook in 2023

Gartner predicts the global IT market value in 2023 will rise to 4.5 trillion dollars. Meanwhile, there will be a 4.2% rise up in Thailand. Compare to this year, the total value of this was 930 billion baht.

Gartner also predicts Software and IT Services in 2023 will rise and reach a peak of 9.3% and 5.5% respectively. the share of IT Devices will fall to 5.1% since both consumers and business enterprises extend the procurement billing cycle for new equipment.

“During the pandemic, employees and consumers have switched to their technology devices to support education and remote work needs such as tablets, laptops, and mobile phones. Consumers won’t upgrade unless there are compelling reasons to do so and continue on the same devices for a longer period, affecting the IT devices and market.” Said Lovelock



Worldwide IT Spending Forecast (Millions of U.S. Dollars)

	Spending Value 2022	Growth Value 2022 (%)	Spending Value 2023	Growth Value 2023 (%)
Data Center Systems	212,376	12.0	213,853	0.7
Software	783,462	7.1	856,029	9.3
Devices	722,181	-10.6	685,633	-5.1
IT Services	1,244,746	3.0	1,312,588	5.5
Communications Services	1,422,506	-2.4	1,423,367	0.1
Overall IT	4,385,270	-0.2	4,491,471	2.4

Source: Gartner (January 2023)

Thailand is anticipated to spend up to 934.9 billion baht on IT in 2023, an increase of 4.2% compared to the past year. As businesses increase their spending on digital projects, providers of software and IT services will experience double-digit growth.

“Inflation, Thailand has also been significantly impacted by a shortage of skills and supply chain issues which causing IT providers to hesitate, postponing decisions and rearranging priorities. despite the economic challenges downturn, they are also seeing the local organizations spending more on digital projects.” Lovelock discussed the Thai IT industry.

Source: The article: *Forecasts Worldwide IT Market in 2023* by Gartner, Inc, as of January 20, 2023

2. Construction Business

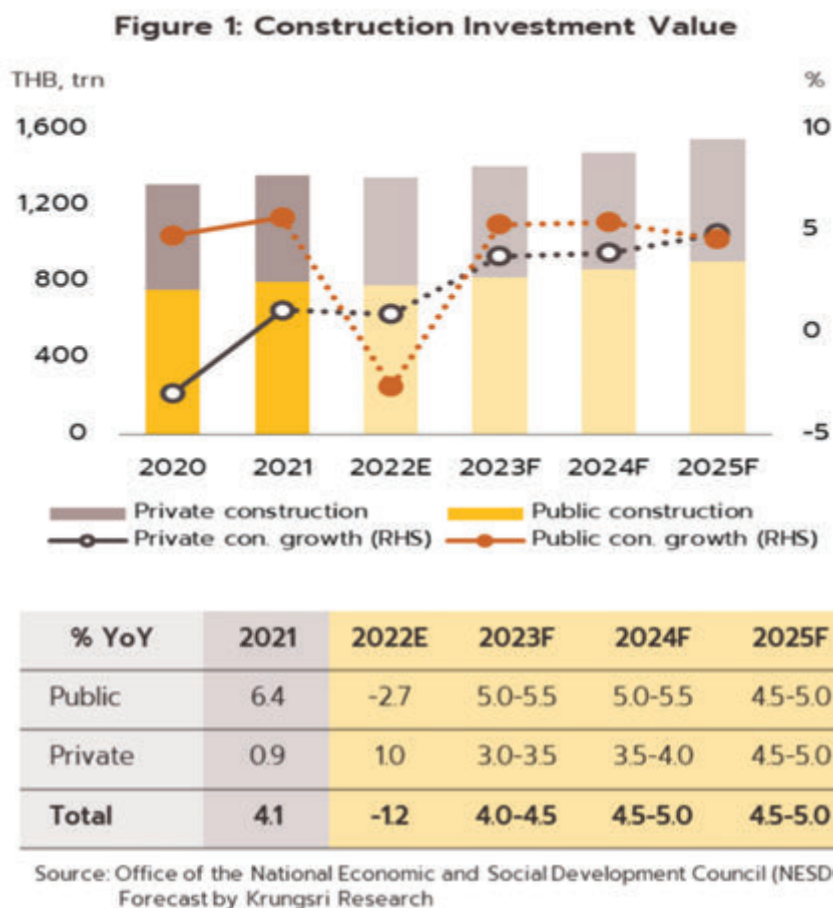
2023-2025 Outlook

Over the next 3 years, spending on construction is expected to strengthen by 4.5-5.0% annually. Work on public-sector megaprojects should speed up, especially for those in or connected to the EEC, while a steady improvement in the economic outlook will lead to better prospects for the private sector and work on commercial and residential projects.

Public-sector investment in construction is predicted to increase by an average of 5.0-5.5% per year, driven mostly by an acceleration of work on EEC-related projects that fall under phase 2 of the Action Plan on EEC Infrastructure and Public Utilities (2023-2027), which covers 77 projects and for which THB 337.8bn has been earmarked for construction work. Greater progress is also expected to be made on megaprojects in other parts of the country.

Private-sector spending on construction should expand by 4.0-4.5% annually on: (i) an acceleration in work on public-sector infrastructure projects that will then attract greater private-sector investment, especially along or near new communication routes/links; (ii) heavier spending in the EEC that will support an uptick in work on factories and industrial estates in the area; and (iii) a generally improving outlook for the residential housing market.

Large contractors will continue to enjoy considerable advantages relative to smaller contractors since the former have a stronger negotiating position relative to suppliers, they are better placed to win contracts placed through competitive bidding, and they are able to expand their operations into neighboring countries. In contrast, SMEs tend to rely on sub-contracting for larger contractors, though this makes income uncertain. In addition, SMEs are more likely to be affected by periodic labor shortages and by the higher cost of construction materials.



Domestic demand will firm up on what is expected to be 4.5-5.0% growth in spending on construction. The latter will come from progress on large-scale public-sector projects, especially those connected to the Eastern Economic Corridor (EEC), where work will be accelerated by the implementation of phase 2 of the Action Plan on EEC Infrastructure and Public Utilities (2023-2027). Government spending will also be directed at megaprojects elsewhere, which will then crowd-in additional private-sector investment, especially in residential projects in areas near metro lines and new transport routes and in industrial developments linked to these.

Overall prices should edge up slightly on : (i) recovering demand in the construction sector; and (ii) the higher cost of global commodities, which will then lift import prices for inputs, including scrap and billet.

Source : An article: THAILAND INDUSTRY OUTLOOK 2023-2025, by Krungsri Industrial Team, as of January 13, 2023

3. 'E-VOA' global platform for visitors to Thailand.

Ph.D. Kobsak Pootrakool currently serves as the chairman of the Federation of Thai Capital Market Organizations (FETCO) and also serves as Director and Senior Executive Vice President at Bangkok Bank has provided an update on the economy and key trends for investment in 2023. Despite the fact that volatility will continue in 2023, it will be the most important year of an investment opportunity that entrepreneurs should not pass up and another important trend is the return of foreign tourists. Stated Ph.D. Kobsak.

Thailand has steadily dealt with the COVID-19 pandemic as a result of fully vaccination and granting entry into the country on July 1st, 2022. There are larger number of inbound tourists. According to the statistical data for the first nine months from January 1st to September 30th, 2022 revealed that average number of foreign tourists is 6,018,943 and 668,771 people per month which more than 6 million people as expected by the Tourism Authority of Thailand. The majority of visitors are from Malaysia, India, Laos, Singapore, and Cambodia which are neighboring countries.

source: www.bangkokbanksme.com Important trends of Thai manufacturing industry in 2023 as of December 30th, 2022.

Product and Service Procurement

Data Center Service

As of December 31, 2022, PROEN has a data center service area at NT Bangrak Building of 2,085 square meters, which can support approximately 632 rack cabinets, of which 582 rack cabinets have already been used, or approximately 92.09%, 50 rack cabinets remaining for rent or about 7.91% of the total number of cabinets provided.

Equipment and Software Distribution Related to Information Technology

PROEN is an information technology-related equipment and software distributor of more than 20 brands which imports products abroad directly from product owners purchases through dealers in Thailand. It depends on the product feature requirements set by the customers. In the case that the customer does not qualify for product specifications, PROEN will consider purchasing the product from a partner with a good service history that meets the criteria of price, quality, delivery and reliable service. PROEN specially focuses on offering world-renowned brands that specialize in the production and development of technology, telecommunication and communications equipment. PROEN provides reseller-like products from major and world-renowned manufacturers or owners such as Cisco, Dell EMC and Huawei. In addition, PROEN can also procure products from other manufacturers according to customer requirements.

Internet Service Providers

PROEN Leases internet circuits to connect domestically from 6 network owners as follows:

1. National Telecom Public Company Limited (NT)
2. Advance Wireless Network Company Limited (AWN)
3. Justel Network Company Limited (Jastel)
4. True International Gateway Company Limited (TIG)
5. Symphony Communication Public Company Limited (SYMC)

The size of the channel for domestic service is 717.00 Gbps and the total international Internet channel is 83.38 Gbps. The lease term is 1 year. The rental fee or service fee depends on the internet speed and the size of the channel (Bandwidth).

Cloud Service

PROEN started providing Cloud service in 2017 by developing software to be applied to server computer devices. The company currently operates 55 Virtual Machines (VMs), which provides 30 gigabytes of storage per VM with support for Internet spam and virus attack protection, application control system for transferring data via the internet network.

Target Customers and Channels for Services

1. Government Agencies

Customers from the government sector or government agencies are the target customers that PROEN is interested in because the government has plans to continuously invest in infrastructure development projects.

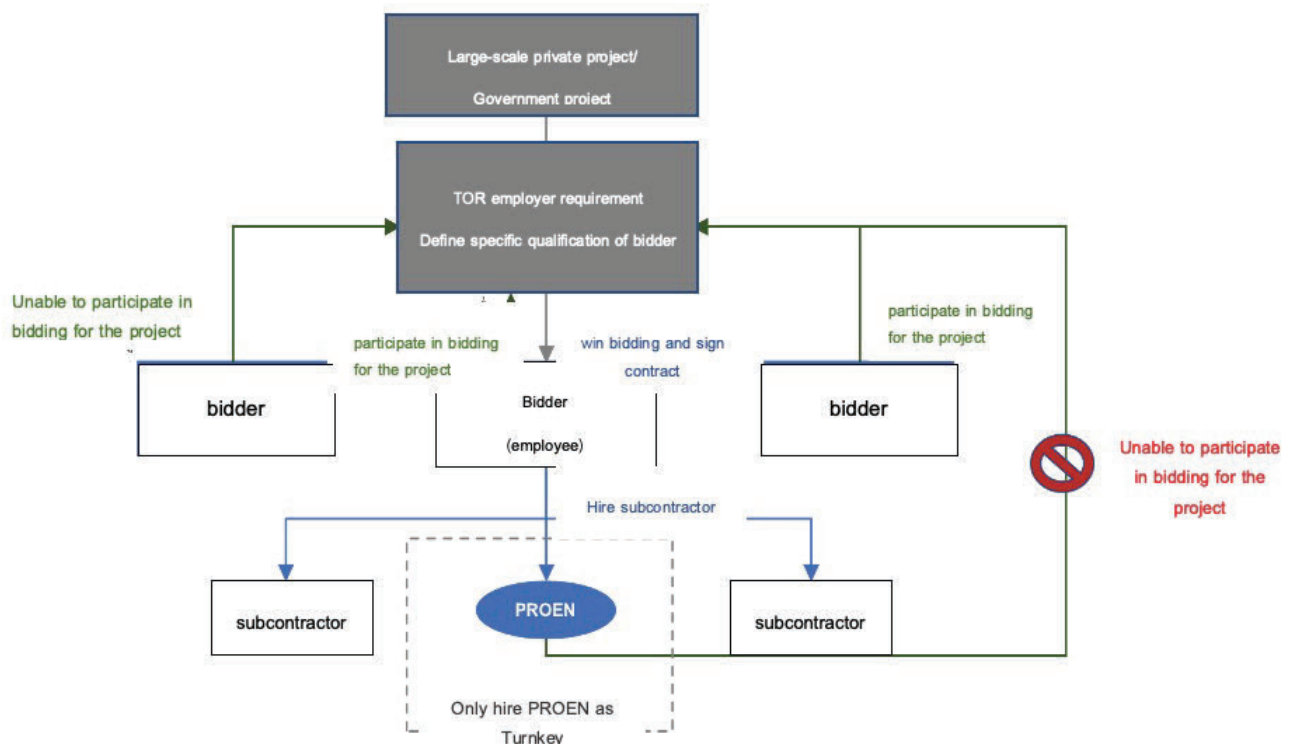
The process of accepting work from the government sector



2. Main Contractor

is an entrepreneur with experience, past performance and potential to accept construction directly from the government through bidding and negotiation methods. This group of customers will hire the company group as a subcontractor to carry out the construction as specified in the contract, which may be a Partial Turnkey Project or Turnkey Project including design, construction contracting, system installation, and installation of related equipment of each project

The process of accepting work from the main contractor



Product or Service Procurement

The Selection of Joint Projects by Consortium

In a project where the company group does not meet the Terms of Reference (TOR), the company group will enter into bidding with business partners in the form of a joint venture with the following guidelines for selecting joint traders:

1. Having specific qualifications as specified in TOR but PROEN does not, such as Telecommunication Business License Type 1 - 3 or Internet License Type 2 - 3.
2. Having stable financial status, such as having profit in the latest financial statement, positive shareholders' equity, D/E ratio not more than 2, etc.
3. Having a working history not less than 3 years
4. Passing the qualification assessment and is listed on PROEN's Approved Vendor List: AVL.

The Selection of Subcontractor

In order to control costs and reduce risks from personnel expenses and the risk of not having ongoing work, the company group will hire sub-contractors with experience in each field to do work under quality controlled by the company group's engineering team to ensure that the work can be delivered successfully with the quality in accordance with the contract within the delivery deadline. When a project bidding is made, the company group will plan and hire subcontractors according to the experience and expertise of each subcontractor in the area. The sub-contractors must pass the Approved Vendor List (AVL) criteria to ensure that they can deliver the assigned work on time and meet the quality standards as of December 31, 2022. The company group has approximately 80 subcontractors in AVL. In addition, the company group has measures for the subcontractors to make a contract with the company group and require the subcontractors

to provide security to the company group in the case that the subcontractors receive advance payments not less than the amount withdrawn from the company group, whereby the company group will pay the subcontractor in accordance with the completed work and have been approved by the customer.

Site Engineer

The company group has site engineers to supervise the work as full-time employees, who are skilled and have experience in supervising construction works, this allows the company group to closely control the construction work carried out by the subcontractor team in order to deliver quality work to the customers within the timeframe stipulated in the contract.

Competition Conditions

There are approximately 80,000 construction businesses registered as juristic persons in Thailand. The first 55 large operators have a combined market share up to 50% of the total market value. The top three contractors have a combined market share approximately 24% of the total market value.

Construction work mainly comes from the public sector's infrastructure work, which is the main construction contracting group of the company group's interest. According to the conditions in the TOR of the construction of large public infrastructure projects, it often favors large contractors who are well-equipped with techniques and technologies that can effectively control costs. Moreover, its financial stability can ensure that there is sufficient potential for large-scale construction projects, making the competition in bidding for large government infrastructure projects becomes less intense. However, the company group that are small contractors are limited in competing with large contractors. Therefore, the company group focuses on bidding for subcontracting work from large contractors who have acquired government infrastructure projects instead. The government's medium and small construction projects, such as the road network expansion and improvement project of the Department of Highways and the Department of Rural Roads, electrical cable laying and electrical cable repair work of the Metropolitan Electricity Authority and the Provincial Electricity Authority, will have small and large contractors compete in bidding for projects, making it highly competitive, but the rate of return for each project is not that high.

The company group has participated in various project bids and has the potential to win whether bidding on behalf of the company or partnering with other contractors to increase competitiveness. The company group focuses mainly on bidding for basic telecommunication works related to information and communication technology and infrastructure construction. The government sector has telecommunication projects and infrastructure projects that the group of companies are interested in participating in the auction as follows:

1. The project of organizing communication cables in the Bangkok area to underground by NBTC and Bangkok Office
2. The project of space aerial cable system to underground cable replacement in the Bangkok area of the Metropolitan Electricity Authority with a total distance of 214.9 kilometers of which the project is in the process of 54.1 kilometers construction and the project that is in the process of 114.9 kilometers procuring contractors
3. The project of a 115kV transmission line and the improvement of many regional power stations of the Provincial Electricity Authority to expand power transmission and increase public service according to the overall power system development plan of the country to support the entry into the ASEAN Economic Community.



PROEN and TELEBIZ have been Vendor List by receiving jobs from telecommunication service providers and mobile phone service providers continuously. The company group operates construction business either as a main contractor or a sub-contractor through bidding and negotiating with other contractors in the form of joint ventures or consortiums.

The company group's competitors include small and medium-sized contractors focusing on subcontracting work of government infrastructure construction, and infrastructure contractors for information and communications technology-related telecommunication works, which construction works can be classified as follows:

List of Competitors		
Transmission Line System	Infrastructure Construction	Basic Telecommunication Related to Information and Communication Technology
InterLink Company Communication Public Company Limited	ABJV Company Limited	Information and Communication Networks Public Company Limited
Demco Public Company Limited	Strong Management Company Limited	Communication and Systems Solutions Public Company Limited
Eastern Technical Engineering Public Company Limited	Greenfield Chemicals (Thailand) Company Limited	ALT Telecom Public Company Limited
Sirakorn Public Company Limited	Lesso Home Construction Company Limited	InterLink Telecom Public Company Limited
Future Electrical Control Company Limited	Thai Tong Lee Company Limited	
Srichonlathorn Company Limited	P.P. Engineering 2018 Company Limited	
Sri U-Thong Company Limited	SIIS International Stadee Company Limited	
	Winyoo Group Company Limited	
	Saran Capital Company Limited	

Competitive Strategy

Business Alliances and Partners

As the company group has just started to operate a construction business, it places great importance on having business alliances and trading partners to promote competitiveness in bidding on projects in both the public and private sectors. With more than 20 years of experience and work experience in providing data center and internet services, the company group has a network of contractors in basic telecommunication work as a partner with experience in bidding on various government projects, enabling the company group to be able to win the bidding projects such as the project of 115 kV Transmission Line of the Provincial Electricity Authority.

Regular follow-up of news tenders projects

The company group follows up the information about new projects from various channels, such as the government procurement system website, journals related to tendering or construction contracts for telecommunication services, websites of government and private agencies, and service provider companies and/or supervisory companies affiliated with the company group.

Flexibility in accepting the construction of telecommunication services

Although the company group is a medium-sized contractor, the company group has flexibility in accepting work by accepting work from both the public and private sectors, both large and medium-sized projects. In the form of being a main contractor or sub-contractor, it is determined from the readiness of the financial position, the availability of materials/equipment and the ratio of profits to be received and the acceptance of work in the form of a joint venture or consortium.

Providing an on-time quality construction services

The company group has personnel who are skilled in construction of telecommunication network systems related to information and communication technology and other infrastructure works such as electrical wiring. In addition, the operating system has been improved to be in line with the ISO 9001 standard, which clearly defines the operating procedures and is contained in the quality control document of the ISO 9001 system, which the personnel of the group of companies must implement and has established a quality policy for customer satisfaction. The determination of cost control and management are set by the company group with the objective of creating customer satisfaction and maintaining the reputation and credibility of the company group in order to be accepted by the employers and obtaining trusted to continue working on customers' new projects.

Effective control and liquidity management

In accepting work, the company group will choose employers who have good financial status or who are reliable or have the potential to pay their contributions to the company group on time and with advance payments for project turnover. In addition, the company group has good relationships with financial institutions and banks. With continuous financial support and trying to extend credit to various banks, the operation of each project, if the company group has good financial liquidity, it will be able to pay for materials and equipment used in construction of telecommunication services promptly. This would allow the company group to gain trade trust from the supplier and the ability to pay in cash for certain expenses would allow the company group to receive trade discounts, resulting in a better adjusted gross margin.

Market Expansion

In a highly competitive environment, the company group needs to expand its market base by focusing on tasks that require new techniques, new technologies, high-quality specialized products, and high expertise to reduce the price-cutting competition of many small and medium-sized contractors



1.2.4 Environment Impact

The company focuses on the environment, community, economy and has policies and management that do not affect to environment and risks. Establish strategies, plan and track for using resources wisely, including tools, materials, and environmentally conscious equipment. Environmental pollution control and prevention measures such as selecting energy-efficient equipment, reducing dust, noise, and using resources to maximize environmental impact protection.

1.2.5 Work that has not yet been delivered

1.2.5.1 PROEN has signed a contract to sell products and provide installation services for ICT business projects which are in the process of delivery as follows (Trade shows and monthly service fee are not included the essential recurring income)

(Unit: Million Baht)

Project (Unit: Million Baht)	Project Value	Recognized Revenue until December 31, 2022	Work that has not yet been delivered	Preliminary Construction Schedule
True - Siam Square Block H & Wittaya-kit, Move Optical Cross Connet (OCC#02) and dismantle communication equipment.	1.33	1.31	0.02	Within May 2023
Cisco Network - Core switch Garena Online	10.10	-	10.10	Within May 2023
Internet Services, Co-location for Sea Group 5 Yrs.	660.00	-	660.00	January 2023 – December 2027
Computer products, the fiscal year 2022 DITP	11.49	8.04	3.44	Within March 2023
VMware SD WAN for Data Center PTT	9.08	7.14	1.94	Within March 2023
VMware SD WAN for BDMS	10.79	-	10.79	Within January 2023
Testing Equipment (3D Printing)	41.3	-	41.3	Within September 2023

1.2.5.2 PROEN has signed a contract to be a contractor in the project which is in the process of construction but has not yet been completed as follows (more details in the section assets used in business)

(Unit: Million Baht)

Project (Unit: Million Baht)	Project Value	Recognized Revenue until December 31, 2022	Work that has not yet been delivered	Preliminary Construction Schedule
1) 69 kV Underground Transmission Line project, The Secondary Mass Transit System Gold Line project	3.69	3.10	0.59	Within the year 2023
2) The overhead-to-underground cables, Green Line (Phahonyothin Road and Ladprao Road) project	420.97	409.45	11.51	Within the year 2023
3) Construction of 115 kV transmission line, Kamphaeng Saen Power Station - Tha Maka 2 Power Station (Temporary), Nakhon Pathom project	34.52	33.09	1.42	Within the year 2023
4) Construction of 115 kV transmission line, Tha Sae Power Station - Pathio Power Station, Chumphon project	89.11	88.00	1.11	Within the year 2023
5) Replacement of underground cable conversion project to pave the way for Bangkok to become ASEAN's metropolis on Charoen Rat Road. (Rama III Road - Sathorn Road)	39.22	37.98	1.24	Within the year 2023
6) Replacement of underground cable conversion project to pave the way for Bangkok to become ASEAN's metropolis on Ramkhamhaeng Road (Phetchaburi Road - Srinakarin Road)	30.44	29.20	1.24	Within the year 2023
7) Replacement of underground cable conversion project to pave the way for Bangkok to become ASEAN's metropolis on Somdet Phra Chao Taksin Road (Jom Thong Road - Inthara Phithak Road)	28.63	27.72	0.91	Within the year 2023
8) Replacement of underground cable conversion project to pave the way for Bangkok to become ASEAN's metropolis on (Dindaeng Road (Ruammit Alley - Khlong Samsen Alley)	20.66	19.24	1.42	Within the year 2023
9) Replacement of underground cable conversion project to pave the way for Bangkok to become ASEAN's metropolis on Thahan Road (Samsen Road - Rama 6 Road)	20.56	3.81	16.75	Within the year 2023
10) Replacement of underground cable conversion project to pave the way for Bangkok to become ASEAN's metropolis on Samsen Road (Nakhon Chai Si Road - Luk Luang Road)	15.48	14.69	0.79	Within the year 2023
11) Replacement of underground cable conversion project to pave the way for Bangkok to become ASEAN's metropolis on Arun Amarin Road (Khlong Mon - Prajadhipok Road)	20.59	19.65	0.91	Within the year 2023

1.2.6 Telecommunication Networking Service Projects

Company and subsidiaries have jobs along with regular income and projects to support 2 businesses in the future growth

Information and Communication Technologies business (ICT) is the growth of cloud services business, Infrastructure as a Service (IaaS), Platform as a Service (PaaS) and also a new product development service to support customers increase their business abilities by using cutting-edge technology with 24-hour consultants every day. Customers typically sign service contracts for 1-3 years with the recognition of fixed service income from existing customers and new customers entering the service during the year, thus resulting in continuous revenue recognition in the future.

The construction contract infrastructure business is the revenue recognition model based on the success of the project, which may be outstanding from the past year, and new projects received during the year. This year, intend to take on significant projects with a total project value of approximately 900 million baht. The project features are as follows.

- The undergrounding of high-voltage lines with power supply equipment.
- High Voltage Transmission Line Construction
- Replacement of underground cable conversion project to pave the way for Bangkok to become ASEAN's metropolis

1.2.7 Business Assets

Assets used in the Company's business as of December 31, 2022, details are as follows:

1. Main Fixed Assets

1.1 Lands, Buildings, and Equipment

Book value of lands, buildings, and equipment of the Company as of December 31, 2022, details are as follows:

No.	Lists	Ownership Characteristics	Book value (Million baht)	Obligation*
1	Lands and lands improvement	Owner	79.49	Mortgage with financial institutions (see details in 5.4 Summary of loan agreement with financial institutions)
2	Buildings and building improvement (Huay Kwang branch office)	Owner	10.51	
3	Network device	Owner	35.82	There are obligations under financial lease agreement (see details in 5.4 Summary of Hire Purchase)
4	Decorating equipment and office and stationary equipment	Owner	14.25	None
5	Vehicle	Owner	1.95	There are obligations under financial lease agreement in full amount (see details in 5.5 Summary of Hire Purchase)
6	Assets under construction	Owner	30.25	
รวม			172.27	85.89

Note: * Obligation refers to guarantee obligation

1.2 Right-of-use assets

Book value of right-of-use assets of the Company as of December 31, 2022, details are as follows:

No.	Lists	Ownership Characteristics	Book value (Million baht)	Obligation*
1	Right-of-use – rental fee	Rental space	17.49	None
2	Right-of-use – demolition fee	N/A	-	None

Note: * Obligation refers to guarantee obligation

1.3 Intangible assets

No.	Lists	Ownership Characteristics	Book value (Million baht)	Obligation*
1	Computer program	Owner	0.55	None
2	Right-of-use – IP address	Owner	2.28	None
3	Digital Assets	Owner	1.60	None

Note: * Obligation refers to guarantee obligation



2. Investment in subsidiaries

As of December 31, 2022, the Company has investments in 4 subsidiaries¹, the details are as follows:

Company Names	Nature of Business	Date of Establishment	Paid-up Capital (Million baht)	Book value under cost method (Million baht)	Ownership stake (%)
1. Secure Network Operation Center Co., Ltd.	Providing internet security system	29 Mar 2013	2.00	2.00	100
2. PROEN Telebiz Co., Ltd.	Contracting for the construction	28 Mar 2018	10.00	10.00	100
3. ICON NEXT Co., Ltd.	Providing full scale network operation center	23 Aug. 2022	2.50	1.62	64.99
4. PROEN Fit Joint Venture ²	Providing internet service	11 Jan 2019	-	-	97
รวม				13.62	

3. Trademarks and Service Marks

As of December 31, 2022, the Company has registered 9 service marks as follows:

Trademarks and Service Marks	Registration Applicant	Type of Service	Registration Number/ Registered Country	Coverage Period
1. PROEN Corp Trademark and Service Marks 	PROEN	Telecommunication services provider via computer network	211118747/ Thailand	10 years starting from 7 Jan 2020 to 6 Jan 2030
2. PROEN Corp Trademark and Service Marks 	PROEN	Computer network or internet service provider	Bor63190/ Thailand	10 years starting from 16 Jul 2013 to 15 Jul 2023
3. PROEN Corp Trademark and Service Marks 	PROEN	Computer network or internet service provider	Bor63194/ Thailand	10 years starting from 16 Jul 2013 to 15 Jul 2023

¹Because the company has the right to variable returns from involvement in the PROEN Fit Joint Venture and has the ability to influence returns from exercising its dominance over the Joint Venture The joint venture therefore classified as investment in subsidiary.

²PROEN Fit Joint Venture was established by the Company and Fit Telecom Company Limited to provide internet network rental services and installation site design to MCOT Public Company Limited for a period of 3 years from 1 April 2019 to 31 March 2022

Trademarks and Service Marks	Registration Applicant	Type of Service	Registration Number/ Registered Country	Coverage Period
4. DomainThai.org Trademark and Service Marks 	PROEN	Computer network or internet service provider	171131918/ Thailand	10 years starting from 8 Apr 2016 to 7 Apr 2026
5. SD-WAN Trademark and Service Marks 	PROEN	Telecommunications and computer networks or internet service access provider	181104788/ Thailand	10 years starting from 14 Sep 2016 to 13 Sep 2026
6. SNOC Trademark and Service Marks 	SNOC	Installation and maintenance service for computer network	Bor71250/ Thailand	10 years starting from 19 Mar 2015 to 18 Mar 2025
7. DDoS Protection Trademark and Service Marks 	SNOC	Installation and maintenance service for computer network	161104120/ Thailand	10 years starting from 19 Mar 2015 to 18 Mar 2025
8. SeaCloud Trademark and Service Marks ¹ 	Mr. Kittiphan Sribuaiam	Electronic data space rental service	191106967/ Thailand	10 years starting from 21 Dec 2017 to 20 Dec 2027
9. SeaCloud Trademark and Service Marks ¹ 	Mr. Kittiphan Sribuaiam	Electronic data space rental service	201123199/ Thailand	10 years starting from 3 May 2019 to 2 May 2029

Note 1. 8 and 9 are in the process of being transferred to the Company with free of charge



4. Property Insurance Policy

4.1 Industrial All Risks

Insurer	AIG Insurance (Thailand) Public Company Limited
Sum Insured	119,685,680 baht consists of 1. Machinery, 118,385,680 baht 2. Furniture – installed/built-in fixtures, 1,300,000 baht
Location of Property Insured	NT Bangrak Building, Floor 4,16 and 18, address no. 72, Room 403 - 405, Hall 3 and Room 1602, 1801, 1802, 1803, 1804 and 1806, Charoenkrung Road, Bangrak Subdistrict, Bangrak District, Bangkok 10500
Period of Insurance	June 5, 2022 to June 5, 2023
Beneficiary	PROEN Corp Public Company Limited

4.2 Public Liabilities Insurance

Insurer	AIG Insurance (Thailand) Public Company Limited
Limit of Liability	3,000,000 baht/time and throughout the insurance period
Insured Premises	NT Bangrak Building, Floor 4,16 and 18, address no. 72, Room 403 - 405, Hall 3 and Room 1602, 1801, 1802, 1803, 1804 and 1806, Charoenkrung Road, Bangrak Subdistrict, Bangrak District, Bangkok 10500
Period of Insurance	June 5, 2022 to June 5, 2023
Beneficiary	PROEN Corp Public Company Limited

5. Summary of contracts that have a significant effect on business operations

Nature of service contract

- 1) Internet Data Center Lease Contract is a service area with power system, redundant power, security system, network connection equipment and equipment used in data center. The contract period is from 1 - 3 years and the service fee is set monthly.
- 2) Service contracts include Colocation services, Internet Multi Protocol Label Switching (MPLS), Internet net-work rental service, etc. The contract period is approximately 1 year, and the service fee is set monthly according to the type of service.
- 3) Equipment sales contract includes installation service and Distributed Denial of Service (DDoS Protection). The contract period is approximately 2 - 3 years and the service fee is set monthly.

5.1 NT Bangrak Building and Parking Building, Bang Rak, which are the location of the head office and the Data Center

Rental Location	NT Bangrak Building, Bang Rak District, Bangkok, floor 4 and 18, total area of 2,368 square meters, consists of 1. Data Center rental space, floor 4 and 18, total area of 2,340 square meters ³ 2. Walkway on the floor 18, area of 28 square meters ³
Rental Objective	To operate a data center service
Counterparty	Lessor: National Telecom Public Company Limited Lessee: PROEN Corp Public Company Limited
Contract Period	3 years
Contract Guarantee	It is twice the monthly rent and service rate to guarantee compliance with the terms of the contract and damage insurance. This contract guarantee will be refunded upon the expiration of the rental and service contract.
Termination of Contract	The lessor can terminate the contract immediately if the lessee owes rent, service charges, utilities, and other expenses, or the lessee is subject to confiscation or bankruptcy by a court.
Renewal of Lease	The lessee shall notify the lessor of his intention to renew the contract in advance as an agreement.

5.2 Summary of the contract for construction project

- 1) A contract for the construction of the aerial cable system to underground power cable replacement to become an ASEAN metropolis - the Northern Green Line Project (Phahonyothin Road and Lad Phrao Road), dated October 12, 2022

Counterparty	Employer: Chaianunt Construction Co. Ltd. (1981) Contractor: PROEN-WRC Joint Venture (between PROEN Corp Public Company Limited and W.R.C Electric and communication Co., Ltd)
Scope of Service	A project of contracting and procuring materials, equipment, labor and tools, machinery used for construction of the aerial cable system to underground power cable replacement to become an ASEAN metropolis - the Northern Green Line Project (Phahonyothin Road and Lad Phrao Road)
Contract Value	450,437,265.19 baht (excluding VAT)
Contract Period	within June 19, 2023

³Data Center rental rooms on the 4th floor and the 18th floor will expire at the end of 2022. As of the beginning of 2023, the Company has a total rental area of 2,365 square meters and is in the process of entering into a lease agreement with NT Bangrak Building. Central services include air conditioning and lighting systems, normal service areas in the building, telephone systems, cleaning services and others.



- 2) A Contract for the construction of a 115 KV transmission line system for Tha Sae Power Station - Pathio Power Station, Chumphon Province according to Transmission and Distribution Development Project, Phase 2, dated on March 22, 2022

Counterparty	Employer: Provincial Electricity Authority Contractor: STN-PROEN Consortium (PROEN Corp Public Company Limited and Siam Thammanon Company Limited)
Scope of Service	A project of contract for the construction of a 115 KV transmission line system for Tha Sae Power Station - Pathio Power Station, Chumphon province according to Transmission and Distribution Development Project, Phase 2, responsible for the work in the A-B area of Tha Sae district, Chumphon province in the part of Concrete columns (civil works), Concrete columns (electrical works) and Steel frame columns (civil work and electrical installation)
Contract Value	185,770,000.00 baht (Including VAT), with a proportion of the work value that PROEN is responsible for the work in accounted for 51.33%, representing the value of the Company's work in the amount of 95,351,242.37 baht (Including VAT)
Contract Period	360 days counting from the date the contractor receives the notice to start the work and the project owner delivers the area (From May 17, 2022 to May 12, 2023)
Work Guarantee	2 years

- 3) A Contract for the construction of a 115 KV transmission line system for Kamphaeng Saen Power Station - Tha Maka 2 Power Station (temporary), Nakhon Pathom Province according to Transmission and Distribution Development Project, Phase 2, dated on March 7, 2022

Counterparty	Employer: Provincial Electricity Authority Contractor: PROEN Corp Public Company Limited
Scope of Service	A project of contract for the construction of a 115 KV transmission line system for Kamphaeng Saen Power Station - Tha Maka 2 Power Station (temporary), Nakhon Pathom Province according to Transmission and Distribution Development Project, Phase 2, Plan 1
Contract Value	36,931,562.53 baht (Including VAT)
Contract Period	360 days counting from the date the contractor receives the notice to start the work and the project owner delivers the area (From May 17, 2022 to May 12, 2023)
Work Guarantee	2 years

- 4) A Contract of employment to change aerial cable system to underground cable to support becoming an ASEAN metropolis on Charoen Rat Road (Rama 3 Road – Sathorn Road)

Counterparty	Employer: National Telecommunications Public Company Limited (NT) Contractor: PROEN Corp Public Company Limited
Scope of Service	A project of contract for the changing of aerial cable system to underground cable to support becoming an ASEAN metropolis on Charoen Rat Road (Rama 3 Road – Sathorn Road)
Contract Value	41,967,367.73 baht (Including VAT)
Contract Period	240 days from the date of signing the contract
Work Guarantee	2 years

- 5) A Contract of employment to change aerial cable system to underground cable to support becoming an ASEAN metropolis on Ramkhamhaeng Road (Phetchaburi Road – Srinakarin Road)

Counterparty	Employer: National Telecommunications Public Company Limited (NT) Contractor: PROEN Corp Public Company Limited
Scope of Service	A project of contract for the changing of aerial cable system to underground cable to support becoming an ASEAN metropolis on Ramkhamhaeng Road (Phetchaburi Road – Srinakarin Road)
Contract Value	32,565,920.80 baht (Including VAT)
Contract Period	240 days from the date of signing the contract
Work Guarantee	2 years

- 6) A Contract of employment to change aerial cable system to underground cable to support becoming an ASEAN metropolis on Somdej Phrachao Taksin Road (Left side, Chom Thong Road – Intha Phithak Road)

Counterparty	Employer: National Telecommunications Public Company Limited (NT) Contractor: PROEN Corp Public Company Limited
Scope of Service	A project of contract for the changing of aerial cable system to underground cable to support becoming an ASEAN metropolis on Somdej Phrachao Taksin Road (Left side, Chom Thong Road – Intha Phithak Road)
Contract Value	30,630,311.13 baht (Including VAT)
Contract Period	240 days from the date of signing the contract
Work Guarantee	2 years

- 7) A Contract of employment to change aerial cable system to underground cable to support becoming an ASEAN metropolis on Din Daeng Road (Soi Ruammit – Khlong Samsen)

Counterparty	Employer: National Telecommunications Public Company Limited (NT) Contractor: PROEN-Telebiz Consortium (PROEN Corp Public Company Limited and PROEN Telebiz Company Limited)
Scope of Service	A project of contract for the changing of aerial cable system to underground cable to support becoming an ASEAN metropolis on Din Daeng Road (Soi Ruammit – Khlong Samsen)
Contract Value	22,113,474.93 baht (Including VAT), with a proportion of the work value that PROEN is responsible, accounted for 5%, representing the value of the Company's work in the amount of 1,105,673.75 baht (Including VAT)
Contract Period	240 days from the date of signing the contract
Work Guarantee	2 years



- 8) A Contract of employment to change aerial cable system to underground cable to support becoming an ASEAN metropolis on Thahan Road (Samsen Road – Rama 6 Road)

Counterparty	Employer: National Telecommunications Public Company Limited (NT) Contractor: PROEN-Telebiz Consortium (PROEN Corp Public Company Limited and PROEN Telebiz Company Limited)
Scope of Service	A project of contract for the changing of aerial cable system to underground cable to support becoming an ASEAN metropolis on Thahan Road (Samsen Road – Rama 6 Road)
Contract Value	21,999,579.85 baht (Including VAT), with a proportion of the work value that PROEN is responsible, accounted for 5%, representing the value of the Company's work in the amount of 1,099,978.99 baht (Including VAT) and a proportion of the work value that PROEN Telebiz is responsible, accounted for 95%, representing the value of the Company's work in the amount of 20,899,600.86 baht (Including VAT), respectively.
Contract Period	240 days from the date of signing the contract
Work Guarantee	2 years

- 9) A Contract of employment to change aerial cable system to underground cable to support becoming an ASEAN metropolis on Samsen Road (Nakhon Chai Si Road – Luk Luang Road)

Counterparty	Employer: National Telecommunications Public Company Limited (NT) Contractor: PROEN-Telebiz Consortium (PROEN Corp Public Company Limited and PROEN Telebiz Company Limited)
Scope of Service	A project of contract for the changing of aerial cable system to underground cable to support becoming an ASEAN metropolis on Samsen Road (Nakhon Chai Si Road – Luk Luang Road)
Contract Value	16,570,884.56 baht (Including VAT), with a proportion of the work value that PROEN is responsible, accounted for 5%, representing the value of the Company's work in the amount of 828,544.23 baht (Including VAT) and a proportion of the work value that PROEN Telebiz is responsible, accounted for 95%, representing the value of the Company's work in the amount of 15,742,340.33 baht (Including VAT), respectively.
Contract Period	240 days from the date of signing the contract
Work Guarantee	2 years

- 10) A Contract of employment to change aerial cable system to underground cable to support becoming an ASEAN metropolis on Arun Amarin Road (Khleng Mon – Prajadhipok Road)

Counterparty	Employer: National Telecommunications Public Company Limited (NT) Contractor: PROEN-Telebiz Consortium (PROEN Corp Public Company Limited and PROEN Telebiz Company Limited)
Scope of Service	A project of contract for the changing of aerial cable system to underground cable to support becoming an ASEAN metropolis on Arun Amarin Road (Khleng Mon – Prajadhipok Road)
Contract Value	21,999,579.85 baht (Including VAT), with a proportion of the work value that PROEN is responsible, accounted for 5%, representing the value of the Company's work in the amount of 1,099,978.99 baht (Including VAT) and a proportion of the work value that PROEN Telebiz is responsible, accounted for 95%, representing the value of the Company's work in the amount of 20,899,600.86 baht (Including VAT), respectively.
Contract Period	240 days from the date of signing the contract
Work Guarantee	2 years

5.3 Summary of loan agreements with financial institutions

Borrower	Lender	Loan Type	Contract Date	Installment amount and number of installments (million baht/month)	Overdue Loans (million baht) As of December 31, 2022	Total Credit Limit (million baht)	Interest Rate (%)	Collateral	Important Financial Terms
PROEN	KBANK	Loan (Working capital and investment in business)	11 Jan 2016	0.38 (81-month installments)	0.46	30.00	MLR – 1.5% Fixed 4%	- Land mortgage (title deeds 4810, 97756) with buildings owned by PROEN in the amount of 10.63 million baht - Mr. Kittiphan Sribuaiaam is a guarantor for the full amount. - Letter of guarantee of the Thai Small Industry Credit Guarantee Corporation (TCG), with a guarantee amount of 20 million baht	None
		Loan (Electrical adjustment work, build-ing system for data center room at CAT Telecom Building)	27 Mar 2017	0.29 (60-month installments)	-	15.00	MLR – 1.0%	- A second land mortgage (title deeds 4810, 97756) with buildings owned by PROEN in the amount of 10 million baht - Mr. Kittiphan Sribuaiaam is a guarantor for the full amount. - Letter of guarantee of the Thai Small Industry Credit Guarantee Corporation (TCG), with a guarantee amount of 5 million baht	None
		Loan (Working capital and investment in business)	22 May 2020	0.38 (60-month installments)	17.75	20.00	1 st – 24 th installment: MLR – 0.5% 25 th installment onwards: MLR	- Mr. Kittiphan Sribuaiaam is a guarantor for the full amount. - Letter of guarantee of the Thai Small Industry Credit Guarantee Corporation (TCG), with a guarantee amount of 10 million baht	None
		Loan (pay for life insurance)	22 May 2020	0.01 (60-month installments)	0.22	0.43	MLR	- Mr. Kittiphan Sribuaiaam is a guarantor for the full amount.	None
		Loan (pay for life insurance)	19 Nov 2019	0.09 (24-month installments)	1.19	2.05	MLR	- Mr. Kittiphan Sribuaiaam is a guarantor for the full amount.	None



Borrower	Lender	Loan Type	Contract Date	Installment amount and number of installments (million baht/month)	Overdue Loans (million baht) As of December 31, 2022	Total Credit Limit (million baht)	Interest Rate (%)	Collateral	Important Financial Terms
PROEN	KBANK	OD	27 Jan 2010	Revolving limit	-	2.60	MRR + 1.0%	- A second land mortgage (title deeds 59966) with buildings owned by Mr. Kittiphan Srihuaiaim in the amount of 2.6 million baht - Mr. Kittiphan Srihuaiaim is a guarantor for the full amount.	None
			23 Dec 2010	Revolving limit	-	1.70	MRR + 1.0%	- Land mortgage (title deeds 46389) with buildings owned by Mr. Kittiphan Srihuaiaim in the amount of 1.7 million baht - Mr. Kittiphan Srihuaiaim is a guarantor for the full amount.	None
			29 Aug 2010	Revolving limit	-	8.00	Fixed deposit interest + 2.0%	- Fixed deposit account of PROEN in the amount of 8.0 million baht - Mr. Kittiphan Srihuaiaim is a guarantor for the full amount.	None
			29 Oct 2019	Revolving limit	-	64.00	MLR	- Grant the right to receive money under the contract to improve the distribution system of underground cable in the amount of 103,999,988.14 baht - Mr. Kittiphan Srihuaiaim is a guarantor for the full amount. - Register a business collateral agreement of the right in the PROEN's fixed deposit account in the amount of 6.69 million baht - Register a business collateral agreement of right of claims that the PROEN has with debtors' rights/ accounts receivable.	None
		Short-term loan							

Borrower	Lender	Loan Type	Contract Date	Installment amount and number of installments (million baht/month)	Overdue Loans (million baht) As of December 31, 2022	Total Credit Limit (million baht)	Interest Rate (%)	Collateral	Important Financial Terms
PROEN	KBANK	Short-term loan	29 May 2017	Revolving limit	-	15.00	MLR	- A third land mortgage (title deeds 97756 and 4810) with buildings owned by PROEN in the amount of 6.93 million baht - A second land mortgage (title deeds 46389) with buildings owned by Mr. Kittiphan Sribuaiaim in the amount of 3.9 million baht - A third land mortgage (title deeds 59966) with buildings owned by Mr. Kittiphan Sribuaiaim in the amount of 4.9 million baht - Mr. Kittiphan Sribuaiaim is a guarantor for the full amount.	None
		Long-term loan (Working capital to invest in business expansion)	19 Oct 2017	0.32 (60-month installments)	-	15.00	MRR + 1.0%	- The burden of guarantee has been relieved - The Thai Small Industry Credit Guarantee Corporation (TCG) is a guarantor for the full amount	None
		Long-term loan (Working capital to invest in business expansion)	25 May 2020	0.08 (12-month installments)	-	1.00	2%	- The burden of guarantee has been relieved	None
		OD	17 Dec 2012	Revolving limit	-	0.20	MRR + 2.0%	- Fixed deposit account of the PROEN in the amount of 0.2 million baht - The burden of guarantee has been relieved	None

Borrower	Lender	Loan Type	Contract Date	Installment amount and number of installments (million baht/month)	Overdue Loans (million baht) As of December 31, 2022	Total Credit Limit (million baht)	Interest Rate (%)	Collateral	Important Financial Terms
PROEN	TTB	Bill of Exchange and Letters of Guarantee (for the project)	8 Nov 2017	Revolving limit	-	200.00 (SNOC asks for a limit of not more than 60.0 million baht)	MLR - 0.75% (General) MLR - 3.0% (AVAL)	- Register a business collateral in the PROEN's savings account in the amount of 60 million baht - SNOC guaranteed in the amount of 200 million baht - Mr. Kittiphan Sribuaiaam guaranteed in the amount of 202 million baht - Mr. Wisarut Manoonpol guaranteed in the amount of 60 million baht - Transfer of Claims of money or authorize the receipt of money under the contract in the project to the bank	None
		Long-term loan ((pay for life insurance))	16 Dec 2019	0.05 (60-month installments)	0.57	2.00	MLR - 1.5%	- Land mortgage (title deeds 90992 and 90993) with buildings owned by PROEN in the amount of 454.403 million baht	None
		Long-term loan (to pay for the land and an office building construction)	16 Dec 2019	0.23 (72-month installments)	7.95	16.00	MLR - 1.25%	- Mr. Kittiphan Sribuaiaam and WWH guaranteed credit line in the amount of 21.8 million baht - SNOC and TELEBIZ guaranteed credit line in the amount of 200 million baht	- D/E¹ not more than 2.75 of loan - DSCR² not more than 1.5 of loan
		Bill of Exchange and Letters of Guarantee (for the project)	16 Dec 2019	Revolving limit	-	200.00	MLR - 1.25%		

¹As of December 31, 2022, the Company was able to maintain financial ratios, both D/E and DSCR conditions (for the year 2021, as of December 31, 2021, the Company was able to maintain such financial ratios according to the conditions in the original contract before the transaction. adjust the terms of the new contract)

²Debt service coverage ratio refers to profit (loss) before interest and taxes, plus depreciation and deferred expenses divided by the principal due in 1 year of the previous fiscal year, plus interest expense.

Borrower	Lender	Loan Type	Contract Date	Installment amount and number of installments (million baht/month)	Overdue Loans (million baht) As of December 31, 2022	Total Credit Limit (million baht)	Interest Rate (%)	Collateral	Important Financial Terms
PROEN	TTB	OD / LC / TR / LG / AVAL / export credit / Export Guarantee / Export Bill Purchase	21 Oct 2015	Revolving limit	-	25.00	MOR +0.0% (for OD)	- Land mortgage (title deeds 5716) with buildings owned by Mr. Kittiphan Srihuaiaim in the amount of 35 million baht - Register a business collateral in the PROEN's savings account in the amount of 2.3 million baht - Mr. Kittiphan Srihuaiaim is a guarantor for the full amount.	None
			15 Nov 2018	Revolving limit	-	10.00	MOR	- The burden of guarantee has been relieved	None
	SCB	TR	15 Nov 2018	Revolving limit	-	10.00	N/A	- Land mortgage (title deeds 75936) with buildings owned by Mr. Kittiphan Srihuaiaim in the amount of 20 million baht	
			5 Nov 2018	Revolving limit	-	25.00	Prime Rate - 1%	- Mr. Kittiphan Srihuaiaim is a guarantor for the full amount. - Land mortgage (title deeds 67087) with buildings owned by Mr. Kittiphan Srihuaiaim in the amount of 2.3 million baht - Register a business collateral in the PROEN's savings account in the amount of 2.7 million baht	None
	MUF		2 Jun 2020	0.06 (60-month installments)	1.82	3.44	N/A	- Mr. Kittiphan Srihuaiaim is a guarantor for the full amount.	None
			2 Jun 2020	0.05 (60-month installments)	1.36	2.50	N/A	- Mr. Kittiphan Srihuaiaim is a guarantor for the full amount.	None

Borrower	Lender	Loan Type	Contract Date	Installment amount and number of installments (million baht/month)	Overdue Loans (million baht) As of December 31, 2022	Total Credit Limit (million baht)	Interest Rate (%)	Collateral	Important Financial Terms
PROEN	MUFG ³	Sale & Lease back contract ⁴	27 Aug 2020	0.19 (60-month installments)	5.62	9.76	N/A	- Mr. Kittiphan Sribuaiaam is a guarantor for the full amount.	None
			28 Dec 2021	0.10 (60-month installments)	4.25	5.11	N/A	- Mr. Kittiphan Sribuaiaam is a guarantor for the full amount.	None
			28 Dec 2021	0.05 (60-month installments)	1.93	2.28	N/A	- Mr. Kittiphan Sribuaiaam is a guarantor for the full amount.	None
TELEBIZ	KBANK	Loan (working capital and investment in business)	10 Apr 2020	0.16 (36-month installments)	4.26	5.40	First 2 years: 2% After 2 years : MRR+2%	- Letter of guarantee of the Thai Small Industry Credit Guarantees Corporation (TCG), in the amount of 5.4 million baht - Mr. Kittiphan Sribuaiaam is a guarantor for the full amount.	None
			16 Dec 2019	Revolving limit	2.17	5.00	MOR - 0.5%	- Mr. Kittiphan Sribuaiaam, WHH, PROEN are guarantors for the full amount. - A second land mortgage (title deeds 90992 and 90993) with buildings owned by Mr. Kittiphan Sribuaiaam in the amount of 5 million baht - A second and third land mortgage (title deeds 5716) with buildings owned by Mr. Kittiphan Sribuaiaam	None
Total					49.55	696.47			

³Bangkok Mitsubishi UFJ Lease Company Limited

⁴The Company shall recognize sales and lease back transactions that are not actual sales by recording the financial liabilities as long-term borrowings with principal equal to the amount received from the transfer.

Lessee	Lessor	Loan Type	Contract Date	Rental Fee ⁵	Unpaid Rent (million baht) As of December 31, 2022	Collateral	Other Conditions
PROEN	PEKBANK ⁶	Leasing of communication network equipment	1 Aug 2019	36-month installment 576,337 baht/month	0.00	Mr. Kittiphan Sribuaiaam guaranteed in the amount of 20.7 million baht	The right to purchase the land lease when the lease is terminated has a price of 2.1 million baht.
PROEN	PORSCHE ⁷	1 car leasing	17 Jan 2022	48-month installment 135,846 baht/car	4.60	Mr. Kittiphan Sribuaiaam guaranteed in the amount of 6.52 million baht	None
PROEN	BENZ ⁸	2 car leasing	27 Aug 2019	61-month installment 45,736 baht/car	3.73	Mr. Kittiphan Sribuaiaam guaranteed in the amount of 2.9 million baht	The right to purchase the land lease when the lease is terminated has a price of 1.2 million baht.
SNOC	BMW ⁹	Car leasing	18 Jan 2017	60-month installment 36,000 baht/car	0.00	Mr. Kittiphan Sribuaiaam guaranteed in the amount of 2.6 million baht	The right to purchase the land lease when the lease is terminated has a price of 0.5 million baht.
PROEN	SMART ICT	Leasing for network equipment for Google Station project ¹⁰	18 Jun 2019	None	8.40	None	None
รวม					16.73		

⁵The rent shown in the table does not include VAT.

⁶PEKBANK refers to Kasikorn Factory and Equipment Company Limited

⁷PORSCHE refers to TMBTHANACHART BANK Leasing Company Limited "owner"

⁸BENZ refers to Mercedes-Benz Leasing (Thailand) Company Limited

⁹BMW refers to BMW Leasing (Thailand) Company Limited

¹⁰The Company sells the assets to SMART ICT and leases them back for utilization, which SMART ICT becomes the lessee and the estimated rental period is equal to the economic useful life of the asset and the rent is calculated from such property's market price.



6. Business License

6.1 Telecom License Type One No. TEL/2548/005

Licensor	Office of The National Broadcasting and Telecommunication Commission (NBTC office)
Licensee	PROEN Corp Public Company Limited
Duration of License	5-year time limit starting from 22 June 2020 - 22 June 2025
Characteristics of Service	The licensee can provide services under the scope of telecommunication service type one, general public without their own network, (lease for use through telecommunication networks of other service providers) by providing internet services directly to End User, which provides the services as follow: 1. Narrowband Internet (Dial-Up Modem) by connecting internet through Public Switched Telephone Network (PSTN). 2. Broadband Internet (Dial-Up Modem) by connecting the internet through Integrated Services Digital Network (ISDN). 3. ADSL Internet service (ADSL Modem) by connecting the internet through Public Switched Telephone Network (PSTN) 4. Internet service (Leased Line) 5. WiFi internet service 6. Internet service through spectrum network, i.e. cellular network and basic telecommunications network used outside the premises of PCT in the form of Mobility (Mobility) 7. Voice over Internet Protocol or Inter-net telephony 8. Other services include Web Hosting, Mail Hosting, Dedicated Server, Co-Location and Backup Server Note: PROEN provides services in items 4, 5 and 8.
Service Area	Throughout Thailand
Annual Fee	The rate of 0.3 percent of the revenue from telecommunication business is referred to the announcement of the NBTC regarding the telecommunication business license (Type 2), dated December 21, 2017, the license fee must be paid within 150 days counting from the end of the accounting period.
License Terms	• The licensee must have the qualifications as specified in the Telecommunications Business Act B.E. 2544 (2001) and as amended, including the rules, regulations, announcements, orders or measures specified by the National Broadcasting and Telecommunications Commission throughout the period of telecommunication services. • The licensee shall determine the same fees and charges for the same nature or type of service. However, it must treat the service users, licensees or other telecommunication operators on the basis of fairness, no discrimination, no impediment or no exclusion of free competition. • Determining and changing the rates of fees or service charges shall be in accordance with the Notification of the Commission regarding the rates of service charges and the pre-collection of telecommunication services and any relevant rules, regulations, announcements, orders, requirements or rules specified by the Commission.

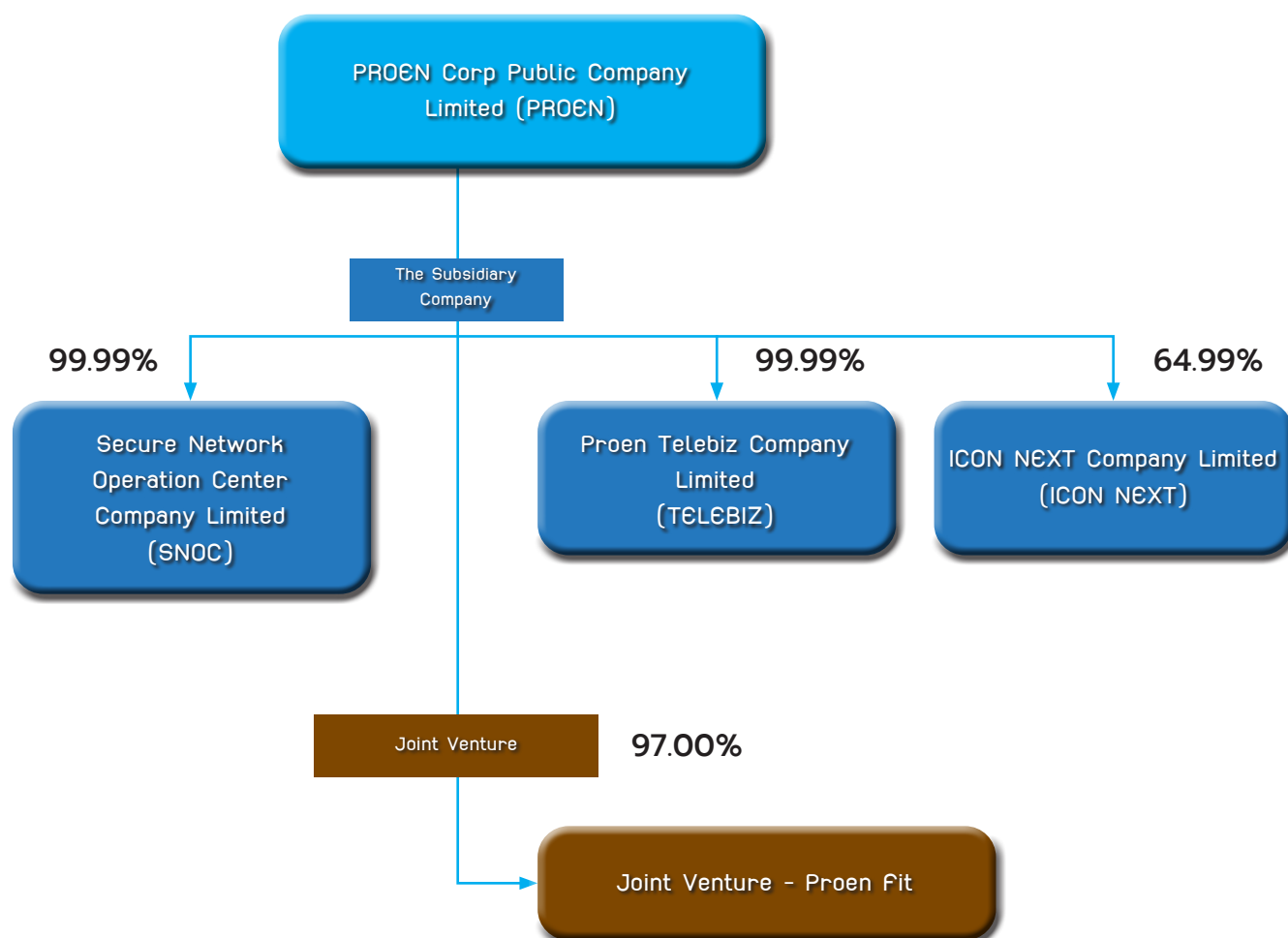
7. Investment Policy in Subsidiaries and Associated Companies

PROEN has a policy to invest in companies that have the same business objectives as the PROEN's core business or similar businesses or businesses supporting the PROEN's business, namely 1) ICT: Information Communication and Technology business and provides information technology services for data centers, and ISP: Internet Service Providers and Cloud Service, and 2) construction business, telecommunication business, and infrastructure business that will cause the company to have more operating results or profits or investing in Synergy to the Company by being able to support the Company's core business to be more comprehensive in order to increase the Company's competitiveness. The Board of Directors may consider investing in other businesses other than the Company's core business or other businesses of the Company if the Board of Directors deems that such business is a business with potential and such investment is beneficial to the Company and shareholders as a whole



1.3 Shareholding structure of the Group

The ratio of shareholding and the ratio of voting rights of the Group as of 31 December, 2022 are as follows:





1.3.1 Characteristics of operation of the Company, subsidiary, joint venture and Consortium

1) PROEN Corp Public Company Limited

Company name	PROEN Corp Public Company Limited
Date of establishment	3 October, 1997
The company's registration number	0107562000246
Business	Provide internet data center and additional service, internet service, cloud service that client can be able to choose software and computer resources with network administrators, internet security service, sale of IT equipment, and provide infrastructure construction service
Head Office	72 NT Bangrak Building 4 th , 18 th FL., Charoen Krung Road, Bangrak, Bangrak Bangkok 10500
Branch Office	11/80 Pracha Uthit 8 Pracha Uthit Rd. Huai Khwang Bangkok 10310
Website	www.proen.co.th
Telephone	+66 (2) 639 7888, +66 (2) 690 3888
Fax	+66 (2) 639 7892, +66 (2) 691 1898
Authorized Capital	237,000,000 Baht (as of 31 December 2022)
Paid-up Capital	158,000,000 Baht (as of 31 December 2022)
Listed Share and Paid-up Stock	316,000,000 Shares (as of 31 December 2022)

2) Secure Network Operation Center Company Limited (SNOC)

Date of establishment	29 March, 2013
Location	11/80 Soi Pracha Uthit 8 , Pracha Uthit Road, Huai Khwang Subdistrict, Huai Khwang District, Bangkok 10310
Corporate registration number	0105556056217
Telephone	+66 (2) 690 3999
Fax	+66 (2) 690 3999
Website	www.snoc.co.th
Registered capital	2,000,000 baht
paid-up capital	2,000,000 baht
Par Value	100 Baht
Status related to the Company	Subsidiary
Characteristics of business	Providing security service through the internet (DDoS) and selling related telecommunication devices
Ratio of shareholding	PROEN Corp Public Company Limited holds shares for 99.99 percent 2 minor shareholders hold shares for 00.01 percent

Important financial information

Unit : Baht	Separate financial statements		
	31 Dec 2022	31 Dec 2021	31 Dec 2020
total assets	13,809,563	10,563,121	9,991,527
total liabilities	2,746,178	1,773,429	1,318,967
Equity	11,063,385	8,789,692	8,672,560
total income	19,116,460	7,037,587	10,377,601
net profit	2,273,693	117,132	1,384,074
Earnings per share (Baht)	113.68	5.86	69.20
Debt to Equity Ratio (times)	0.25	0.20	0.15

3) Proen Telebiz Company Limited (TELEBIZ)

Date of establishment	28 March, 2018
Location	11/80 Soi Pracha Uthit 8, Pracha Uthit Road, Huai Khwang Subdistrict, Huai Khwang District, Bangkok 10310
Corporate registration number	0105561057404
Registered capital	10,000,000 baht
paid-up capital	10,000,000 baht
Par Value	100 Baht
Status related to the Company	Subsidiary
Characteristics of business	Conducting business of basic telecommunication construction contract
Ratio of shareholding	PROEN Corp Public Company Limited holds shares for 99.99 percent 2 minor shareholders hold shares for 00.01 percent

Important financial information

Unit : Baht	Separate financial statements		
	31 Dec 2022	31 Dec 2021	31 Dec 2020
total assets	132,441,074	52,651,478	66,206,937
total liabilities	166,395,536	94,007,101	99,467,662
Equity	(33,954,462)	(41,355,623)	(33,260,725)
total income	67,436,721	6,483,840	21,669,062
net profit	7,401,161	(8,094,898)	(20,238,868)
Earnings per share (Baht)	74.01	(80.95)	(215.88)
Debt to Equity Ratio (times)	(4.90)	(2.27)	(2.99)



4) ICON NEXT Company Limited (ICON NEXT)

Date of establishment	23 August, 2022
Location	Building 6 Floor 2, 89/2 Chaengwattana Road, Thungsonghong, Lakxi, Bangkok 10210
Corporate registration number	0105565136295
Telephone	+66 61 917 8978
Registered capital	10,000,000 baht
paid-up capital	2,500,000 baht
Par Value	100 Baht
Status related to the Company	Subsidiary
Characteristics of business	Principally engages in Main business is providing and consulting for maintenance service agreement for applications software and providing full scale network operation center and security operation center.
Ratio of shareholding :	PROEN Corp Public Company Limited holds shares for 64.999 percent 4 minor shareholders hold shares for 35.001 percent

Important financial information

Unit : Baht	Separate financial statements
	31 ธ.ค. 2565
total assets	5,207,034
total liabilities	3,201,811
Equity	2,005,223
total income	3,371,901
net profit	(494,777)
Earnings per share (Baht)	(19.79)
Debt to Equity Ratio (times)	1.60

5) Joint Venture - Proen Fit

Date of establishment	11 January, 2019
Location	11/80 Soi Pracha Uthit 8, Pracha Uthit Road, Huai Khwang Subdistrict, Huai Khwang District, Bangkok 10310
Corporate registration number	0993000409388
Registered capital	-No registered capital-
Status related to the Company	Joint venture
Characteristics of business	To provide rental service to use internet network and to design installation site for the MCOT Public Company Limited for 3 years as from 1 April, 2019 to 31 March, 2022.
Ratio of shareholding	PROEN Corp Public Company Limited holds responsibility for 97 % Fit Telecom Company Limited holds responsibility for 3 %

Important financial information

Unit : Baht	Separate financial statements		
	31 Dec 2022	31 Dec 2021	31 Dec 2020
total assets	721,416	5,728,856	4,176,093
total liabilities	87,751	5,251,432	3,872,648
Equity	633,665	477,424	303,445
total income	4,744,339	7,965,734	7,965,938
net profit	156,241	173,979	174,663
Earnings per share (Baht)	N/A	N/A	N/A
Debt to Equity Ratio (times)	0.14	10.99	12.76

6) PROEN - WRC Consortium

Date of establishment	11 October, 2021
Location	11/80 Soi Pracha Uthit 8, Pracha Uthit Road, Huai Khwang Subdistrict, Huai Khwang District, Bangkok 10310
Registered capita	-No registered capital-
Status related to the Company	Consortium
Characteristics of business	To work under the Project on changing the aerial cable system to be underground cable to be prepared for being metropolis of ASEAN, Northern Green Line Metro Project (Phahonyothin Road and Lad Phrao Road)
Ratio of shareholding	PROEN Corp Public Company Limited and W.R.C. Electric and Communication Company Limited share responsibility equally, which is 50 percent
important financial information	- None -

7) PROEN and Total Consortium

Date of establishment	22 November, 2022
Location	11/80 Soi Pracha Uthit 8, Pracha Uthit Road, Huai Khwang Subdistrict, Huai Khwang District, Bangkok 10310
Registered capita	-No registered capital-
Status related to the Company	Consortium
Characteristics of business	To work under the Project on
Ratio of shareholding	PROEN Corp Public Company Limited holds responsibility for 70 % Total Innology Company Limited holds responsibility for 30 %
important financial information	- None -

1.3.2 Relationship with Business Group of the major shareholders

-None-

1.3.3 Information related to the securities and shareholders

1. Company's securities

1.1 Common Stock

As of December 31, 2022, the Company's registered up capital are paid as follows -:
Registered capital 237,000,000 baht and Paid-up capital 158,000,000 baht divided into 316,000,000 shares with a par value of 0.50 baht.

As of January 9, 2023, the Company's registered up capital are paid from the exercise of The Warrants to Purchase Ordinary Shares of PROEN Corp Public Company Limited No.1 (PROEN-W1) issuing 947,150 shares as follows -:

Registered capital 237,000,000 baht and Paid-up capital 158,473,575 baht divided into 316,947,150 shares with a par value of 0.50 baht.

1.2 Preferred shares

-None-

2. Outstanding debt, bills of exchange and bond

As of December 31, 2022, the Company has Name-Registered, Unsubordinated, and Unsecured Bonds with Bondholders' Representative with a tenor of 2 years, 6.5% fixed interest rate per annum, interest payment every 3 months throughout the bond's tenor, the face value of Baht 1,000 per unit, the offering price of Baht 1,000 per unit, 500,000 units issuing amount, Total value is 500 million baht, and the redemption date is March 30, 2024.

3. Shareholders

3.1 List of Major Shareholders

The list of the top 10 shareholders of the Company as of December 31, 2022 as follows:

	Name/group of shareholders	Shares	% Shares
1	Mr. Kittipan Sri-bua-iam	67,745,700	21.439
	Wealth Water House Co., Ltd. ^{a)}	88,180,000	27.905
	Total kittipan group	155,925,700	49.344
2	Mr. Sanga Kangwan	11,504,600	3.641
3	Thai NVDR Company Limited ^{b)}	11,154,482	3.530
4	Mr. Santi Kovitchindachai	8,000,000	2.532
5	Mr. Naris Ratyiam	7,592,300	2.403
6	Mr. Suksan Yasasin	4,401,400	1.393
7	Miss Ketkan Tokaranyaset	3,790,000	1.199
8	Mr. Soonthorn Sriprayan	2,166,600	0.686
9	Mrs. Prakaimas Hengsuwanich	2,000,000	0.633
10	Mr. Anusorn Asiralertsiri	2,000,000	0.633
	Total shares	208,535,082	65.994

shareholders, 4,896 shareholders, representing 34.006%, all shareholders of Thai nationality

Remarks

a) Mr. Kittipan Sri-bua-iam, Mrs. Punsaya Papakornpisit and Mrs. Phenthip Sri-bua-lam hold shares in Wealth Water House Company Limited for 99,998 shares, one share and one share, respectively, equal to the shareholding ratio of 100 %, 0 %, and 0 %, respectively.

b) Thai NVDR Co., Ltd. is an issuer of Non-Voting Depository Receipt (NVDR) registered as securities in the Stock Exchange of Thailand. Investors holding NVDR will receive dividends as if shareholders of listed companies, but will not have the right to vote at the shareholders' meeting. The details Thai NVDR investors can be found at www.set.co.th

3.2 Agreements between major shareholders that affect the issuance and offering for sale of securities or the management of the Company and the importance to the operation

-None-

1.3.4 Report on changes in securities held by directors and executives

Directors and executives have duty to report on the securities held by them, their couples or those who live as husband and wife with them, and their underage children, as well as the juristic person where such persons hold shares for more than 30 % of all voting rights of the juristic person, within 30 days as from the day when being appointed as directors and executives. Whenever there is a change in holding such securities, the report must be made to the SEC within 3 working days.

In the Committee Meeting, the Company shall report on the holding of securities, change in holding securities regularly every time. In conclusion, the holding of ordinary shares of PROEN and The Warrants to Purchase Ordinary Shares of PROEN Corp Public Company Limited No.1 (PROEN-W1) are as follows:

Name		PROEN As of 31 Dec 2021		PROEN As at 31 Dec 2022		Changing Remarks
		Shares	%	Shares	%	
Committees						
1	Mr. Sathit Puttachaiyong Spouses and immature child	159,200 --	0.050 --	159,200 --	0.050 --	
2	Mr. Nopparat Phutaviriya Spouses and immature child	-- --	-- --	-- --	-- --	
3	Mrs. Panarat Panmanee Spouses and immature child	158,700 --	0.050 --	158,700 --	0.050 --	
4	Mr. Kittipan Sri-bua-iam Wealth Water House Co., Ltd. ^{a)} Spouses and immature child	120,371,800 84,000,000 --	0.381 26.582 --	67,745,700 88,180,000 --	21.439 27.905 --	
5	Mr. Naris Ratyiam Spouses and immature child	272,300 --	0.086 --	7,592,300 --	2.403 --	buy
6	Mr. Somkiat Yubanphaeo Spouses and immature child	250,000 --	0.079 --	250,000 --	0.079 --	
7	Mr. Parnai Kungwalrut Spouses and immature child	153,700 --	0.049 --	153,700 --	0.049 --	
8	Mrs. Punsaya Paprakornpisit Spouses and immature child	246,500 --	0.078 --	325,600 --	0.103 --	
Executive Director and Executive						
9	Mr. Nititorn Deeumpai Spouses and immature child	1,000 --	0.0003 --	1,000 --	0.0003 --	
10	Mr. Thawatchai Praesangeim Spouses and immature child	-- --	-- --	-- --	-- --	
11	Mr. Visrut Manunpon Spouses and immature child	1,338,700 --	0.424 --	1,358,700 --	0.430 --	buy
12	Mrs. Sasirada Mututanon Spouses and immature child	-- --	-- --	1,200 --	0.0004 --	buy
13	Mr. Narong Juekert Spouses and immature child	100 --	0.00003 --	100 --	0.00003 --	
14	Mr. Pornpat Wattananiyomkajohn Spouses and immature child	-- --	-- --	-- --	-- --	

Note ^{a)} Individuals holding shares in a juristic person exceeding 30 percent of the total voting rights

Name		PROEN – W1 As of 10 May 2021		PROEN – W1 As at 30 Dec 2022		Changing Remarks
		Shares	%	Shares	%	
Committees						
1	Mr. Sathit Puttachaiyong Spouses and immature child	79,600 --	0.050 --	79,600 --	0.050 --	
2	Mr. Nopparat Phutaviriya Spouses and immature child	-- --	-- --	-- --	-- --	
3	Mrs. Panarat Panmanee Spouses and immature child	79,350 --	0.050 --	79,350 --	0.050 --	
4	Mr. Kittipan Sri-bua-iam Wealth Water House Co., Ltd. ^{a)} Spouses and immature child	45,212,850 42,000,000 --	28.648 26.612 --	43,962,850 6,000,000 --	27.855 3.802 --	Sell Sell
5	Mr. Naris Ratyiam Spouses and immature child	3,996,150 --	2.532 --	3,996,150 --	2.532 --	
6	Mr. Somkiat Yubanphaeo Spouses and immature child	125,000 --	0.079 --	45,000 --	0.029 --	Sell
7	Mr. Parnai Kungwalrut Spouses and immature child	76,850 --	0.049 --	76,850 --	0.049 --	
8	Mrs. Punsaya Paprakornpisit Spouses and immature child	105,500 --	0.067 --	30,000 --	0.019 --	Sell
Executive Director and Executive						
9	Mr. Nititorn Deeumpai Spouses and immature child	500 --	0.0003 --	500 --	0.0003 --	
10	Mr. Thawatchai Praesangeim Spouses and immature child	-- --	-- --	-- --	-- --	
11	Mr. Visrut Manunpon Spouses and immature child	649,350 --	0.411 --	50 --	0.000 --	
12	Mrs. Sasirada Mututanon Spouses and immature child	600 --	0.0004 --	600 --	0.0004 --	
13	Mr. Narong Juekert Spouses and immature child	50 --	0.000 --	50 --	0.000 --	
14	Mr. Pornpat Wattananiyomkajohn Spouses and immature child	-- --	-- --	-- --	-- --	

Note ^{a)} Individuals holding shares in a juristic person exceeding 30 percent of the total voting rights



1.3.5 The issuance of other securities

1. The Warrants to Purchase Ordinary Shares of PROEN Corp Public Company Limited No.1 (PROEN-W1)

PROEN-W1 or Warrant(s)	The Warrants to Purchase Ordinary Shares of PROEN Corp Public Company Limited No.1 (PROEN-W1) which are entered in the named certificate and transferable
Allocation methods	The Company will allocate the PROEN-W1 Warrants in an amount not exceeding 158,000,000 units to the existing shareholders in proportion to their respective shareholdings without allocating them to the shareholders that would make the Company have duties under law of other jurisdiction, namely: 1) United States of America 2) Canada 3) Malaysia 4) Japan 5) South Korea 6) China 7) Laos.
Listed Warrants	157,827,272 Units
Offering price	Baht 0 per unit (zero baht)
Exercise price	Baht 3.60 per share
Term of the PROEN-W1	1 year and 10 months from the issuance date of the PROEN-W1
Issuance Date	May 23, 2022
First Trade Date	May 31, 2022
Last Exercise Date	March 22, 2024

1st exercise on December 29, 2022

Number of exercised warrant	947,150 units
Number of remaining warrants	156,880,122 units

2. Bond

Year 2022 The Company has debentures are debentures with the name of the holders, Unsubordinated and Unsecured Debentures and there is a Debenture holders' Representative and fixed rate, details are as follows:

Bond	Issue size (million baht)	Interest Rates (% per year)	Bond tenor (Years)	Issue date	Maturity date
PROEN243A	500	6.50	2	March 30, 2022	March 30, 2024

Remark : The company has not assessed the credit rating

1.3.6 Dividend payment policy

The Company and its subsidiaries have policy to pay dividend of not less than 40 % of the net profit according to the Separate Financial Statement of the Company and the subsidiaries after deducting corporate income tax and legal reserve allocation. The Board of Director shall consider the payment of dividend by taking benefits of the shareholders into much consideration such as the maintaining money for investment in the future or for repaying the loan, or to be as the current capital within the Company. In making annual dividend payment of the Company, the approval must be granted from the shareholders' meeting.

However, in 2022, the Company has a net profit as the Separate financial statements in the amount of 56,114,132 baht, which the Board of Directors resolved to propose to the Annual General Meeting of Shareholders on April 27, 2023, to approve the dividend payment at the rate of 0.12 baht per share or equivalent to 71.50% of the net profit as the separate financial statements after deducting the allocation of legal reserve.

History of dividend payment compared with the net profit (Only of the Company) 2018 - 2022

Year	Basic Earnings Per Share (Baht/Share)	Dividend Interim / Annual (Baht/Share)	Dividend the net profit as the separate financial statements after deducting the allocation of legal reserve. (%)
2018	0.32	137.1428	228.36%
2019	0.18	0.1000	63.60%
2020	0.19	0.0910	69.16%
2021	0.13	0.0667	60.02%
2022	0.18	0.1200	71.50%







2 Risk Management





Recognizing the importance of risk management in affecting sustainable business operation, the Company thus formulates policies, controls activities, follows up, analyzes the risk factors, and recognizes the importance of the risk topics in setting the Company's strategy, to be appropriate for changes in the environment, economy, society, and technology, both external and internal. This is done in order to assess all aspects of risk management in order for it to be appropriate and consistent with the policies and strategies of the Company, to achieve efficiency and effectiveness according to the Company's objectives along with improving the knowledge and competency of executives and employees, to have an understanding in risk management and put into practice to achieve efficiency and effectiveness according to objectives. These different risk factors may have a significant impact on the future performance of the Company.

2.1 Policy and Risk Management

The Company has set a policy and risk management for everyone in the Company to be part of risk management activities. Give importance to risk in strategy formulation, business planning, project operation, implementation in each department, monitoring, evaluating, give opinions to improve in any activities. The Company has set up a working group for risk management, there are senior management collaborates with practitioners in risk management, provides training, and risk management manual, to educate the executives and employees to understand, implement, and determine to review, improve the management policy to accommodate changes in situations that may affect the Company's business operations.

2.2 Risk in Company's business operation

The Company operates as an IT infrastructure provider, infrastructure projects as construction contracts and new s-curve business, by setting guidelines for the distribution of revenue recognition proportionally, from sales, services, projects according to construction contracts and new s-curve business, the proportion is approximately 30:30:30:10, respectively, in order to manage the risk of recognizing revenue from the source of the business group. There are significant risks as follows:

(1) Strategic Risk

The Company operates in the technology business and infrastructure projects according to construction contracts. The Company has a strategic plan which gives importance to changes in technology, develop existing services and develop products to support the behavior of users in the future. Also, including complying with laws, rules, regulations, and controls related to the Company's business operations. It is necessary to invest in new business (New S-curve) in case the development of new technology will occur to disrupt the existing business, causing the Company able to develop and change to keep up with future technology.

However, considering the Company's investment decision, there is procedures to consider, hiring independent consultants with specific expertise to study information, give opinions, analyze financial factors, marketing, and change in technology and benefits from investment. Through the approval according to the operational authority along with considering the personnel management structure to be consistent with the Company's culture.

(2) Risk from irregular income

In addition to income from the ICT services, which is a regular income of the Company that has growth consistent with the expansion of the customers, the income growth of the Company also depends on the ability and the opportunity in accepting new work projects, both ICT projects and construction projects. These work projects are the reasons for causing irregularity of the Company's income. The Company will aim to accept new ICT and construction projects on a regular basis in order to reduce its impact in causing irregularity of income as much as possible. And in the beginning of 2023, the Company invested with Gateway Service Co., Ltd. ("GW") to expand the Company's business to be more diversified and increase steady income from the investment.

Risk Reduction Approach

The Company has set the policy to distribute income from the ICT service business, the infra-structure business according to construction contracts, and new investment businesses by distributing the income proportion into 4 parts, income from sales, services, projects, and new s-curve businesses in the proportion of 30:30:30:10 to reduce the risk from irregular income in relying on income from any one group and study investment in new businesses that provides returns in the form of regular income to strengthen the income structure of the Company that is sustainable in the future and expand its income from the new income base, which will enable the Company to achieve long-term sustainable growth.

(3) Risk from Reliance on a Major Customer

The Garena company group is a major customer of the Company. During 2020–2022, income from the said customer group accounted for 41%, 51%, and 29% of the total income, respectively. The Garena company's customer group consists of 1) Garena Online (Thailand) Co., Ltd.; 2) ShopeePay (Thailand) Co., Ltd.; 3) Shopee Express (Thailand) Co., Ltd.; 4) Shopee (Thailand) Co., Ltd.; 5) Unicorn (Thailand) Co., Ltd.; 6) Food Services Co., Ltd.; and 7) Scommerce (Thailand) Co., Ltd. The said incomes are from the sale distribution of information technology equipment, Internet Data Center (IDC) service, and other related services. The main services provided by the Company are co-location, internet service. The Company has renewed a contract with Garena Online (Thailand) Co., Ltd. to provide the Data Center service for a period of 5 years, which will expire in July 2027.

There is a very low risk that the Garena group will discontinue the service after the contract has expired because good relations have been established between the two companies for more than 10 years. In the past, the Company did not have a long-term contract with the Garena group, but the Garena group still continued to use the Internet Data Center (IDC) service and other related services of the Company. In addition, the Garena group always purchase information technology equipment from the Company. The Company also provides a "24 hours a day, 7 days a week" technical assistance service team, prepares back-up equipment for replacement when there is a problem, prepares sufficient service area in the IDC, and has the ability to support the business expansion of the Garena company group in the future.

Risk Reduction Approach

The Company has an approach to reduce risks created from being reliant on the Garena group by aiming to increase the proportion of income from other customers that are not from the Garena group and new acquisitions (Merger & Acquisition: M&A) in Technology to expand the business and increase the recurring income, starting to operate construction business for telecommunication and infrastructure services, and planning to develop the market and products, as well as developing work projects in order to have new projects continuously.

(4) Risk from the case that NT does not renew the lease contract of IDC center area at the NT Bangrak Building

The Company has signed a short-term lease contract with the National Telecom Public Company Limited in leasing the area of the 4th floor and 18th floor of the NT Bangrak Building, totaling 2,085 square meters, for three years. This area is used as the sole location for IDC center of the Company. The business providing IDC center service is a main service of the Company, in which the said income in 2022 accounts for 11.43% of the total income. If the Company is not able to renew the said lease contract or there is an adjustment in the lease rate and higher service fee, this will result in a decline of the Company's net profit.

Risk Reduction Approach

The Company is building a new IDC center in order to reduce the aforementioned risk. On January 30, 2022, the Company conducted a groundbreaking ceremony and plied the first foundation pile on August 10, 2022, and the main pillar lifting ceremony was held on January 31, 2023. for the construction of the IDC center building and the new office on the land plot with area of 1 rai 347 square wah (2,988 square meters), which is located at Soi Srinakarin 8. Executives expect the new IDC center to be completed by the beginning of 2024. There is very low probability of risk that NT Bangrak Building will not renew the lease contract with the Company as the Company has signed the contract with CAT since 2005 and has always received good support in renewing the contract.

(5) Risk from Changes in Rules and Regulations of NT Bangrak Building or Government Policy

The telecommunication business is under the supervision of National Broadcasting and Telecommunication Commission, which is an independent organization. Therefore, any new policy issued or changes in the rules and regulations by NT Bangrak Building may have significant effects on the performance of telecommunication entrepreneurs, such as free competition policy, fees and services policy, and customer protection policy. However, the Company recognizes the importance of education and closely follows up on changes of related rules and regulations in order to be able to adjust its operation plan appropriately and in a timely manner.

(6) Risk from Changes of Technology

The Company is dependent on the internet service business, which is highly competitive and has major competitors with potential. In the income structure of 2022, the internet service income of the Company accounted for 2.63% of the total income. In the income structure of 2021, the internet service income of the Company accounted for 5.16% of the total income, which is a decline from the previous year's income. This is because the internet service contract with a government agency has expired and there were problems

with conditions in renewing the contract. Therefore, the Company has uncertainty in earning income, which may arise from matters in the future such as expiration of some contracts or if there is a reduction in the volume of online movie and television services or if the Company cannot progress with new technology, or the effect of competition on the profit making of the Company's main business.

Risk Reduction Approach

The Company created business development in order to analyze the directions of technology changes, as well as studying and developing new products in order to support future needs of the customers. However, there are differences of the customer groups of the IDC center service and the Cloud service. The customer group which needs the Cloud service is a customer group that has just started the business, aims mainly on low data storage, and does not want to invest in the purchase of hardware and software as its own assets in order to reduce its operation cost. However, the customer group of the IDC center service is a customer group that needs high volumes of data storage.

(7) Risk from not receiving payment and setting up of the allowance for doubtful account receivable, and credit risk of the customers and the competitors

(a) Risk of the Company

In the Google Station project of NT iBUZZ Co., Ltd (formerly, its name was CAT BUZZ Co., Ltd), the Company is contracted to install 10,000 access points. The Company will receive compensation from equipment rental fees and system maintenance fees for a period of 5 years. The Company did not conduct the said equipment installation directly. The Company sub-contracted SMART ICT International Co., Ltd. to perform the installation of access point equipment of not less than 4,999 access points. SMART ICT will receive 90% of the rental and service fees which the Company has received from NT iBUZZ. Furthermore, the Company sold access point equipment to SMART ICT in the value of 43 million baht. However, SMART ICT only paid the Company 11 million baht, causing the Company to have an outstanding account receivable of 32 million baht and still has not received the rest of the payment. The Company has continuously followed up on collecting the payment from SMART ICT. Later, SMART ICT returned uninstalled products to the Company in the value of 15 million baht and during the year 2022, SMART ICT made a partial payment of 3 million baht, causing the Company to have outstanding accounts receivable of 14 million baht. Meanwhile, as of 31 December 2022, the Company has an outstanding debt from rental and service fees that needs to be paid to SMART ICT in the amount of 18 million baht, (accounting for 1% of the total income of 2022). There is a risk that SMART ICT may file a lawsuit requesting the Company to pay the said debt.

Regarding progress made on the Google Station project, as of 31 December 2022, the Company has set up an allowance for expected credit loss for account receivable of NT iBUZZ in the value of 13 million baht which is in accordance with the accounting policy. This is because NT iBUZZ has maintained outstanding account receivable for a long period of time. PROEN has always closely followed up on debt collection; however, NT iBUZZ still has not paid and has not cancelled the contract with the Company. The Company has an approach to proceed as follows:

1. In the case that NT iBUZZ continues with the project – the Company will continue with this project by negotiating to amend a new contract with NT iBUZZ

2. In the case that NT iBUZZ cancels the project – the Company will apply for compensation from NT iBUZZ. If the received compensation is not sufficient with the invested capital of this project, the Company will consider setting up an additional increased allowance for expected credit loss for the NT iBUZZ debtor.

This is to prevent such situation from reoccurring in the future. The Company adjusted risk assessment of the work projects that will be carried out in the future by recognizing importance of the financial statement and the payment history of the trading partner. In addition, the Company adjusted its process of debt collection by arranging for coordination between the financial department and the sale department in following up closely to collect the debt payment.

(8) Risk from cyber threats and personal data protection

The Company recognized the importance of the Internet Data Center's infrastructure, Information technology system, and cyber threat protection to ensure IDC's service stability and security of customer information systems. The Company has appointed a working group for personal data protection and cyber threats protection, which is responsible for setting policies, monitoring, and inspecting working processes, to prevent threats and follow the Personal Data Protection Act (PDPA) under the supervision of the Executive Committee and regularly report to the Audit Committee, Board of Directors.

(b) Risk of the Subsidiary

TELEBIZ Company, a subsidiary, has an outstanding account receivable of more than 12 months from River Engineering Co., Ltd. (RIVER), a contractor for the drainage system construction projects of the Department of Drainage and Sewerage, Bangkok. The projects, which aim to solve the flooding problems, consist of the Sri Ayutthaya road project, the Rama 6 project, and the Soi Sukhumvit 39 project. These projects were sub-contracted to TELEBIZ. TELEBIZ had regularly followed up with RIVER in order to collect the said outstanding payment.

As for the Rama 6 project, there is a co-investor under the name of NTRC PROEN Consortium, in which RICOH (Thailand) Co., Ltd. ("RICOH") is its main operator. TELEBIZ then became the sub-contractor of RICOH and TELEBIZ will deliver the work and collect payment from RICOH. However, RICOH defaulted on the third payment in the amount of 18 million baht. As of 31 December 2022, TELEBIZ has set up an allowance for doubtful account for RICOH in the amount of 18 million baht, and an allowance for doubtful account for RIVER in the amount of 0.46 million baht, which is in accordance with the accounting policy.

In order to prevent such situation from reoccurring in the future, the Company group has improved its risk assessment of projects which will be operated in the future by giving importance to the financial statement and the payment history of the trading partners. In addition, the Company group has improved its debt collection procedure by arranging for coordination between the finance department and the sale department to closely follow up on collecting the debt payment. Regarding payment installment of work in the future, the board of directors will closely follow up on collecting payments from all contractors in every meeting in order to determine ways to resolve the problems in a timely manner.

(9) Risk from Reliance on Government Project

The principal project owners of the Company group's current construction work are government agencies. The Company group has sub-contracted work from other private companies, who are main contractors of the projects, such as the replacement of overhead electrical cables to underground cables project for preparation to become the Greater Bangkok ASEAN Metropolis, and the MRT green line (north) project (Phaholyothin Road and Lad Prao Road). The Company group thus relies on government work projects. Even though the present expansion of construction business is based mostly on government work projects, which have no risk of not paying according to the agreed contract, the Company group has an approach to reduce its reliance on the government sector by taking the initiative to take on more work of the private sector, who has a stronger financial status.

(10) Risk from Cost Control of the Project

The Company's construction businesses, which provide telecommunication and infrastructure services, are turnkey projects, which are important in the Company's operation and can have an impact on the Company's performance. Control of the operation cost of each project is to be kept at the evaluated level. If control of the operation cost is not efficient enough, this may have a negative effect on the Company's performance. Therefore, the Company places great importance on controlling the operation cost closely, starting from the step of cost estimation to the step of cost control during the operation. The Company has determined the reference price in hiring the sub-contractor for each type of work and has assigned an engineer as each project's supervisor, who will supervise and follow up on the work, deliver work, and solve any on-site problems which may occur. In addition, there are constant meetings with sub-contractors in order for the Company to be informed of any problems and give recommendations to solve the problems quickly. In the case that a sub-contractor cannot complete the work correctly and on time, the Company can proceed in selecting a new sub-contractor to continue the work immediately.

(11) Risk from Delayed Operation

Delayed work delivery would cause the Company to be responsible for paying daily fines, as well as having a negative effect on the Company's reputation and performance. The reasons for delayed work delivery can result from having insufficient sub-contractors, sub-contractors abandoning the work, work received from the sub-contractor not meeting the quality standard or requiring revision, etc. The Company has set up a procedure in supervising the work of the sub-contractors by hiring sub-contractors on the approved list in which the quality of their previous work has passed evaluation in the procurement selection for each type of work. In addition, the Company has set up careful work supervision by arranging to have an engineer constantly and closely supervise, follow up, and evaluate the work of the sub-contractor for each project in order to reduce the mistakes and the chance of delayed work delivery. As a result, in the past the Company has never had any cases of having to pay fines due to delayed work delivery.

(12) Risk from Reliance on the Sub-Contractor

The Company must hire sub-contractors to operate construction in every project, which creates risk from relying on sub-contractors in delivering the work. The Company has arranged to have a sufficient number of sub-contractors to be on the Approved Vendor List in order to support the current projects as well as the expected projects in the future. In addition, the Company has also continuously established

good relations with sub-contractors with potential, which results in having a sufficient number of ready sub-contractors to support the projects of the Company in each hiring.

(13) Risk from having major shareholder's influence on the formulation of management policy

As of 31 December 2022, the group of Mr. Kittipan Sri-bua-iam holds 155,925,700 shares of the Company, accounting for 49.344% of the registered and paid-up shares. The said proportion of shareholding makes Mr. Kittipan Sri-bua-iam the largest shareholder and has the authority to control the resolution of the shareholders' meeting. Furthermore, Mr. Kittipan Sri-bua-iam is also a director, an executive director, and holds the position of chief executive officer, therefore, minor shareholders of the Company may be at risk from having the influence of a major shareholder on the formulation of the Company's management policy to be in one direction or another.

However, when considering the management structure of the Company, which consists of a board of directors and an audit committee, it is found that the management structure has set a clear and transparent scope of authorities, duties and responsibilities of different committee groups. Measures have been set regarding actions which can be taken on items that are related to the directors, the major shareholder, the authorized business supervisor, including the persons with conflict of interest, so that the stakeholders will not have the right to vote in approving the items in which they may have interests. In addition, an independent audit committee has been arranged to participate in the consideration of the meeting's agenda and the meeting's decision making in order to create transparency and confidence of the shareholders. As a result, the management structure of the Company has a balance of power and an efficient management.

(14) Impact from the COVID-19 Pandemic Situation

The Company's performance has not been negatively affected in a significant manner by the COVID-19 pandemic situation. In 2022, the situation of the COVID-19 epidemic is gradually decreasing, and government agencies are easing epidemic prevention and control of COVID-19 measures. In 2022, income from the ICT business was 944 million baht, which had an increased growth from 2020, accounted 14% from an increase in employment of telecommunications and infrastructure from the government agencies, as a result, income from the construction business increased. The retail customers of the ICT business requested an extension of the debt payment which does not have any impact on the Company's liquidity. The Company places great importance on the prevention of the pandemic by having employees of the Huay Kwang office building and the NT Bangrak Building conduct the meetings through Zoom. The information technology department enables employees to be able to use the work system through assigned computers. In addition, the office and the NT Bangrak Building have enforced strict control of sanitary safety, such as social distancing at the workplace, temperature check before entering work, providing alcohol cleansing gel at the workplace, spraying disinfectants in the risky areas on an hourly basis, and allowing outsiders to enter only some specific assigned areas.



2.3 Risk from Lending to Major Company of the Company group

As of 31 December 2022, the Company has provided a short-term loan to the subsidiary of the Company group, which is PROEN TELEBIZ Co., Ltd, in the amount of 85.07 million baht and ICON NEXT Co., Ltd, in the amount of 2.25 million baht, accounting for 5.49% of the total asset. The said loan has an interest rate of 8% per year, with no collateral, and payment due date upon request. However, the Company may not be able to receive the payment upon request within a short period of time due to the liquidity limitation of the subsidiary of the Company group. As of 31 December 2022, TELEBIZ has cash and cash equivalents in the amount of 6.22 million baht, and the liquidity ratio of 0.72. And ICON NEXT has cash and cash equivalents in the amount of 1 million baht, and the liquidity ratio of 1.04. Furthermore, as it is a loan provided to the subsidiary of the Company group, the Company thus set the terms of the loans not to be strict and there is a likelihood that the loan will be continued in the future. As a result, the Company may lose an investment opportunity, and if there is continuity of waiver in different forms such as an extension of repayment period, there may be the risk that the said loan will be set up as a bad debt reserve until it is finally written off as bad debt, which may significantly affect the financial status and the liquidity of the Company.

2.4 Financial Risk

(1) Liquidity Risk

Because all of the construction work projects accepted by the Company group will be sub-contracted out, as a result the Company group has to provide approximately 15–28% of the contract value in which the Company group has been hired as an advance payment to the sub-contractors, whereas the Company group will receive an advance payment from the project owner or customer of approximately 10% of the work value for the hired work. Thus, the advance payment received from the customer will have a lower value than the advance payment given to the sub-contractor, which may affect the liquidity of the Company group. The Company can manage the said risk by doing back-to-back contracts with the sub-contractor by setting the advance payment to be paid to the sub-contractor to be in an amount close to the amount of advance payment received from the customer, in order to limit the said liquidity risk.

As of 31 December 2022, the Company has a liquidity ratio equal to 2.32, which is an increase from the liquidity ratio of 1.42 at the end of 2021. This is due to an increase in current assets in the amount of 454.86 million baht, and a decrease in current liabilities in the amount of 29.03 million baht.

The increase in current assets was increased due to cash received from issuance of debentures, in the amount of 491.94 million baht. Trade and other accounts receivable increased 273.32 million baht, increasing from third-party account receivables after deducting expected credit losses of 28.53 million baht, net unbilled construction receivables increased 243.13 million baht. Also, as a result of the decrease in inventories because of the delivery of the project in the amount of 93.93 million baht, sale of investments in debt securities in the amount of 149.58 million baht, and cash used for working capital and investment in the amount of 66.89 million baht.

Current liability decreased in the amount of 29.03 million baht, this is mainly because the decrease from overdraft payments and loans from financial institutions in the amount of 93.91 million baht, and as a result of an increase in trade and other payables in the amount of 57.51 million baht due to an increase in accrued construction costs and other current liabilities increased in the amount of 7.37 million baht.

(2) Solvency Risk

At the end of 2021 and 2022, the Company had leverage ratios of 0.64 and 4.31, respectively, all of which are more than 1, indicates an increase in the Company's solvency. At the end of 2022, the Company has earnings before interest, income tax, depreciation, and amortization, in the amount of 137.01 million baht, which is an increase from the amount of 80.21 million baht at the end of 2021. At the end of 2022, there is an interest bearing debt due within one year in the amount of 31.76 million baht, which is a decrease from the amount of 125.67 million baht in 2021.

However, if considering the liability entries used in the calculation of the aforementioned ratios as of 31 December 2021 and 31 December 2022, these liability entries include liability from the lease contract which have been adjusted according to the financial reporting standard no.15 and 16 in the amount of 12.73 million baht and 12.48 million baht, respectively. The said liabilities are the amount of rents that are to be paid in the future discounted to the present value, which are accounting entries perceived as interest bearing debt.

Therefore, in order to reflect the actual loan with interest, only the loan debt that is not debt from the lease contract should be the main consideration. It can be seen that the interest bearing debt due within a period of one year is equal to 19.29 million baht. The calculated solvency ratio, without including debt from the lease contract, occurred from the adjustment according to financial reporting standards, which is found to have the value of 7.10, which indicates an increase in the Company's solvency.

However, at the end of 2021 and 2022, the Company had interest bearing debts in the amount of 179.89 million baht and 572.20 million baht, respectively. The interest bearing debt at the end of 2022 is increased by 392.31 million baht causing the Company to have a ratio of interest bearing debt to earnings before interest, income tax, depreciation and amortization (interest bearing debt to EBITDA ratio) of 4.18 at the end of 2022, which is an increase from the value of 2.24 at the end of 2021.

At the end of 2021 and 2022, the Company had the solvency ratios of 8.21 and 4.04, respectively, all of which are more than 1. However, at the end of 2022, the Company has paid interest equal to 33.95 million baht, which is an increase from the interest paid of 9.77 million baht at the end of 2021. At the end of 2022, the Company had interest-bearing liabilities of 572.20 million baht, increased from the end of 2021, which had interest-bearing liabilities of 179.89 million baht. At the time, the Company has issued bonds in the amount of 500 million baht causing the Company to have an additional increased interest expenditure for debenture in the amount of 27.42 million baht in 2022. However, at the end of 2022, the Company has earnings before interest, income tax, depreciation, and amortization in the amount of 137.01 million baht, which is an increase from the amount of 80.21 million baht at the end of 2021.

At the end of 2022, the Company has interest bearing debt in the amount of 572.20 million baht, and has shareholder's equity in the amount of 471.89 million baht. The value of bonds issued and offered for sale is 500 million baht, which is more than the total equity of shareholders.

After the bonds have been issued, this will cause the Company to have a significant increase in interest bearing debt, which will affect the ability to pay obligations of the Company. There will be obligations to pay interest as well as the principal amount upon the due date. If the Company has obligations to pay large amounts of interest, the Company will have high risk in having financial liquidity problems that may lead to debt default in which the creditors will not be paid interest or principal amount upon the due date. However, at the end of 2022, the Company has undelivered work of construction projects in the amount of 38.40 million baht, of which income will be recognized in 2023.

(3) Risk from Financial Structure with High Debt Ratio

As of 31 December 2022 and 31 December 2021, the Company has debt-to-equity ratios equal to 2.37 and 1.57, respectively, which is an increase from 2021. This is mainly because the Company relies on sources of funds that come from liability more than equity. In 2022, the Company issued bonds in the amount of 500 million baht, maturity of 2 years. However, in 2021, the Company offered assets for sale for the first time, and was able to raise funds in the amount of 262.74 million baht.

At the end of 2022, the Company relies on the source of funds from equity in the amount of 471.89 million baht and the source of funds from liability in the amount of 1,118.49 million baht. The Company has total assets of 1,590.38 million baht. By issuing the bonds, this causes the Company to be more reliant on the source of funds from liability, which creates obligations to pay the principal amount and interest upon the due date. If the Company has obligations to pay large amounts of interest payment, this will cause the Company to have high risk from financial liquidity problems, which may lead to debt default in which the creditors will not be paid interest or principal amount upon the due date. The value of debt instrument issued and offered is higher than the value of total equity. The Company may be at risk of not being able to pay off the debt.

(4) Risk in Maintaining Financial Ratio

In conducting the operation of the Company, it requires using the source of funds that comes from both financial institutions' loans and the issuance of bonds. The Company must comply with the term of maintaining financial ratio as prescribed by the financial institution, that is, the debt-to-equity ratio is not to exceed 2.75. (From 2022 to 2023, the definition of "Total Liabilities" is total liabilities minus cash and cash equivalents according to the annual financial statements)

At the end of 2020, the Company was not able to maintain the said total debt-to-equity ratio. However, the bank has made consideration and views that the Company can still repay the debt according to the terms set in the loan contract. The bank thus did not exercise the right according to the breach of contract clause. However, at the end of 2021 and 2022, the Company was able to maintain the financial ratio according to the terms of the financial institution.

After the offering of the debenture, the Company will have an increase of the total debt-to-equity ratio. The Company is at risk that it might not be able to maintain the prescribed debt-to-equity ratio. If the Company cannot maintain the said ratio, the Company may be asked by the financial institution to repay the loan prior to the due date. The Company is in the process of revising the loan limit and is considering asking for an expansion in maintaining the debt-to-equity ratio. The Company would like to request for a change in maintaining the debt-to-equity ratio of 2:1 to the debt-to-equity ratio is not to exceed 2.75.(From 2022 to 2023, the definition of “Total Liabilities” is total liabilities minus cash and cash equivalents according to the annual financial statements)

Regarding the financial ratio prescribed by the terms of debenture, the Company must maintain the financial ratio, that is, the interest bearing debt-to-equity ratio of 2.5:1. If the Company cannot maintain the financial ratio according to the said terms, this may be considered as a cause for breach of terms, causing the outstanding debentures of the Company to be in cross default. However, the Company has measures to control the net interest bearing debt-to-equity ratio and the capital structure to be at appropriate levels.

At the end of 2022, the Company has loans from the financial institution in the amount of 8.51 million baht, in which the debt-to-equity ratio must be maintained.

At the end of 2021 and 2022, the Company had interest bearing debt-to-equity ratios equal to 0.43 and 1.21, respectively.

2.5 Risk of Instrument

(1) Credit Risk

Debenture holders are at risk from not receiving the interest payment or the loan's principal amount when business performance of the debenture issuer is not as predicted or when assets of the debenture issuer are not sufficient for debt payment. Therefore, before making a decision to invest, investors should consider the financial status, the performance, and the ability to repay the debt of the debenture issuer based on information indicated in the registration statement of liability instrument and draft prospectus, in evaluating the credit risk of the debenture issuer.

As a debenture issuer does not receive a credit rating and is a public company limited that is not registered on the Stock Exchange Market, investors should study information on the performance of the debenture issuer and should continuously monitor information and news of the debenture issuer. Investors can monitor information from the website of the debenture issuer, the manager of the debenture distribution, the Office of the Securities and Exchange Commission (SEC) or the Thai Bond Market Association.

(2) Price Risk

The market price of the debenture may change depending on many factors, such as interest rate level in the financial market, policy of the Bank of Thailand, overall economic condition, inflation rate, maturity of the debenture or the excess demand or the lack of demand of the debenture. Therefore, the debenture holder may be affected by the fluctuation of the debenture price in the case where there is buying and



selling of the instrument prior to its maturity date. In general, the price of the debenture with longer maturity period will be more affected from the change of the market interest rate.

(3) Liquidity Risk

When the debenture holder wishes to sell the debenture in the secondary market prior to its maturity date, the debenture holder may not be able to sell it immediately at the preferred price because there is not much buying, selling, and changing of instrument ownership in the secondary market. The debenture holder can buy and sell the debenture in the secondary market with any bond trader or juristic person that has a securities trading license. Furthermore, the debenture holder cannot sell the debenture in the secondary market prior to its maturity because the debenture issuer has registered a limitation of the transfer with the Office of Securities and Exchange Commission. This limitation of the debenture transfer allows the transfer to be possible specifically within institutional investor groups and/or major investors, according to the definitions indicated in the Announcement of the Securities and Exchange Commission prescribing the definitions used in the announcement of the issuance and sale offering of all debt instruments.







3 Driving the business for sustainability



3.1 Policy and Target in sustainable management

The Company has a policy to operate the business with its belief that in making business successful in the long term and stably, there must be organizational management which is based on ethics and good corporate governance principles, the focus on sustainable growth, managing in the way that could result in the balance in terms of economy, society, and environment. The social responsibility is another point focused by the Company; its intention is to cooperate with those concerned, by taking potential impact against the stakeholders into consideration including shareholders, employees, customers, partners, surrounding community, and to imbue a sense of social responsibility into the employees by allowing them to participate in activities that benefit the society, to care for the environment continuously and sustainably, based on SEC's guidelines under the business driving for sustainability principle.



Supervision and strategy on sustainability

The Company operates the business with the emphasis on the transparent supervision, the audit control system, and being verifiable. The Company is a leader in technology and communication and a provider of Data Center information center of the country, in adjusting strategy to keep up with the changing technology. The Company has organized the structure of the organization, roles and duties, as well as responsibilities in the way that encourages sustainable and stable business development.

Strategy on sustainability

The Company has formulated the long-term action plan, strategic plan, and has reviewed long-term strategic plan for 3 years “**PROEN 2023-2025**” to drive the business in the way that achieve the goal sustainably. And in 2022, the Company has developed personnel to support the expansion of the business, operating the business together with the social development and developing the business to keep up with the changing technology.

Strategic plan for 3 years “PROEN 2023-2025”

**2025-
2026**

One subsidiary company was listed in mai.

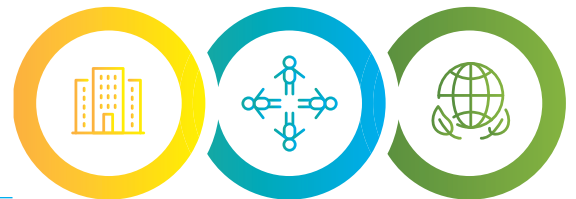
2024

Opening of a new Data Center

2023

Merger & Acquisition (M&A)

Strategic Business Plan for 2023



Economy

- Revenue growth target: not less than 20% and set a gross profit target of not less than 300 million baht.
- Expand and develop ICT innovation to create revenue from services of not less than 35%
- Expanding the potential of basic structure in bringing electrical cables and communication cables go underground along to Thailand development plan.
- New acquisitions (Merger & Acquisition: M&A) expand the business, for increase the recurring income.
- Submission for investment rights from The Board of Investment of Thailand: BOI

Society

- Create value for society: University students, Medical staff group of less than 2 in order to promote cloud technology usage by providing free cloud service
- Create a brand that promotes the proper use of the internet and social networks
- Promote the proper and safe use of the Internet and social networks for users.
- 80% of employees have been trained to be ready for the business expansion and technological changes
- The total number of employees that participated in the employee engagement survey activities was not less than 100%, and the organization's performance has to be revise.

Environment

- The company's products and services as well as environmentally friendly partnerships to reduce Greenhouse gas emissions.
- Adjust the work system to reduce the use of paper and digitizing data storage
- The design and construction of a new office building and data center building (IDC) is to focus on energy saving, to support the expansion of the data center service business Soi Srinakarin 8 Srinakarin Road.



3.2 Impacts Management toward stakeholders in business value chain

3.2.1 Sustainable Value Chain

which will result in the sustainable business success. The Company's Sustainable Value Chain consisted of cooperation for partnership, sales distribution, service, after sales service, aiming to meet the requirements of customers and all group of stakeholders with the most effective operation.



5

After sales service

Customer can rely on and focus on their business with 24 hours service of consultant team and engineering team

6

From Customer become Business Partner

Looking for cooperative with customers in order to promote to become our business partner for the sustainability of both side for example PDPAaaS, OmniChannelaaS

4

5

6

2

3



Internet Data Center Service



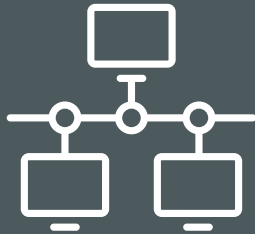
The business in digital world based on 3 components of infrastructure, which are Application, Processing System, and Internet. The Internet Data Center Service of the Company is a part of the Digital world infrastructure, built with TIER 3 certification, contained high security, together with the largest domestic internet connection system in the country. The Company pay attention to the Data Center design, equipment placement, as well as the internet system monitoring in order to get access from domestic and without limits in business needs.

Cloud Platform Service



The Application First is a mechanism to promote business growth and business operation nowadays. There are requirements of application to get access to massive users at a short period, so the infrastructure is required for the business growth. The Cloud Platform of the Company is Cloud Platform as a Service or Cloud PaaS, which is the new solution of Cloud service. User only need to focus on their business by application develop, the system will be operated automatically, such as, system expansion, security system, and it can be able to connect with Blockchain as well. It has also expanded its cloud offerings to help customers prevent ransomware with Cloud Backup as a Service and Manage Endpoint Service.

SD-WAN & SASE Solutions



Branch connect service, Cloud service, and Data Center service provided for enterprise, business with branches, and Work from Home policy, for example, retail business, manufacturing business, Health Care business, financial institutions, and government agencies. The advantage of the service is the fastest cloud usage secured by Cloud Security and Security Operation Center team.

Sales Distribution and Sales Promotion



1. Sales team regular visit customers to survey problem and find solution
2. Create a website as to provide information and contact channel via: www.proen.co.th, Facebook, LinkedIn and line@
3. Organize event marketing, such as participate an event, seminar, and publish news regarding new products of the Company, provide new technological knowledge that improve the Company's products or services, prepare for flyers to get attraction from customers, and publish advertising on the Company website regarding products and services
4. Organize Hand on Lab activities that help customers understand technology. and used correctly and safely.

After sales service



In order to deliver value to customer, the Company has a consultant team and an active engineering team to solve problem in advance before customer perceived with 24 working hours. This made the Company to be the service provider that corporate customers in both public and private sectors can be confident in. Since there are appropriate service fees according to the Company's competitive strategy, a lot of usage of data storage and Data Center equipment installation, the risk may occur when initiate system immigration, the customer therefore decide to apply for our service continually.

From customer become business partner



The Company will seek cooperation to promote customer to become our business partner, in order to delivery valuable service to the market, such as, Validator Node service for PoSA in Blockchain transactions validation, which is the infrastructure of the new world that everything can be transparently proved for example NFT, Web3, and Metaverse and many Organizations can benefit from PDPA as a useful service to legally record and investigate the use of personal information. And Omni-Channel is a communication channel that provides a good experience for customers by gathering replying and forwarding messages from Line, Facebook, Instagram, WhatsApp in one screen and this must be a seamlessly upselling.



3.2.2 Stakeholders Analysis in Business Value Chain

Operation with Stakeholders

Stakeholder	Communication Activities for Relationship Creation	Expectation and main issue	Result for 2022	Sustainable Development Goals: SDGs
Employee	- Information notification regarding Company movements to employees through internal communication channels such as Email, Line group chat "PROEN Group" - Monitor Employees safety of the COVID-19 infection situation - Hearing Complaints from Employees - Activities to build relationships with the Company	- Operation Direction and guidelines for adaptation - Take care of employees and provide suitable benefit	- The company provides COVID-19 testing kit service for employees, to check for infection twice a month - Make a Complaint via Email channel: company.secretary@proen.co.th - Organize annual travel activities for good relations within the company - Activity have lunch together 1-2 times per Quarter for good relations within the company - Improve Key Performance Indicators (KPI) to measure performance more efficiently.	
Supplier	- Evaluate all buyers, contractors, and employees every time - Participate online seminars to present new and innovative products	- Comply with agreements, payment conditions, and set reasonable prices - Develop new ideas, make a consult for the quality of the products - Support quality products, which help to reduce the impact on the environment	- Evaluate all quality of suppliers after providing service - Suppliers share new knowledge, that may affect the business operation - Exchange ideas and listen to suggestions or improvements.	

Operation with Stakeholders (continued)

Stakeholder	Communication Activities for Relationship Creation	Expectation and main issue	Result for 2022	Sustainable Development Goals: SDGs
Customer and Consumer	- Meet and communicate with customers - Customer satisfaction assessment form - Technical education for customers	- Provide efficient, fast and responsive service - Provide cutting-edge products, having solutions for customers during the COVID-19 situation - Standard of Customer data privacy	- Develop new services regarding Cloud Computing, ICT, and cyber security in order to meet the needs of customers in running an agile business. - Improve potential in providing Internet Data Center service - Develop new services regarding Cloud Service - Provide new technology regarding online business group - Evaluate customer satisfaction once a year.	
Community	- Engage in community activities and contribute to community development - Community news	- No negative impacts on the community - Support community activities	Provide Covid-19 protective equipment	
Society	- Participate in social activities for knowledge sharing - Involve with society development	- Support activities that help to improve society - Perform business with transparency	- Donate sports equipment and scholarships for well-educated and poor children - The company donated solar panels and educational equipment to the school on the mountain. “PROEN hải” Project, giving special privileges to Hospitals, Medical units, Public Health, Educational groups, University students, and Startup companies to use cloud service with free of charges - Hold online seminar via Facebook webpage PROEN Corp PLC	  
Business Partner	- Hold meeting together - Visit business partner sites	- Support business for development and growth - Exchange experience of operational risk	Business cooperation, sign MOU with Softnix Technology Co., Ltd. to provide SPDPA Cloud Service for business partners	 



Operation with Stakeholders (continued)

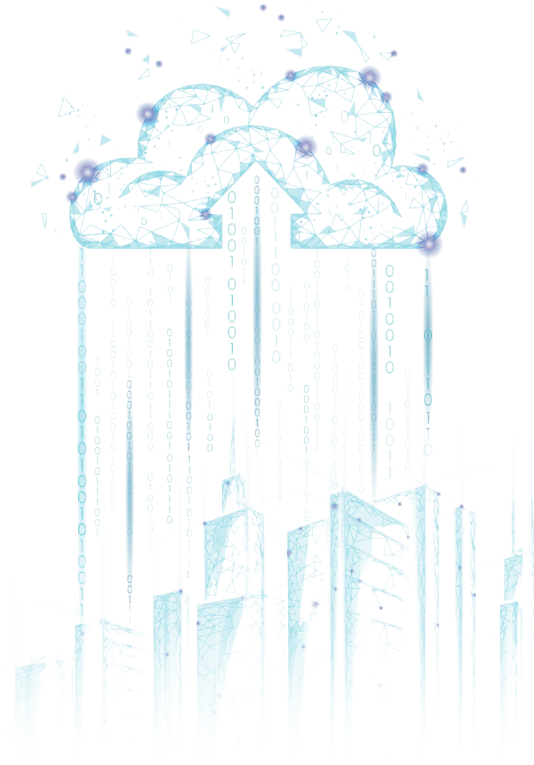
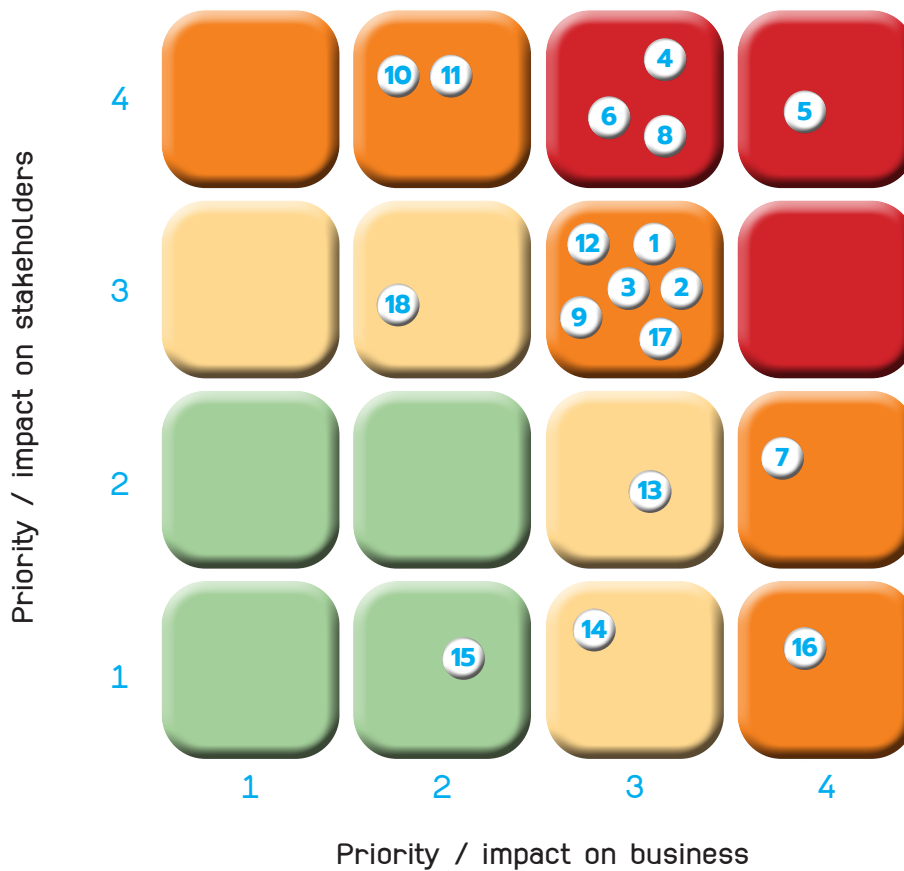
Stakeholder	Communication Activities for Relationship Creation	Expectation and main issue	Result for 2022	Sustainable Development Goals: SDGs
Creditor	- Communicate with creditors - Meeting to present business performance	- Fair trade agreement and agreement compliance - Business transparency	Comply with agreement transparently and strict with agreement conditions	
Shareholder and Investor	- Hold Opportunity Day quarterly - Hold Shareholders Meeting - Communicate through the Investor Relations department	- Receive complete and up-to-date information with transparency - Good returns - Business has sustainable growth	- Disclose information transparently in a timely manner - Pay dividend fairly - Manage, plan short-term and long-term strategy, with comprehensive risk management	
Media	Online communication, provide information through in-depth interviews	- Provide the Company's information regularly - Disclose information in a timely manner	- Organize activities for the media to Company visit - Directors participate in seminar to provide the company information - Equally provide information to media in a timely manner	
Government Authority	Notification, regulation, and guideline from Government Authority	- Cooperate and support local activities - Comply with Government Authority's regulations under the Covid-19 situation	- Support various Government activities regularly - The Company adjusts itself to move forward to overcome the Covid-19 crisis	

Key Issues of Sustainability

PROCEN has determined sustainable development issues from the meeting with Directors in order to make inquiry and consult with them regarding the long-term impacts, determine strategy, goals and operation plan together in order to comply with the key issues of sustainability and It is determined to review key matters once a year.

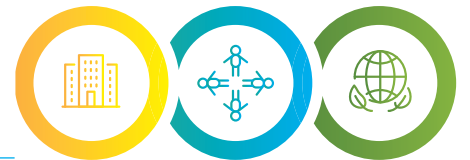
From the critical level assessment in 2022 that has the greatest impact on affects stakeholders and the Company, the results were as follows: network security and emergency management issue.

PROEN Materiality 2022



Issues of each ESG aspects

Economic/Governance	Social	Environmental
1 Supply Chain Management	8 Health and Safety	14 Reduce paper use
2 Risk Management	9 Responsibility for Social and Community	15 Water management
3 Technology Research and Development	10 Human Rights	16 Electricity management
4 Cyber Security and Personal data protection	11 Treatment against employees	17 Greenhouse Gas Management
5 Network system security and emergency situation management	12 Anti-Corruption	18 Electronic waste and expired product management
6 Personal Data Protection Act. (PDPA)	13 Provide digital access opportunity to society	
7 Ability to grow business		





Key Issues of Sustainability and Scope of Impacts

Key issues	Report topic	Scope of internal impacts	Scope of external impacts
Very High importance - Cyber Security and Personal data protection - Network system security and emergency situation management - Personal Data Protection Act. (PDPA) - Health and Safety	Page 15 11-15 84 85	PROEN PROEN PROEN, Employees PROEN, Employees	Customers, supplier Customers, supplier All groups of stakeholders Community, social, supplier, Government Authorities
High importance - Supply Chain Management - Risk Management - Technology Research and Development - Ability to grow business - Responsibility for Social and Community - Human Rights - Treatment against employees - Anti-Corruption - Electricity management - Greenhouse Gas Management	Page 80-84 64-75 7 79, 107 86, 93 93 91-95 254 91 90	PROEN PROEN PROEN PROEN PROEN PROEN, Employees PROEN, Employees PROEN PROEN PROEN	All groups of stakeholders All groups of stakeholders Customers, supplier, business partner Shareholders, competitor, Customers, supplier Community, social Community, Customers, supplier Government Authorities Shareholders, investor, supplier, Government Authorities social, Shareholders, Government Authorities Community, social, Government Authorities
Moderate importance - Provide digital access opportunity to society - Reduce paper use - Electronic waste and expired product management	Page 86 79	PROEN PROEN	social, Customers, business partner Community, supplier
Low importance Water management	Page 91	PROEN	Community, Government Authorities



3.3 Environmental operations

The Company has established procedures in analyzing risks and environmental impacts and safety in the business process, as well as the efficient use of resources and energy saving under international standard. The Company realizes the importance of roles of the Company in taking part in alleviating natural resources problem and the environmental problem that could influence the economy driving of the country in the long term and the quality of people's lives in the society. Therefore, presently the Company has implemented the policy and goal in reducing environmental impact and has promoted and supported the maintenance of the environment as well as value chain of the business operation.

Environmental policy

For the policy in social responsibility and environment, additional details can be viewed through the Company's website : <https://investor.proen.co.th/en/corporate-governance/cg-report-and-download>



Environmental plans and operations

The new Internet Data Center (IDC) has started construction in 2022, in order to support the business expansion of the IDC business at soi Srinagarindra 8, Srinagarindra road. The construction is expected to be completed within late 2023 and to be ready to operate within year 2024. The Company also has a plan for environmental operation in the reduction of the carbon emission by using air-conditioning with R410a refrigerant liquid, which use less quantity of refrigerant liquid. It improves the air conditioning system to work efficiently, better sound quality, and more environmentally friendly. Moreover, it does not damage the ozone layer. Nowadays, the R410a refrigerant liquid consists of fluorocarbon, which is the latest coolant developed to replace R22 refrigerant liquid. This refrigerant liquid is accepted by the air conditioning market worldwide. It is projected that, the R410A will be more acceptable in the Asian countries from the law enforcement regarding energy efficiency standard. The design of the building is transparent and has a plan to install solar cells to save electricity consumption.



Another environmental operation, the Company currently uses a fire extinguishing clean agent that is no color, no smell, nonflammable, electricity non-conductive. When the clean agent is sprayed out, the white vapor will volatile itself without damage to electrical equipment, and will not leave any dirt in the splayed area. The clean agent in a fire extinguisher consisted of non CFC agent, which contributes to the protection of the environment and the ozone layer after use. The working principle of BF 2000 fire extinguishing clean agent is to replace oxygen or reduce the air in the flaming area.

In 2022, the company does not have greenhouse gas emission data according to international standards or equivalent. to examine the carbon footprint of The company and Plans to develop policies and action plans in 2023 to reduce negative impacts on the environment or manage greenhouse gas emissions.

Sustainability Environmental Performance Summary

Environment	Unit	2020	2021	2022
Electricity expense	Million Baht	57.56	75.11	84.14
Water use				
Water expense	Baht	5,377	5,507	42,639
Using recycled water	Liter	0	0	0
Waste management				
sell	ton	0	0	0
Environmental Complaints	Unit	2020	2021	2022
• Environmental complaints	Case	0	0	0
• Revised Claims	Case	0	0	0

Remark : At of 2022, the company had water usage expenses in the construction area of the new office building and Data Center (IDC) building in the amount of 35,863 baht, making the company's water usage expenses in 2022 higher than every year.



3.4 Social operations

The Company is committed to doing business with honesty, transparency, responsibility, and in consistent with the good corporate governance. Also, the Company focuses on creating and supporting the culture of having good corporate governance in the organization for all employees to comply with, and taking maximum benefits as the main thing. Therefore, the Company has established the anti-corruption policy and social responsibility policy; more details can be viewed through the Company's website: <https://investor.proen.co.th/en/corporate-governance/cg-report-and-download>



Personnel and Organization Development for the year 2022

The company encourages its employees to upgrade their skills and knowledge to changes in the Digital Disruption through the process of learning all the time and through the training process both inside and outside the place, In 2022, the company organized various projects to develop personnel as follows

1. Start with the Heart

This project was created for employees to dare to think, dare to do, dare to show their abilities in order to achieve greater success by building the stability of employee and business unitedly, focusing on creating encouragement for employee, known as Start with the Heart

There are 3 steps to take:

- Investigate the factors affecting employee's motivation.
- Analyze the problems and resolve them on the spot.
- Plan activities to boost up motivation.



2. The PROEN X YournextU

This activity was designed to improve their personalities, attitudes and conception of team management concepts to manager and high-level executives e.g., Leadership Training, Growth Mindset, Outward Mindset and Coaching & Feedback.



3. The project Eat the same pot of rice

This activity was created for organizational communication through organizational value awareness training in order to build PROEN spirit and ability to apply it at work practically.





Company trips the year 2022

The company organizes annual outings to work on the teambuilding, new motivation and opportunity to reward employees and enjoy break.



Complaints can be sent through the followings:

Letter	PROEN Corp Public Company Limited
Address	11/80 Soi Pracha Uthit 8, Pracha Uthit Road, Huai Khwang Subdistrict, Huai Khwang District, Bangkok 10310
Company's website	www.proen.co.th
Email	company.secretary@proen.co.th
Telephone	02-690 3888
Fax	02-691 1898

Complaint Summary Table 2022

Total complaints completed	-None-
On Process	-None-

Human Resources Complaints	Unit	2021	2022
• Number of Human Resources Claims	Case	0	0
• Discrimination Claims	Time	0	0
• The number of complaints that improve the internal regulations of the company	Case	0	0
Community and Society	Unit	2021	2022
• Number of complaints about community and social impact	Case	0	0
Human Rights Complaints	Unit	2021	2022
• Number of labor complaints	Time	0	0
• Number of human rights complaints	Time	0	0

Personnel and Employment information	Units	2020	2021	2022
Total employees	Persons	97	95	97
Male	Persons	65	63	65
Female	Persons	32	32	32
Male Employees by Age Group				
Below 30 years old	Persons	33	29	26
30- 50 years old	Persons	28	29	33
Over 50 years old	Persons	4	5	6
Female Employees by Age Group				
Below 30 years old	Persons	12	12	7
30- 50 years old	Persons	19	19	24
Over 50 years old	Persons	1	1	1
Number of chief officers	Persons	8	7	10
Male	Persons	6	5	8
Female	Persons	2	2	2
Number of managers	Persons	12	11	13
Male	Persons	8	8	8
Female	Persons	4	3	5
Number of general employees	Persons	77	77	74
Male	Persons	51	50	49
Female	Persons	26	27	25
New employees				
Male	Persons	11	13	17
Female	Persons	8	7	7
Contractors				
Male	Persons	0	0	0
Female	Persons	0	0	0
New employees by age	Persons	77	77	74
Age less than 30 year old	Persons	11	9	14
Age more than 31 year old	Persons	8	11	10
Resigned Employees				
Male employees voluntarily resigned	%	10	15	15
Female employees voluntarily resigned	%	8	7	7
Terminated employees	%	0	0	0

Personnel and Employment information	Units	2020	2021	2022
Maternity leave				
Number of employees taken maternity leave	Persons	1	1	0
Number of employees who resumed to work after taken maternity leave	Persons	1	0	0
Training				
Training hours				
Executive level	Hour	324	268	198
Managing level	Hour	184	160	240
Lower than Managing level	Hour	154	808	576
Average Training Hours				
Average number of training hours	Hour per person	7	13	11
Trained Employees				
Male	%	80	83	67
Female	%	20	17	33
Total budget for employee training	Baht	396,136	724,451	788,404
Safety, Occupational Health				
Employment of disabled people	Persons	0	1	1
Employees who lost their lives in work	Persons	0	0	0
Employees injured while working	Persons	0	0	0
Leave of absence due to work accidents	Persons	0	0	0







4

Management
Discussion and
Analysis

Business overview

PROEN Corp Public Co., Ltd. and its subsidiaries (“the Company”) conduct the following main business: Sale of equipment and providing service in Information Communication and Technology (ICT), sale of server computers and network equipment as well as other technology devices, providing Internet Data Center (IDC) and rental area for server racks with international standard infrastructure equipment, providing Cloud Solution service with convenience and high security to users, providing cyberattack protection service for organizations to prevent the risk may occur to the operation, and doing construction business for Telecommunication and Infrastructure for the project of replacing overhead communication line and transmission line systems with underground system in order to manage security in communication and energy with potential development and to create a good image for being the SMART CITY of the Country.

Operating Result for 2022

Item (Unit: Million Baht)	FY 2021 (Jan.-Dec.)		FY 2022 (Jan.-Dec.)		Change YoY	
	MB.	% Total revenue	MB.	% Total revenue	Increase (Decrease)	%
Revenue from Sale and Service	1,058.48	99.71%	1,531.38	98.90%	472.90	44.68%
Other revenue	3.08	0.29%	16.98	1.10%	13.90	451.54%
Total revenue	1,061.56	100.00%	1,548.36	100.00%	486.80	45.86%
Cost of sale and service	912.46	85.95%	1,326.07	85.64%	413.61	45.33%
Gross profit	146.02	13.76%	205.31	13.26%	59.29	40.60%
Selling and administrative expenses	102.16	9.63%	124.05	8.02%	21.89	21.43%
Profit (Loss) before interest and income tax	46.94	4.42%	98.24	6.34%	51.30	109.27%
Financial costs	9.77	0.92%	30.06	1.94%	20.29	207.78%
Profit (Loss) before income tax expense	37.17	3.50%	68.18	4.40%	31.01	83.38%
Corporate income tax	8.01	0.75%	3.11	0.20%	(4.90)	(61.21%)
Net profit	29.16	2.75%	65.07	4.20%	35.91	123.12%

As of 31 December 2022, the Company had total revenue of 1,548.36 million Baht, a growth of 45.86% YoY. The growth of revenue was because of ICT Business in sale of server computers, IT equipment selling project, server rack area for rent, Cloud Product-as-a-Service, and the project of replacing overhead communication and transmission line systems with underground line systems to support being Asian Metropolis. Cost of sale and service increased according to revenue proportion. Selling and administrative expenses increased by 21.89 million Baht or 21.43% YoY, from the adjustment of employee’s remuneration rate based on career and financial advisor fee for an acquisition transaction of an investment in a new business.



In 2022, the Company offered debentures for the purpose of new Internet Data Center construction in order to develop potential to serve customers in the future and for the purpose of working capital to operate project works. As a result, the financial cost was 30.06 million Baht, increased by 20.29 million Baht or 207.78% YoY. In 2022, the Company had net profit of 65.07 million Baht, increased by 35.91 million Baht or 123.12% YoY.

Revenue divided by business groups

Operating Result (Unit: Million Baht)	Total revenue FY				Total cost FY				Total gross profit FY			
	2021	2022	Increase (Decrease)	%	2021	2022	Increase (Decrease)	%	2021	2022	Increase (Decrease)	%
ICT Business:												
Sale	528.37	626.91	98.54	18.65	484.63	597.55	112.92	23.30	43.74	29.36	(14.38)	(32.87)
Service	300.56	317.10	16.54	5.50	219.84	212.62	(7.22)	(3.29)	80.72	104.48	23.76	29.43
Total revenue from sales and services	828.93	944.01	115.08	13.88	704.47	810.17	105.70	15.00	124.46	133.84	9.38	7.54
Infrastructure Construction Business:												
งานโครงการโครงสร้างพื้นฐาน	229.55	587.37	357.81	155.88	207.99	515.90	307.91	148.04	21.56	71.47	49.91	231.44
รวมธุรกิจหลัก	1,058.48	1,531.38	472.90	44.68	912.46	1,326.07	413.61	45.33	146.02	205.31	59.29	40.60

Revenue divided by business

In 2022, the total revenue divided by business increased by 472.90 million Baht or accounting for 44.68 million Baht compared to the corresponding period of the prior year.

ICT Business: revenue from sale of ICT equipment was increased, due to the growth of sale of server computer, network device for internet connection, and IT equipment. In 2022, revenue from sales grew by 98.54 million Baht or 18.65% YoY, and revenue from services increased by 16.54 million Baht or 5.50% YoY. The increase was from Cloud Product-as-a-Service under the name of PROEN Any Cloud and SEA Cloud which qualified international standards with staff support team available 24 hours.

Infrastructure Construction Business: Revenues were from the project of replacing overhead communication line and transmission line systems with underground systems and the project of Mass Rapid Transit Station improvement. In 2022, revenue from Infrastructure Construction Business was 587.37 million Baht, increased by 357.81 million Baht or 155.88% YoY.

Cost of sales and services, Cost of project works, and Gross profit

In 2022, the Company's main business had a total cost of 1,326.07 million Baht, increased by 413.61 million Baht or 45.33%, according to revenue proportion. Gross profit was 205.31 million Baht, increased

by 59.29 million Baht or 40.60%, due to the expansion of Cloud Product-as-a-Service and projects with more work acceptance.

Selling and Administrative Expenses

In 2022, the Company had selling and administrative expenses of 124.05 million Baht, increased by 21.89 million Baht or 21.43% YoY, the increase were from the adjustment of employee's remuneration rate based on career and hiring of financial advisor to prepare a due diligence regarding the acquisition of assets for new business investment, and an item of impairment of assets according to the financial standard.

Financial Cost

In 2022, the Company had a financial cost of 30.06 million Baht, increased by 20.29 million Baht or 207.78% YoY, due to the debentures offering on March 2022 in the amount of 500 million Baht with interest at 6.50% p.a., with a 2 year redemption period for the purpose of new IDC construction and for working capital to operate project works, as a result of increased financial cost.

Corporate income tax

In 2022, the Company had corporate income tax of 3.11 million Baht, decreased by 4.90 million Baht or 61.21% YoY, due to the calculation of corporate income tax and the recognition of deferred tax assets of accumulated losses.

Net Profit

In 2022, the Company had Net profit of 65.07 million Baht, increased by 35.91 million Baht or 123.12% YoY, due to the growth of revenue from ICT Business and Infrastructure Construction Business.

Statement of Financial position

Item (Unit: Million Baht)	31-Dec.21	31-Dec.22	Increase (Decrease)	%Increase (Decrease)
Assets				
Current asset	825.49	1,280.34	454.85	55.10%
Non-current asset	253.12	310.04	56.92	22.49%
Total assets	1,078.61	1,590.38	511.77	47.45%
Liabilities and shareholders' equity				
Current liabilities	581.31	552.29	(29.02)	(4.99%)
Non-current liabilities	77.52	566.20	488.68	630.48%
Total liabilities	658.83	1,118.49	459.66	69.77%
Shareholders' equity	419.78	471.89	52.11	12.41%
Total liabilities and shareholders' equity	1,078.61	1,590.38	511.77	47.45%



Total Assets

As of 31 December 2022, the Company had total assets of 1,590.38 million Baht, increased by 511.77 million Baht or 47.45% YoY. The increase was from debenture offering in the amount of 494.81 million Baht, the investment of server equipment, and works under construction of the new IDC in the amount of 43.05 million Baht.

Total Liabilities

As of 31 December 2022, the Company had total liabilities of 1,118.49 million, increased by 459.66 million Baht or 69.77% YoY. The increase was from debentures offering in the amount of 500 million Baht for the purpose of new IDC construction and for working capital to operate projects.

Shareholders' equity

As of 31 December 2022, the Company had shareholders' equity of 471.89 million Baht, increased by 52.11 million Baht or 12.41% YoY, due to the increase of net profit in 2022.

Statement of Cash Flow

Item (Unit: Million Baht)	31-Dec.-21	31-Dec.-22	Increase (decrease) Value	% Increase (decrease)
Net Cash From (Used In) Operating Activities	26.63	(14.85)	(41.48)	(155.78%)
Net Cash From (Used In) Investing Activities	(181.59)	85.87	267.46	147.29%
Net Cash From (Used In) Financing Activities	205.47	356.36	150.89	73.44%
Cash Balance for the period	50.51	427.38	376.87	746.17%
Cash And Cash Equivalents, Beginning Balance	72.68	123.19	50.51	69.50%
Cash And Cash Equivalents, Ending Balance	123.19	550.57	427.38	346.94%

As of 31 December 2022, the Company had cash and cash equivalents, ending balance of 427.38 million Baht, cash at the beginning year was 123.19 million Baht, Net Cash Used In Operating Activities was (14.85) million Baht. This was because of the increase of accounts receivable of the project works waiting to collect payment according to revenue recognition upon the completion of works. Net Cash From Investing Activities was 85.87 million Baht, from cash received from investment in financial assets and used in the investment of server computers and assets under construction. Net Cash From Financing Activities was 356.36 million Baht, from debenture offering in the amount of 500 million Baht, repayment to financial institutions, and dividend payout in 2022.

Key Financial Ratios

Financial ratios		2020	2021	2022
Liquidity Ratio :				
Liquidity ratio	Times	1.01	1.42	2.32
Quick ratio	Times	0.93	1.21	2.26
Receivable turnover ratio	Times	3.24	2.93	2.73
Average Collection Period	Days	111	123	132
Profitability Ratio :				
Gross profit margin	%	15.99	13.80	13.41
Operating profit margin	%	5.18	4.42	6.34
Other operating income ratio	%	0.44	0.29	1.10
Free cash flow to EBIT	%	237.02	56.72	(15.12)
Net profit margin	%	2.51	2.75	4.20
Return on Equity (ROE)	%	19.40	10.23	14.59
Efficiency Ratio		2020	2021	2022
Return on Asset (ROA)	%	3.94	3.34	4.88
Return on Fixed Asset (ROFA)	%	42.64	45.57	66.93
Asset Turnover Ratio	Times	1.57	1.22	1.16
Financial Policy Ratio				
Debt to Equity ratio (D/E)	Times	3.43	1.57	2.37
Interest Bearing Debt to Equity Ratio	Times	1.43	0.43	1.21
Interest Coverage Ratio	Times	9.13	4.85	0.90
Commitment Coverage Ratio (Cash basis)	Times	0.29	0.13	(0.04)
Debt Service Coverage Ratio (DSCR)	Times	0.60	0.64	4.31
Dividend Payout Ratio	%	16.83	57.02	67.78

For the Key financial ratios in 2022, the Company's liquidity ratio was better than the prior year, due to the increase of current asset, cash and cash equivalent, ROE increased from higher profitability ratio.

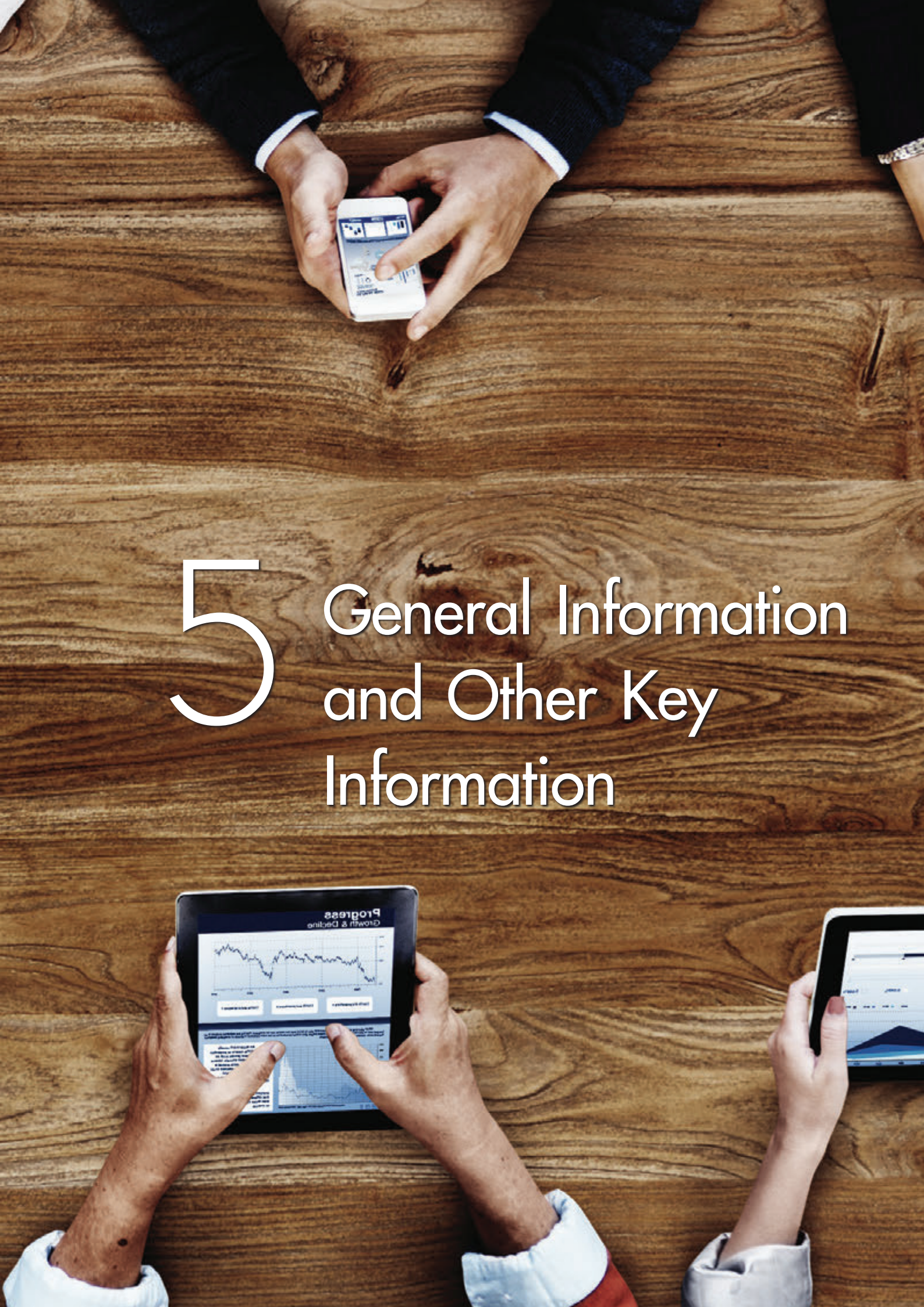
D/E ratio increased compared to the corresponding period in the prior year as in March 2022 the Company offered 500 million Baht of Debentures with a redemption period of 2 years. Accounts payable increased from the projects expanded in 2022.

Business plan for 2023

In 2023, the Company set its goal for at least 20% growth of revenue from the prior year by planning a technology product strategy to meet customer requirements and the change of customer behavior. The investment in software or operation system developers is considered in order to enhance the IDC business that generates recurring income. The company has delivered works that are eligible to participate in large-scale projects.







5 General Information and Other Key Information

Information of subsidiaries and juristic persons whose shares are held by the Company: Details as specified under 1.3 Shareholding Structure of the Group

5.1 Company General Information

Company Secretary	Mr. Phuwadon Muangsue
Telephone	: +66 (2) 690 3888 extension 911
Fax	: +66 (2) 691 1898
Email address	: company.secretary@proen.co.th
Investor Relation	Miss Daosawai Jutarseang
Telephone	: +66 (2) 690 3888 extension 913
Fax	: +66 (2) 691 1898
Email address	: ir@proen.co.th
Internal Auditor	Miss Siriwan Lueanloi
Telephone	: +66 (2) 690 3888 extension 914
Fax	: +66 (2) 691 1898
Email address	: siriwan@proen.co.th
The registrar of stocks	: Thailand Securities Depository Company Limited (“TSD”)
Location of the office	: 1st Floor 93 , Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok, 10400
Telephone	: +66 (2) 009 9999
Auditor	: Ms. Nuntika Limviriyalers Certified Public Accountant No.7358 PricewaterhouseCoopers ABAS Limited
Location of the office	: 15th Floor/Bangkok City Tower, 179/74-80 South Sathorn, Road Sathorn, Bangkok 10120 Thailand
Telephone	: +66 (2) 844 1000
Fax	: +66 (2) 286 5050
Debenture Registrar PROEN243A	: Bank of Ayudhya Public Company Limited (Krungsri)
Location of the office	: 1222, FL. AA, Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120 Thailand
Telephone	: +66 (2) 296 3582
Fax	: +66 (2) 683 1298
Debenture Holders’	: DAOL SECURITIES (THAILAND) PUBLIC COMPANY LIMITED
Representative PROEN243A	
Location of the office	: 9, 18, 39 AND 52 TH FLOOR, CRC TOWER, ALL SEASONS PLACE, 87/2 WIRELESS ROAD, LUMPHINI, PATHUM WAN, Bangkok 10330
Telephone	: +66 (2) 351 1801
Legal advisor	: CMT COUNSELLOR COMPANY LIMITED
Location of the office	: 75/58 Richmond Office Bldng 17th FL Sukhumvit Rd., Klong ton Sub-District, Bangkok 10110
Telephone	: +66 (2) 123 8580

5.2 Project in the future

1. The Board of Directors' Meeting No. 1/2019 on 15 January, 2019, No. 5/2020 on 14 May, 2020, and No. 9/2020 on 13 November, 2020, had resolution to approve the purchase of land and the budget for new Information Data Center construction building in order to support the expansion of the business in providing data center service in Soi Srinakarin 8, Srinakarin Road; and the Extraordinary General Meeting of Shareholders No. 1/2022 on 26 January, 2022, had resolution to approve the issuance and offering for sale of debenture, so that the money could be spent in the operation and/ or in buying the equipment for the Data Center, the foundation stone laying ceremony was held on January 30, 2022 and piling was laid on August 10, 2022 and Main Pillar Raising Ceremony on January 31, 2023. The details of the Project are as follows:

Location of the Project	Soi Srinakarin 8, Srinakarin Road, Suan Luang Sub-district, Suan Luang District, Bangkok
Project area	Land with the size of 1 rai, 3 ngan, 47 square wa (747 square wa)
Details of the Project	1. Data Center Building and office with the total area in the whole building of not more than 7,452 square meters, with the office area of about 1,500 square meters, and with IDC area of about 3,000 square meters, that can support 1,000 server boxes. 2. Concrete parking lot with roof with the area of about 1,200 square meters for 60 cars 3. Concrete field for common area with the area of about 500 square meters 4. Concrete road for entrance with the area of 2,000 square meters
Capital expected to be spent	Cost of the construction of IDC building and office for 450 million baht
Source of fund	Capital increase from IPO for 150 million baht, to be obtained from offering to sell debenture No. 1/2022 for 200 million baht, and loan from Financial Institution for 100 million baht
Approximate construction period of time	12 months for the construction of structure of building; it is expected that the structure of building will be completed within the 4th quarter of 2023, and will be ready for service within 2024.



Foundation stone laying ceremony



Piling was laid



Main Pillar Raising Ceremony

2. The Extraordinary General Meeting of Shareholders No.1/2022 on January 26, 2022, had resolution to approve the issuance and offering of debentures with the amount of not exceeding 2,000 million Baht. and the 2022 Annual General Meeting of Shareholders on April 28, 2022, had resolution to approve the issuance and offering of the warrant to purchase the ordinary share of the Company No.1 (PROEN-W1) in the amount of 158,000,000 units which allocated to the existing shareholders in proportionate to their shareholding without allocating them to the shareholders that would cause the Company to the obligation under foreign law. Details as specified under 1.3.4 The issuance of other securities.

5.3 Legal dispute

5.3.1 On part of the Company

As of 31 December, 2022, the Company has legal dispute that might cause damage to the Company, which is higher than 5 percent of the shareholders' equity, with the following details:

Criminal black case no. Aor.4386/2563 and civil black case no. Por.2945/2563

PROEN Corp Public Co., Ltd. is a plaintiff in the lawsuit against one partner company, jointly to commit an offense under the Use of Checks Act, B.E. 2534 (1991), Section 4 with the capital and damages (according to the lawsuit) totaling 33.43 million Baht, The Defendant issued three checks in payment of the debt from the purchase of equipment for use in the project to install a network system and WiFi equipment to provide Google Station CAT-WiFi service, and the bank refused to pay. Currently, the case has ended. The order/judgment hearing date is scheduled on 14 March 2023.

Both defendants reported that in the past, debts have been paid to the company. Some additional amount of 900,000 baht and still wishes to continue to pay debts to the company. by requesting the court to postpone the reading of the judgment for one more date and representatives of the company Acknowledgment of such payment and did not object to the postponement of the case In the event that the court finds that it is an offense that can be compromised And there is a chance that both defendants will be able to find money to complete the payment to the company. Therefore allowing to postpone the appointment to hear the results of debt settlement or to hear the judgment on May 9, 2023 (the remaining debt to be paid about 13 million baht)

5.3.2 Subsidiary

On 31 December 2022, PROEN TeleBiz Co., Ltd. (a subsidiary) had a legal dispute with the case valued more than 10% of the current asset as of the latest ending date of the fiscal year. The details can be described as follows:

The subsidiary filled a lawsuit against has filed a lawsuit against one of its business partners on allegations of breach of contract by claiming damages amount Capital according to the indictment/damages: 91,214,214.56 Baht and the court had accepted the lawsuit The day of settlement of issues was scheduled on 28 February 2023. The Company's attorney is of the opinion that The Company shall be entitled to receive all outstanding wages and performance retention payments that have been deducted. As for damages from breach of contract It depends on the proof of the fact that the actual damage is caused by the breach of contract.

Part 2

Corporate Governance





6 Corporate Governance Policy

The Company recognizes the importance of Corporate Governance and prepares the Good Corporate Governance process. The company has raised the awareness of business ethics in treatment of customers, business partners, competitors and employees with morality. The Company strongly believes that the good corporate governance consisted of a good management system, visionary and accountable directors and executives, a mechanism to control and balance of power in order to make the transparency and accountability to the management. Respect for the rights of equality of shareholders and having responsibility to all stakeholders will be the key factors to maximize the value and return of the company's shareholders in the long term future. The Board of Directors is committed to manage the organization's work by adhering to the principles of good corporate governance, therefore governance mechanism policy and regulatory systems are established in order to operate the Company to be efficient and to achieve its objectives and goals based on business practices that adhere to transparency and responsibility to all stakeholders. The 8 categories of principle are determined as follows.

Principle 1 : Establish Clear Leadership Role and Responsibilities of the Board

Principle and Guideline 1.1

The Company realizes that the Board of Directors plays an important role in driving the Company to be efficient and to achieve its objectives and goals based on business practices that adhere to transparency and responsibility for all stakeholders. The Board of Directors must understand the roles and responsibilities of themselves as a leader in good corporate governance. The Board of Directors has to set objectives and goals, to establish strategies for operational management, to allocate important resources for achieving the objectives and goals, as well as to monitor the evaluation and the company performance on a regular basis.

Principle and Guideline 1.2

The Board of Directors oversees the company to ensure competitive business with good operating results, to conduct business ethically, to consider the long term impacts, to give benefits to society, to reduce negative impacts on the environment, to build corporate resilience under the upcoming changes, and to respect rights of shareholders and stakeholders in order to create sustainable business value. The company's Code of Conduct and policies are established as a guideline for directors, executives and employees. The policies will be reviewed at least once a year and published to directors, executives and all levels of employees.

The Company Code of Business Conduct manual, for more details please go to the Company's website as follows : <https://investor.proen.co.th/storage/downloads/cg/20210818-proen-coc-en.pdf>

Principle and Guideline 1.3

The Board of Directors supervises the directors and executives of the Company to perform their duties responsibly and carefully, to be honest to the Company, as well as to oversee the company operation in order to comply with law, articles of association, and shareholder meeting's resolutions to gain the most benefits to the company.

Principle and Guideline 1.4

For the reference in performance of duties and to clarify of the Board of Directors and subcommittees' scope of work and responsibilities, the Company has prepared the Board Charter and the Subcommittee Charter, which defines the scope of authority and responsibility of each committee. The duties of the board and the subcommittee clearly separated from the management, roles and responsibilities of the Chief Executive Officer and the management are clearly determined, and their performance will be evaluated as well. The charter will be reviewed at least once a year, in addition, the division of roles and duties of the Board of Directors, Chief Executive Officer and Management will be reviewed on a regular basis to comply with the direction of the organization.

Principle 2 : Dene Objectives that Promote Sustainable Value Creation

Principle and Guideline 2.1

The Board of Directors defines or supervises the company's objectives that promote sustainable value creation. The objectives and goals must be complied with the value creation for business, customers, stakeholders, and society. The company will consider a change on environment, an adoption of innovation and technology that can be applied to meet customers and stakeholders' requirements to increase the competitiveness of the company. It can be used as a key concept in business formulation and communication to drive everyone in the company to the same direction.

Principle and Guideline 2.2

The Board of Directors formulated strategies and annual plans to comply with the objectives and goals of the company considering the environmental factors of the business at that time with acceptable opportunities and risks. The Board of Directors supports for a formulation and reviewing of objectives, goals, and strategies for an intermediate term of 3-5 years to ensure that the strategies and annual plans take into account the longer-term impacts, and is reasonably predictable in formulating strategies and annual work plans. The Board prepares for an environmental analysis, internal and external factors and risks that may affect stakeholders, including factors that may impact the Company's goals, encourages the use of innovation and technology to create competitiveness, as well as keeps monitor the implementation of the strategies and annual plans to oversee the allocation of resources and to control the operations as appropriate to comply with the plan, also encourages the use of innovation and technology to create competitiveness appropriately and safely.

Principle 3 Strengthen Board Effectiveness

Principle and Guideline 3.1

The Board of Directors defines and reviews the Board structure in terms of scale, structure, and proportion of independent directors that suit to lead the Company to reach its objectives and goals.

The Board of Directors consisted of qualified directors, who are experts having knowledge, ability and experience in various fields in order to bring the experience, knowledge and capability to develop and formulate

policies and directions for the company's business operations effectively to gain the most benefits to the Company and its shareholders. The Company consisted of (8) eight directors, divided into (4) four executives, (3) three non-executives (independent directors), and (1) one director who is neither executive nor director. The Directors structure will create a balance in voting for various matters, in addition, the Board of Directors has appointed subcommittees to assist in the corporate governance as follows.

- 1) Executive Directors; the Company consists of at least (4) four Executive Directors, who will guide and determine strategies to meet the Company's goals determined by the Board of Directors in order to manage the company with flexibility.
- 2) Audit Committee: the company consists of (3) three audit committees to perform their specific duties, and to propose agendas to the Board of Directors for consideration and acknowledgement. The audit committee has rights and duties as defined in the authority of the audit committee.

The company has at least (1) one audit committee who is expert and experienced in accounting, and has adequate accounting knowledge and experience to be able to perform the duties in reviewing the reliability of the Company's financial statements.

The company has determined the qualifications of the directors, term of office, authority, responsibility, and performance evaluation in the Board Charter and Subcommittee Charter. The information of the Board of Directors, including number of years in office and position in other listed companies will be disclosed in the Company Annual Report (One Report).

Principle and Guideline 3.2

The Company's policy determines that the chosen Chairman of the Board of Directors and the Chief Executive Officer must not be the same person. The Chairman has been assigned to oversee the effective performance of the Board of Directors to reach the company objectives and goals, encouraging the Board of Directors to discuss important issues and provide independent opinions at meetings. The Board of Directors has appointed a sub-committee to consider specific issues and to screen the information. After the Company is listed on the Stock Exchange of Thailand, the company will formulate a policy for the information disclosure in the Annual Report (One Report) regarding the roles and responsibilities of the Board of Directors, a number of times each director attended the meeting in each year.

Principle and Guideline 3.3

The Company established a policy for the nomination and selection of directors with a transparent and clear process. Since the Company has no nomination committee, the Board of Directors will consider the nomination of Directors from knowledge, abilities, and qualifications required by law, then propose to the shareholders meeting to consider choosing the directors according to the criteria and procedures stipulated in the Company Articles of Association. The Board of Directors will provide information about the nominated person for consideration.

Principle and Guideline 3.4

The company clearly established a remuneration policy with transparency. Since the company has no remuneration committee, the Board of Directors is therefore responsible for determining the structure and director's remuneration. The remuneration of the Board of Directors will be considered appropriate

with the responsibilities and must be able to motivate the directors to drive the company to achieve its short-term and long-term goals, and will be proposed to obtain approval from the shareholders meeting accordingly. After the Company is listed on the Stock Exchange of Thailand, the company will formulate a policy for the information disclosure in the Annual Report (One Report) regarding the remuneration of the Board of Directors.

Principle and Guideline 3.5

The Company provides opportunities for directors and/or shareholders to hold directorship positions in other companies, however, being a director in other companies must not be an obstacle to performing the duties of the Company's directors and can devote sufficient time to perform duties in the Company as stated in the Board Charter and notified to all directors. The Directors are required to attend at least 75% of the meetings each year, and to disclose the information of the other company's position. In addition, the company has an information control policy in order to prevent directors or employees from using inside information for their own or any other benefits before that information is made public.

Principle and Guideline 3.6

To supervise the operations of subsidiaries and associated companies, the company has a policy to send directors or executives having qualifications and experiences suitable for running business, to oversee subsidiaries and associated companies for the formulation of important policies and business operations control of the subsidiaries and associated companies. The Company's directors, who are representative of the Company, have to perform duties in supervising subsidiaries and/or associated companies in managing or carry out various tasks according to the policy set by the Company. The representative directors also have to exercise their discretion according to the resolutions of the Board of Directors meeting and/or the shareholders meeting of the Company that approves important matters of the subsidiaries and/or associated companies in order to achieve the most benefits and the sustainable growth of the company.

Principle and Guideline 3.7

The Company requires the Board of Directors and the Subcommittees to evaluate their performance at least once a year in order for the Board of Directors to jointly consider the performance and problems for the improvement to meet the most effectiveness of the Company and shareholders.

Principle and Guideline 3.8

The Company has a policy to encourage directors to understand the business characteristics, the company risks, and related laws, and to provide training programs to suit their duties and responsibilities in various matters related to the company on a regular basis.

Principle and Guideline 3.9

The Company requires the Board of Directors to attend at least 4 meetings a year, and additional special meetings may be scheduled as necessary. Meeting agendas are clearly set for each meeting, and the meeting invitation along with details is sent (7) seven days in advance so the Board of Directors has sufficient time to study the information before attending the meeting. The minutes of the meeting are recorded in writing, and the minutes approved by the Board of Directors are stored and auditable by the Board of Directors and the concerned persons. asx

In addition, to ensure the operation of the Board of Directors in order to proceed smoothly with necessary information accessibility, the company appointed a secretary to oversee and advise the Board of Directors, executives about compliance with legal, regulations, rules, and Articles of Association, and to keep monitoring to ensure that they are practiced correctly and regularly. The secretary is responsible for meeting arrangements, including Board of Directors meeting and shareholders meeting, as well as supervising and coordinating for the implementation of resolutions of the meeting, and responsible for any other duties as required by law.

Principle 4 : Ensure Effective CEO and People Management

Principle and Guideline 4.1

In recruiting appropriate persons to serve as the Chief Executive Officer, the Board of Directors considers qualifications, characteristics, skills, and experiences that are necessary to lead and drive the company towards its goals. Qualifications of the Chief Executive Officer defined by the Board of Directors according to the details in the succession policy for recruiting top management. In addition, authority, roles and responsibilities of the Chief Executive Officer are clearly determined in the policy.

Principle and Guideline 4.2

The Board of Directors supervises the remuneration structure of the top management to be appropriate considering duties, responsibilities, and the company performance, complying with objectives and goals, and the Company benefits in the long term. Moreover, the company takes into account the principle of justice, and can be comparable to other companies in the same industry with similar size. The performance of the Company executives and employees is evaluated by the Key Performance Indicators (KPIs).

Principle and Guideline 4.3

The Board of Directors understands the structure and the relationship of shareholders that might affect the management and the company operations, nevertheless, the Board of Directors will supervise the relationship structure or any agreements to avoid any obstacle to the performance of the Board of Directors' duties. After the company is listed on the Stock Exchange of Thailand, information about agreements affecting the business control will be disclosed accordingly.

Principle and Guideline 4.4

The Board of Directors will monitor and prepare for people management and development to meet the suitable number of people, skills, experience, and incentives, as well as encouraging training and educating people involved in the corporate governance system of the company, such as directors, audit committees, executives, and secretaries. The Company has established a provident fund for employees to have sufficient savings retirement.

Principle 5 Nurture Innovation and Responsible Business

Principle and Guideline 5.1

The Board of Directors encourages usage of innovation and technology in services, causing mutual benefits to the Company, customer, and business partners, and will be used as part of a strategic review to define business models, to improve business operation plans, and to follow up the performance.

Principle and Guideline 5.2

The Board of Directors will monitor the management to operate business with environmental and social responsibility, reflecting in the operation plan to ensure all parties in the organization operate in accordance with the objectives, the main goals, and sustainable strategic plans of the Company. The company and stakeholders define a guideline together as follows.

Responsibility to employees :the company equally and fairly treats its employees, for instance, the compensation and benefits are not less than the legal requirement. Employers and employees should respect each other in terms of human rights. The company provides a working environment with occupational health and safety conditions, and supports learning and human resource development to enhance the employees work professionally.

Responsibility to customers : the company fairly treats customers, keeps confidential information of customers, takes care and be responsible for customers, provides standard service, uses quality products when providing services, be able to fully fill the needs of customers, including after sales service, as well as monitoring and measuring customer satisfaction results in order to develop and improve the company's products and services. Moreover, the company pays attention to the determination of the selling price and the conditions that are suitable for the customers equally.

Responsibility to business partners : the company fairly treats business partners, operates the business with good faith without exploitation, maintains benefits with business partners, conducts business ethically, as well as strictly complies with the commercial terms and/or mutual agreements that are made to develop business relationships of both parties.

Responsibility to community : the Company operates business considering the effect on communities, occupational health and safety, focusing on the raise of awareness in community and social responsibility in the company continuously. The company applies business knowledge and expertise for the community development, supports activities that benefit the public welfare, and does not take any illegal actions.

Responsibility to environment : the Company analyzes surrounding risks, environmental and safety in every business process, and effectively utilizes resources with energy saving according to the world class standards.

Fair trade agreement : the company operates its business with transparency to compete and behave in accordance with the rules of fair competition and all required law, maintains the regulations and the norms of competition, and avoids dishonesty that damages competitors.

Anti-corruption policy : the company fights against corruption for both internal and external the company, the company is auditable for transparency. The company cooperates with various organizations to fight against the corruption and to support its employees realize the anti-corruption by an establishment of the anti-corruption policy with communication to all employees.

Anti-corruption policy manual, for more details please go to the Company's website as follows :
<https://investor.proen.co.th/storage/downloads/cg/corporate-policy/20210818-proen-anti-corruption-en.pdf>

Principle and Guideline 5.3

The Board of Directors defines policies, business goals, plans as well as the budgets of the Company, and supervises the management to operate according to policies and budgets for the most benefits of the company and shareholders. The company will review business plans, budgets on a regular basis, making the company efficiently and effectively allocate resources to comply with the company objectives and goals with sustainability.

Principle and Guideline 5.4

The Company give an important on Information and technology (IT) management in corporate level to meet the business requirements, and IT risk of that may arise. The Company then formulate a policy to control, to manage and to secure of IT for the IT risk management covering all the corporate.

Principle 6 Strengthen Effective Risk Management and Internal Control

Principle and Guideline 6.1

Since the Company has no department that oversees the risk management of the Company directly, the Company then appointed the risk assessment committee and prepared an action plan to propose for an approval from the Company Board of Directors. All of the company's plans will be used to assess annual risk events, to prepare for a risk management plan, to request for approval from the Board of Directors, and to prepare a report on the risk management results for reporting to the committees quarterly.

Principle and Guideline 6.2

The Board of Directors appointed the Audit Committee to support the Board of Directors on supervising the company for the Corporate Governance process and give an opinion to the Financial Statements, internal audit process, and risk management, as well as to determine the operation framework for working in the risk management process for driving everyone in the company to the same direction. The Audit Committee consists of (3) three committees, they are independent committees having qualifications according to the criteria of the Securities and Exchange Commission, Thailand (SEC). The roles and responsibilities of the Audit committee determined in the Board Charter can be summarized as follows.

- Review financial reports correctly and completely
- Review the internal control and internal audit process appropriately
- Review the legal compliance
- Authorized to appoint, to transfer, or to terminate internal audit supervisor and to consider an independent of the internal audit department

- To consider, to choose, to propose an independent person to be an auditor, to consider remuneration of the auditor, and to arrange meetings with the auditor at least once a year without the management team attending the meeting
- Consider connected transactions that may be a conflict of interest for the legal compliance, to ensure that the transaction is reasonable and is for the best interests of the company
- Review on the management and the risk management policy compliance

The Board of Directors provides the Audit Committee necessary information to perform the assigned duty. The Audit Committee will give opinions on the sufficiency of the risk management system and internal control. After the Company is listed on the Stock Exchange of Thailand, the company will disclose the Audit Committee's opinion in the Annual Report.

Principle and Guideline 6.3

The Board of Directors will monitor and manage the conflicts of interest that may occur between the company and the management, the Board of Directors, or shareholders, as well as prevent the misuse in assets, data, and opportunities of the Company. Also, to prevent the unreasonable connected person transactions, the beneficial person will not have the right to make any decision regarding such transactions. The company has established a connected transactions policy and a conflict of interest policy, according to the announcement of the Stock Exchange of Thailand (SET), the Capital Market Supervisory Board (CMSB), and the Securities and Exchange Commission, Thailand (SEC), as a practice when making connected transactions and conflicts of interest. Furthermore, the Company will review the connected transactions, according to the audit plan, then the internal audit department will report to the Audit Committee and conduct a measure to control and inspect to ensure that the transactions are randomly reviewed to comply with the agreements, policies or conditions.

After the company is listed on the Stock Exchange of Thailand, the company will disclose information on transactions that may have conflicts of interest, connected transactions, or related transactions to comply with the Financial Standard, and criteria specified by SET, CMSB, and SEC, disclosed in the form 56-1 and the Annual Report (One Report).

Principle and Guideline 6.4

The Company has a policy to operate business in accordance with the law, to support its employees to perform their duties with virtue, and to encourage business partners to operate their business with transparency. The Board of Directors has clearly prepared for the Anti-Corruption Policy, which has been communicated to employees and third parties to ensure the implementation of the policy.

Principle and Guideline 6.5

The Company has set a mechanism for receiving complaints and to take action in case of whistleblowing, and protecting the whistleblowers and related person by determining in the whistleblowing policy. The complaints can be submitted through 5 channels as follows.

- 1) Mail to : 72 4th, 18th FL., NT Bangrak Building, Charoen Krung Road, Bangrak, Bangrak, Bangkok 10500 Thailand.

- 2) Telephone : 02-639-7888
- 3) Facsimile : 02-639-7892
- 4) Via email address : company.secretary@proen.co.th
- 5) Via website : <https://investor.proen.co.th/en/corporate-governance/whistleblowing-channel>

Furthermore, the Company has a policy to protect the whistleblowers, information about complaints and the information of the whistleblower will be kept as confidential, and not be disclosed to people who are not involved unless required by law.

Principle 7 Ensure Disclosure and Financial Integrity

Principle and Guideline 7.1

The company gives importance to the information disclosure with correction, completion and transparency, including financial reports and general information according to the criteria of the SEC and SET, as well as the important Information affecting securities price that affect the decision-making process of the investors and stakeholders of the company. The Board of Directors ensures that personnel involved in the preparation and disclosure of information have the knowledge, skills and experience suitable for their duties and responsibilities ensuring the sufficient number of the information disclosure. Such person mean Chief Financial Officer, accountant, internal auditor, and the Company secretary. In this regard, the Board of Directors will give an approval for the information disclosure considering the evaluation results regarding the adequacy of the Company's internal control system, audit committee opinion, consistency of objectives, strategies and the Company policies.

The Board of Directors will oversee the information disclosure, including financial statements, annual reports, form 56-1 (One Report) to reflect the company financial position and performance. The Company is supported to prepare for the Management discussion and analysis (MD&A) for disclosing together with the financial statements to make investors better understand the change in the financial position and performance other than only financial figures.

Principle and Guideline 7.2

The Board of Directors will supervise the management to monitor and to evaluate the company's financial situation on a regular basis, and will be looking for solutions when there is a sign of financial liquidity problem and debt service coverage problem. Quarterly reports should be prepared for the Board of Directors accordingly. Principle and Guideline 7.3

The Company has a policy to manage and solve financial problems considering Stakeholder rights. When the company is unable to repay debts or having financial problems, the Board of Directors will closely supervise the business operation with special care, and to solve the problems. The management will regularly report to the Board of Directors to ensure the decisions in financial solving, either way must be reasonable. Financial problems solving plans must be determined considering the fairness of all stakeholders. The company must comply with the information disclosure regulations by completely disclosing information to shareholders.

Principle and Guideline 7.4

The Board of Directors considers the suitability of information disclosure, legal, code of conduct compliance, anti-corruption policy, and treatment of employees and stakeholders, including equitable treatment and human rights, as well as social and environmental responsibilities. The company takes into account a nationally or internationally recognized reporting framework, in this regard, the company may disclose information in the Annual Report or may be prepared as a separate book as appropriate for the business.

Principle and Guideline 7.5

After the company is listed on the Stock Exchange of Thailand, the company will provide an agency or a person in charge of Investor Relations to communicate with shareholders and stakeholders such as Investors, analysts to be appropriated, equally, and timely.

Principle and Guideline 7.6

To provide stakeholders with more equitable and comprehensive information, the Company published an update information in Thai and English version in other channels, such as the Company's website, other than information disclosure according to the specified criteria and through the channels of the Stock Exchange of Thailand.

Principle 8 Ensure Engagement and Communication with Shareholders

Principle and Guideline 8.1

The Company aware of and pays attention to the basic rights of shareholders, which are the right to purchase, to sell, or to transfer their own shares, the right to gain profits from the company shares, the right to receive adequate information on the Company's business, the right to attend shareholders meeting for voting and exercising the right to vote at the shareholders' meeting to appoint or remove Directors, to appoint auditors, and to vote for matters that affect the company, for example dividend allocation, prescribing or revising regulations and Articles of Association and regulations, as well as capital increase or capital decrease. The Board of Directors ensures the important matters, covering law and legal matters that might affect the company operations, must be passed or approved by shareholders. The important matters will be considered as shareholders meeting agendas. The shareholders meeting invitation with related documents will be mailed to shareholders, and will be published on the company website in advance for the period of time required by relevant law or regulations, so the shareholders have time to consider each agenda. After the Company is listed on the Stock Exchange of Thailand, the Company will stipulate criteria that allows minority shareholders to propose meeting agendas and the nomination of Directors candidate.

Principle and Guideline 8.2

Under the supervision of the Board of Directors, the operation in the Annual General Meeting of Shareholders date will be neat, transparent and effective, and shareholders will be facilitated to exercise their rights. Date, time and venue of the meeting will be determined by the Board of Directors, considering the convenience of shareholders, such as suitable and sufficient meeting time for discussion, and an easily-access venue. The Board of Directors will facilitate to avoid any action that limits meeting attendance opportunity, or to overburden shareholders. The Board of Directors encourages the use of technology in the shareholders meeting such as registration and vote counting.

The Chairman of the Board is the Chairman of the Shareholders' meeting, who is responsible for supervising the meeting to comply with law, related regulations, and the company articles of association. Periods of time for each agenda will be allocated properly as specified in the meeting invitation. The Company gives opportunities to shareholders to comment and to make inquiries related to the Company.

The Board of Directors will not give support to adding unnecessary agendas that are not notified in advance, especially important agendas that shareholders require time to study before making decisions.

All members of the Board and related executives should attend the meeting, so shareholders can inquire for related matters.

Before the meeting commenced, the Board of Directors will notify Shareholders for the number and shareholder proportion of shareholders who attended the meeting, details of shareholders attending the meeting in person or appointing proxies, regulations, meeting procedure, and voting and vote counting procedure. Any agenda consists of various items, the Chairman will arrange the separated voting for each agenda, such as Director appointment, the Board of Directors encourages having independent people to help on checking the accuracy of the vote counting.

Principle and Guideline 8.3

The Company ensures that the minutes of the meeting are prepared and published correctly, the minutes of the shareholders' meeting shall contain at least the following details.

1. A list of Directors and Executives attending the meeting, a proportion of directors who attend the meeting/not attend the meeting
2. Vote casting and counting procedures, resolutions, and voting results (Agree/disagree/ abstain) of each agenda
3. Questions and answers at the meeting, including name, surname of the questioners and respondent

The company is required to publish resolutions with a ballot within the day next to the meeting date through the SET's channel and the company's website. A copy of the minutes of meeting must be submitted to the SET within 14 days after the meeting date.

6.1 Corporate Governance the subsidiary company and the affiliated company

The Company has a policy to invest in other related businesses or the business that benefits the main business of the Company. Such business shall have potential and is foreseeable that it can generate profits for the Company in the long term. The Company will closely control and supervise the management of the subsidiary and associated company in order to continuously and sustainably maintain benefits of the Company's investment, as well as to create added value and confidence for the stakeholders of the Company. Therefore, the Company has set out a policy on control and supervision of subsidiaries and associated companies in which the Company invests with the following details.

1. The Company shall send a person with qualifications and experience suitable for the business operation of subsidiaries and associated companies to be a representative in management, joint in set a policy and control the business operations of subsidiaries and associated companies.

1.1 The Company shall send a person who approved by resolutions of the Board of Directors' Meeting of the Company to serve as directors and executives in the subsidiaries in accordance with the proportion of the shareholding of the Company in the subsidiary or in accordance with the mutual agreement in order to supervise and establish management policies. The number of persons to be positioned as director of a subsidiary for investing in associates, the Company shall assign a representative to be a director in associated company in accordance with the proportion of the shareholding and/or as deem appropriate, depends mainly on mutual agreement.

1.2 The Company has set the scope of duties and responsibilities of directors and executives in subsidiaries and associated companies as follows:

- Closely follow up on the operations of the subsidiaries and associated companies to ensure that it meets the goals set by the Company.
 - Perform duties as specified by the subsidiary and associated company's Board of Directors and/or the meeting of shareholders of that subsidiary or associated company.
 - Consider and cast a vote in the Board of Directors' meetings of the subsidiary and associated companies in matters relating to the general operations of the subsidiary and associated companies as the directors and executives of the subsidiary and associated companies see fit and appropriate. For the utmost interest and benefits of the Company, subsidiaries, associates, except the consideration and voting on the following matters shall be approved by the company's Board of Directors and/or the shareholders' meeting on a case-by-case basis.
- (a) Transactions of subsidiary companies according to the announcement of the Connected Transactions and the announcement of the Acquisition and Disposition.
- (b) Transactions which may have a significant impact on the financial position and results of operations of subsidiaries, i.e.
- Sale or transfer of all or parts of significant business of a subsidiary to other.
 - Purchase or acceptance of transfer of business of other companies to subsidiaries.
 - Dissolution of subsidiaries
 - Transferral or waiver of benefits and claims that are significant to the damage of subsidiaries.
 - Taking loan, loaning-out, guarantees, incurring of contingent liabilities, or provision of financial assistance to other companies that has a significant effect on the subsidiary's financial status.
 - Amendment of the articles of association of the subsidiary company.
 - Increase of capital, allocation of newly issued shares and the reduction of registered capital of a subsidiary.

2. Directors and executives of the subsidiaries including any person relating to the said directors and executives shall undertake the duty to notify the board of subsidiaries of the relationship and transactions with subsidiaries in a manner that may cause conflict of interest and avoid any transaction that may cause

conflict of interest with the said subsidiary company. The Board of Directors of the subsidiary company is responsible for informing the said matter to the Company. Directors and executives of subsidiaries shall not approve any matter in which they have vested interests or conflicts of interest.

3. The subsidiary company shall report to the Company any business plan, investment project, joint investment with other operators through monthly performance report of the subsidiary company. The subsidiary company shall submit information or documents relating to the operations of the Company once requested properly. In case that the Company detects any significant issues, the Company may request the subsidiary company to clarify and/or deliver documents for the Company's further and additional consideration.

6.2 Governance about the Adoption of Inside Information

PROEN Corp Public Company Limited and its subsidiaries (the "Company") focuses on the prevention of use of inside information. The Company has policy to prohibited Directors, Executives and employees of the Company to bring the confidential and/or the internal information that has not been disclosed of the Company disclose to the public or use for personal or others gain whether directly or indirectly and no matter whether a benefit earned or not. In this regard, the Company has established guidelines to prevent the use of inside information as follows:

1. Educating Directors and Executives of the Company about the duty to report their securities holding and the holding of their spouse and minor children to the Securities and Exchange Commission according to Section 59 and penalties under Section 275 of the Securities and Exchange Act, B.E. 2535 (including the amended); reporting the Acquisition and Disposition of Assets of their own, spouse and minor children to the Securities and Exchange Commission under Section 246 and penalties under the Section 298 of the Securities and Exchange Act, B.E. 2535 (including the amended).

2. Directors and Executives of the Company as well as spouses and minor children are shall prepare and disclose their securities-holding report and a report indicating the change of their holding of the Company's securities to the Securities and Exchange Commission under Section 59 and penalties under Section 275 of the Securities and Exchange Act, B.E. 2535 (including the amended) and send copies of this report to the Company on the same day that submitted to the Securities and Exchange Commission.

3. Directors, Executives, employees and workers of the Company that getting access to inside information that is material enough to affect the price of the Company's securities shall refrain from trading in the Company's securities since the last day of each quarter or the end of Company's accounting period (depending on the case) until the date that the financial statements or such inside information is disclosed to the public and within 24 hours after such internal information was disclose to the public. Those related to the inside information shall not disclosed the information to any one until the information is notified to the Stock Exchange of Thailand. Regarding to the penalties, in case of violation, the Company will consider it as a disciplinary violation against the Company's regulations and shall penalize the person based on the circumstance in the following manners: verbal warning, written warning, probation and termination by firing.



6.3 Compliance with Corporate Governance principles in other

- Review of Corporate Governance policy.
The Company will arrange to review the Corporate Governance policy annually.
- Assessment of compliance with Corporate Governance principles.

In the Board of Directors Meeting No.2/2023 held on February 28, 2023, the Board of Directors assessed the implementation of Corporate Governance principles. The Board of Directors is of the opinion that the Company has complied with the principles of good corporate governance very well. There are only matters that have not been complied with as follows.

Un-accomplishment performances in good corporate governance in 2022

1. The Group has formulated an anti-corruption policy which has been approved by the Board of Directors Meeting No. 5/2019 on August 14, 2019 and has been communicated to employees. but has not yet joined the CAC, which the Company will present to the Board of Directors for consideration in 2023

2. The Company has not yet prepared a succession plan for every position that has been determined in accordance with the succession plan policy. Currently, a specific plan for the position of CEO has been prepared. and CFO of Accounting and Finance Department only. In the process of preparing a succession plan for all positions

3. The Directors held more than 25% of the company's share because The company's needs of experienced Management to lead the business succeed.

4. The company had not revealed the compensation of the CEO specifically as it had been included with the board of director report, because The company is a small-sized business and the Information has no impact on the management.



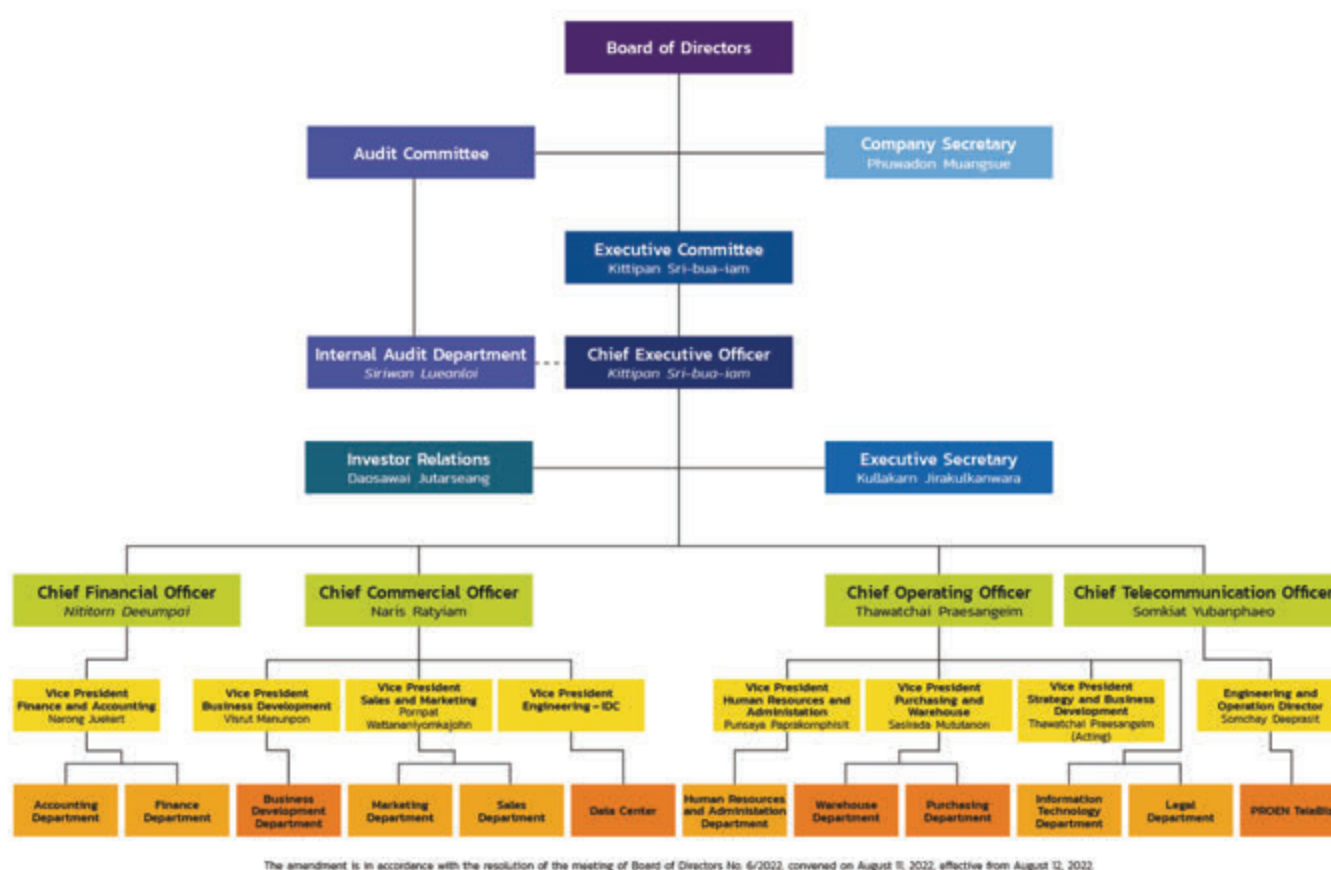




7 Corporate Governance structure and Key Information on Board of Directors, Subcommittee, Executives, Employees, and Others

7.1 Corporate Governance structure

The Company Organization Chart as of December 31, 2022



7.2 The Board of Directors

As of December 31, 2022 the Board of Directors consists of 8 persons are three (4) independent directors, four (4) executive directors and one (1) non-executive director. In this regard, all 8 directors are qualified persons who have full qualifications according to section 68 of the Public Limited Companies Act B.E. 2535 and according to the Notification of Capital Market Supervisory Board 39/2559 Re: Application for and Approval for Offer for Sale of Newly Issued Shares dated September 30, 2016 and amended in all respects, there is no independent director is a director of subsidiary.

List of the Company's Directors are follows.



Name	Position
1. Dr. Sathit Puttachaiyong	Chairman of the Board / Independent Director / Audit Committee
2. Mr. Nopparat Phutaviriya	Independent Director / Audit Committees, Chairman
3. Assoc. Prof. Dr. Panarat Panmanee	Independent Director / Audit Committee
4. Dr. Parnai Kungwalrut	Independent Director
5. Mr. Kittipan Sri-bua-iam	Director
6. Mr. Naris Ratyiam	Director
7. Mr. Somkiat Yubanphaeo	Director
8. Mrs. Punsaya Paprakornpisit	Director

Remark : Director No. 4, Dr. Parnai Kungwalrut, The Board of Directors Meeting No. 7/2022 approved the appointment of an Independent Director on November 11, 2022.

Mr. Phuwadon Muangsue serve as the Company Secretary which was appointed by the Board of Directors Meeting No. 2/2020 held on February 26, 2020.

The authorized persons with the signature on behalf of the company

The authorized directors whose signatures affixed with the Company's seal have four (4) persons are Mr. Kittipan Sri-bua-iam shall jointly sign with Mr. Naris Ratyiam or Mr. Somkiat Yubanphaeo or Mrs. Punsaya Paprakornpisit, total two persons and affix common seal of the Company.

Scope of duties and responsibilities of Board of Directors

The Board of Directors has duties and responsibilities to manage the Company in accordance with the laws, objectives and articles of association of the Company, as well as the legitimate resolution of the meeting of shareholders with integrity, honesty and care to look after the interest of the Company. The major duties and responsibilities are concluded as follows.

- 1) To arrange a meeting of shareholders which is the Annual General Meeting within four months since the ending date of the accounting period of the Company.
- 2) To arrange the meeting of the Board of Directors at least once every three months and every director is required to attend the meeting of the Board of Directors and the additional meeting may be arranged as deemed suitable.
- 3) To prepare the annual report of the Board of Directors and to take responsibility on the preparation and disclosure in the financial statements examined by the Auditor to present the financial position and the operating results in the preceding year and to submit them to the meeting of shareholders for consideration and approval.
- 4) To authorize and take responsibility on the duties performed in accordance with the laws, objectives and articles of association of the Company, as well as the resolutions of the meeting of shareholders with integrity, honesty and care to look after the interest of the company and to consistently take responsibility on the shareholders.
- 5) To determine targets, guideline, policies, plans and budgets of the Company, to supervise the management and administration of the Board of Directors in accordance with the policies assigned to add the maximum economic value to the Company and the maximum profit to the shareholders.

- 6) To examine and approve the policies, guideline and plans to undertake the large investment project of the Company as proposed by the Sub-Committee and/or the Executives.
- 7) The Board of Directors is required to supervise the Company to ensure compliance with the law on the Securities and Exchange and the requirements of the Stock Exchange such as the Connected Transactions and the purchasing or selling of key assets in accordance with the rules and criteria of the Capital Market Commission or the Stock Exchange of Thailand or laws related to the business of the Company.
- 8) To determine the risk management policy throughout the organization and supervising that there is system or process for managing the risk, has standard and controlling methods to appropriately reduce the impact on the Company's business.
- 9) To consider the management structure, including appointment authority, assignment or introduction to the sub-committee, working group or other person to perform some work under the control of the Board or may delegate sub power of attorney to such person under the scope of period that deemed suitable, the Board may revoke, terminate, change or amend such delegation if deemed suitable. In this regard, the delegation of authority shall not be the delegation that enables such persons to consider and approve the transactions that themselves or persons may have any conflict, loss or gain any benefits or have any other conflicts of interest against the Company or its subsidiary companies (as defined in the announcement of the Capital Market Supervisory Board and/or the Securities and Exchange and/or other related announcement) except in case of any transaction approval according to the policy and criteria that the Board of Directors already considered and approved.
- 10) To continuously monitor the performance in accordance with the plan and budget and to monitor the business and work undertaken of the Sub-Committee and/or the Executives consistently to ensure efficiency of the business of the Company.
- 11) Directors are not allowed to undertake any business similar to and in competition with the business of the Company or to become a partner of an ordinary partnership or the unlimited liability partner of an limited partnership or the Director of a private company or the other company undertaking the business similar to and in competition with the business of the Company whether it is for the benefit of themselves or the other person unless has been informed of such matter in the meeting of shareholders before the resolution on the appointment is made.
- 12) Directors shall inform the Company without delay if have the interest, both directly or indirectly, in the contract made with the company or bond- or share-holding proportion in the company or the affiliates has increased or decreased.
- 13) To consistently take responsibility on the shareholders and to undertake the work with care to the maximum interest of the shareholders and correct, complete, standard, and transparent disclosure of information to the investors.
- 14) To undertake the work to ensure that the company has implemented the internal control measures to keep the internal control system efficient, including to manage the risk and reliability of the financial report through monitoring by the internal auditor and joint operation and coordination with the Audit Committee.
- 15) To authorize and approve any matter necessary and related to the Company or as deemed suitable and for the interest of the Company.
- 16) To consider the approval of any committees shall remain the committee position in not over 5 companies listed or unlisted in The Stock Exchange of Thailand.



7.3 Audit Committee

As of December 31, 2022, Audit Committee of the company Consisting of independent directors has 3 person(s) comprising of:

Name	Position
1. Mr. Nopparat Phutaviriya	Audit Committees, Chairman
2. Dr. Sathit Puttachaiyong	Audit Committees
3. Assoc. Prof. Dr. Panarat Panmanee	Audit Committees

Assoc. Prof. Dr. Panarat Panmanee is Audit Committees who are having a knowledge and experiences in accounting and finance sufficient to perform the duty of examining financial statements (Please see the experience history of Assoc. Prof. Dr. Panarat Panmanee in Attachment 1) and Miss Siriwan Lueanloi served as the Secretary of the Audit Committee was appointed by the Audit Committee's Meeting No. 1/2022 on February 25, 2022.

Scope of duties and responsibilities of Audit Committee

Audit committee are sub-committees who are appointed by the Company's board of directors to support for the good corporate governance as well as to the reliability of financial statements. The main duties and responsibilities are as follows.

- 1) Review the Company and its subsidiary financial reporting process to ensure that it is accurate and adequate.
- 2) Review to ensure that the Company and its subsidiary have appropriate and efficient internal control and internal audit systems. Also consider the independence of internal audit unit, approve an appointment, transfer, or termination of the head of internal audit unit, or any other units in charge of an internal audit.
- 3) Review to ensure that the Company has the management and compliance risk management policy as specified.
- 4) Review to ensure the company is compliance with SEC's laws, SET's regulations, and other related business laws.
- 5) Consider, select, and nominate independent persons to act as auditor, suggest the remuneration, and attend non-management meeting with the audit or at least once a year.
- 6) Consider the related party transactions or the transactions that may cause conflicts of interests, in accordance with the laws and SET's regulations. This is to ensure such transactions are reasonable and for the highest benefit of the Company.
- 7) Prepare an Audit Committee's report and disclose it in the Company's annual report. The report must be signed by the Chairman of Audit Committee and consist of at least following information:
 - (a) Opinion on the accuracy, completeness, and reliability of the Company's financial reports
 - (b) Opinion on the adequacy of the Company's internal control system
 - (c) Opinion on the compliance with SEC's laws, SET's regulations, or any other related business laws
 - (d) Opinion on the suitability of the Auditor
 - (e) Opinion on transactions which may cause conflicts of interests
 - (f) Number of the Audit Committee meetings, and attendance of such meetings by each Audit Committee member

- (g) Opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the Charter
- (h) Other transactions which should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board of Directors
- 8) Have authority to seek independent opinion from any other professional counsel when it is deemed necessary at the expense of the Company
- 9) To perform any other act as assigned by the Company's board of directors, with the approval of the Audit Committee.
- 10) In its performance of duties, if it is found or suspected that there is a transaction or any of the following acts which may materially affect the Company's financial condition and operating results, the Audit Committee shall report it to the Board of Directors for rectification within the period of time that the Audit Committee thinks fit which the types of transaction or actions that need to report as follows:
 - (a) Transaction which causes a conflict of interest
 - (b) Any fraud, irregularity, or material defect in an internal control system
 - (c) Infringement of the law on Securities and Exchange, the Exchange's regulations, or any law relating to the Company's business If the Audit Committee reports to the Board of Directors on suspicious actions and discusses with the Board and executives on the rectification of such issue, when it is due time, as agree by all involved. If the Audit Committee finds that the Board or executives fail to make corrective actions without a justifiable reason, any member of the Audit Committee may report such transaction or action directly to the Securities and Exchange Commission or the Stock Exchange of Thailand.

7.4 Executive Committee

As of December 31, 2022 the Company's Executive Committee has 5 persons comprising of:

Name	Position
1. Mr. Kittipan Sri-bua-iam	Chairman of Executive Committee
2. Mr. Naris Ratyiam	Executive Director
3. Mr. Somkiat Yubanphaeo	Executive Director
4. Mrs. Punsaya Paprakornpisit	Executive Director
5. Mr. Nititorn Deeumpai	Executive Director

Mr. Phuwadon Muangsue served as the Secretary of the Executive Committee.



Scope of duties and responsibilities of Executive Committee

Executive Committees are sub-committees who are appointed by the Company's board of directors to support the management and control the Company's business. The main duties and responsibilities are as follows.

- 1) Have the authority to implement the corporate Board of Directors' policy that is in accordance with the laws, terms, rules, and regulations of the Company, except the transaction that legitimately require prior approval by the meeting of Board of Directors or shareholders.
- 2) Have the authority to prepare and propose the Company's policy, business plan, strategy, management authority and annual budget for further presentation to the Board of Directors for approval.
- 3) Provide policy guidelines, appoint, determine the authority, duties, supervise, coordinate, and determine the authority and duties of the special working group or the working group and also consider and approve the proposals which is proposed by the working group or a special working group.
- 4) To study the feasibility of new projects and to have the authority to consider and approve the Company to participate in the auctions, operate the project as well as to carry out legal acts related to such matters until the completion and in accordance with the approval authority that approved by the Board of Directors.
- 5) Have the authority to consider and approve the Company to invest in or enter into joint investments with any individuals, juristic persons or such other business entities for the purpose of complying with the Company's objectives and in accordance with the approval authority that approved by the Board of Directors as well as to carry out legal acts related to such matters until the completion.
- 6) Have the authority to consider and approve the business operation expenses that is the normal course of business, based on budgets approved by the Board of Directors and in accordance with the approval authority that approved by the Board of Directors.
- 7) Determine, consider, approve regulations, rules, policies on business management and operations of the Company or any activities with obligations to the Company.
- 8) Provide suggestion and determine policy guidelines and duties of the Chief Executive Officer and special working groups.
- 9) Have the authority to approve, appoint, employ, terminate, disciplinary action, determining of salary rate, bonus, pension and other rewards as well as the expenses and facilities of officers or Company's employees which has positions from the level of Deputy Chief Executive Officer downward or equivalent or special working groups to perform specific tasks.
- 10) To perform other duties in accordance with the policy that assigned by the Board of Directors.
- 11) Have the authority to appoint persons or group of persons to operate the Company's business under the controlling of Executive Committee or may delegate such person or group of persons in order to they have authority to carry out any act that the Executive Committee seem appropriated and has authority to change, amend, cancel or revoke such authorization.
- 12) Have the authority to appoint an advisor or the Advisory Board of the Executive Committee, as seem appropriated and has authority to determine remuneration and other expenses of such advisor or advisory board, as seem appropriated
- 13) Consider and approve to assign authority for perform the business operation to the executives in accordance with rules and regulations. The main topics can be summarized as follows.

Types of Transactions	Chief Executive Officer	Executive Committee	Board of Directors	Shareholder's Meeting
1. Sales and Marketing (Product and Service : ICT)				
1.1 Determining the selling price of goods and services, Approve sales support payment terms, set compensation conditions and approve the conditions and scope of the discount to the customer.	√	-	-	-
1.2 Approval of Sale Order	Not more than 50,000,000 baht	Not more than 100,000,000 baht	More than 100,000,000 baht	-
2. Investment Transaction				
2.1 Buy-Sell fixed assets such as land, buildings or structures and invest in securities that are always in demand such as ordinary shares, debentures	Not more than 50,000,000 baht	$X < 15\%$	$15\% < X < 50\%$	$X \geq 50\%$
- If there is a budget	Not more than 2,000,000 baht	Not more than 5,000,000 baht	-	-
- In case of no budget/exceeding the approved budget				
2.2 Borrowing money from financial institutions for use in business	Not more than 100,000,000 baht	Not more than 150,000,000 baht	More than 200,000,000 baht	More than 200,000,000 baht
3. General Administration				
3.1 Approve for loan payment	Not more than 100,000,000 baht	Not more than 150,000,000 baht	More than 200,000,000 baht	-
3.2 Approval of Cash Advance	Not more than 1,000,000 baht	Not more than 2,000,000 baht	More than 2,000,000 baht	-
4. Project Management				
4.1 Approval for new projects (IRR not less than 7% or profit margin not less than 5%)	Not more than 100,000,000 baht	Not more than 250,000,000 baht	More than 250,000,000 baht	-
4.2 Approval of Purchase Request (PR) and Purchase Order (PO)	Not more than 50,000,000 baht	Not more than 100,000,000 baht	More than 100,000,000 baht	-

Remark : Information from the approval authority for the management of the Company, revised version No. 8/23

- 14) Have the authority to approve and withdraw money from all accounts of the Company and using credit at any bank or financial institution that the Company has, including requesting to open any accounts and/or requesting credit in any forms with any bank or financial institution as well as to use the Company's securities as collateral for such debts, whether registered or unregistered.



In this regard, the authorization of duties and responsibilities of the Executive Committee shall not be the delegation or sub-delegation that enables the persons authorized by the Executive Committee to approve affiliated transactions in which they or persons possibly having conflicts of interest (as defined under the notifications of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or the other relevant regulatory) may have any interest or gain any benefit or have any other conflicts of interest against the Company or its subsidiary companies and/or related companies, Executive Committee does not have the authority to approve such matters and shall report such matters to the Board of Directors' meeting and/or the shareholders' meeting (depending on the case) to approve. An exception is in cases where the approval is for transactions that are in compliance with the ordinary course of business and based on general trade conditions, in compliance with the notifications of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or the other relevant regulatory.

7.5 Executives

As of January 31, 2022, the Company has 7 Executives comprising of:

Name	Position
1. Mr. Kittipan Sri-bua-iam	Chief Executive Officer
2. Mr. Naris Ratyiam	Chief Commercial Officer
3. Mr. Somkiat Yubanphaeo	Chief Telecommunication Officer
4. Mr. Nititorn Deeumpai	Chief Financial Officer
5. Mr. Thawatchai Praesangeim	Chief Operating Officer / Acting Vice President –Strategy and Business Development
6. Mr. Visrut Manunpon	Vice President - Business Development
7. Mrs. Punsaya Paprakornpisit	Vice President – Human Resources and Administration
8. Mrs. Sasirada Mututanon	Vice President – Purchasing and Warehouse
9. Mr. Narong Juekert	Vice President – Finance and Accounting Department
10. Mr. Pornpat Wattananiyomkajohn	Vice President - Sales and Marketing

Remark : -Executive Committee Meeting No. 10/2022 held on October 27, 2022 resolved to appoint Mr. Pornpat Wattananiyomkajohn to served as Vice President - Sales and Marketing and The Board of Directors Meeting No. 7/2022 held on November 11, 2022 resolved to acknowledge.

-The Board of Directors Meeting No. 2/2022 held on April 30, 2022 resolved to appoint Mr. Thawatchai Praesangeim to served as Vice President of Chief Operating Officer and Acting Vice President –Strategy and Business Development.

-The Executive Committee Meeting No. 1/2022 held on January 21, 2022 resolved to appoint Mr. Narong Juekert served as President of Finance and Accounting.

Scope of duties and responsibilities of Chief Executive Ofcer

The Board of Directors has established the scope of duties and responsibilities of the Chief Executive Officer regarding a normal business operations and the Company's management as follows.

- 1) To supervise the business operations and/or daily administration of the Company.
- 2) To supervise the Company's operation and to perform routine business activities for the benefit of

the Company in accordance with the Company's objectives and Articles of Association as well as regulations, resolutions, policies, plans and budgets as determined by the Board of Directors' meeting under the relevant legal framework and scope of powers as set out by the Board of Directors.

- 3) To prepare a policy, business plan, the Company's business strategy and determine the management power and prepare a budget for business operation and annual budget for expense to propose to the Executive Committee and/or Board of Directors and/or to approve.
- 4) To set an organization structure, management approaches, employment and termination of the Company's employee and set wage rate, salary, remuneration, bonus, and welfare for all employees whose positions are lower than the Chief Executive Officer.
- 5) Supervise and monitor the business operations of the Company or the operations inside the Company to be aligned with the business policy, business plan and annual budget plans which have been approved by the Board of Directors including monitor and evaluate the performance to report to the Executive Committee and Board of Directors.
- 6) Have the authority to approve the expenditures for purchasing of assets, services and other transactions for benefit of the Company which such approval shall be the approval of normal trade transactions. The credit limit for each transaction shall be as determined in the approval authority table that has been approved by the Board of Directors.
- 7) issuing orders, regulations or announcements for the Company's operations in accordance with the Company's policy.
- 8) Have the authority to appoint working group and authorize one or more persons to perform any activities under the control of the Chief Executive Officer or authorize such person to has the authority as the Chief Executive Officer deems appropriate in the period as the Executive Committee seems appropriate. Which the Chief Executive Officer may cancel, revoke, change or amend the authorized person or such authority as it seems appropriate.
- 9) To perform other duties as assigned by the Board of Directors.

In respect of any matters which will be performed by the Chief Executive Officer or any persons authorized by the Chief Executive Officer or a person who may have conflicts of interest (according to the Notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand) having interests or conflicts of interest with the group of Company and/or related companies, the Chief Executive Officer has no authority to approve such matter. Such matter shall be proposed to the Audit Committee' meeting and the Board of Directors' meeting for further approval, unless for the approval of transactions in accordance with normal business and normal trading conditions which are in accordance with the Notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand. Which the maximum amount that the Chief Executive Officer can approve is in accordance with the approval authority for the management.

7.6 Remuneration of Directors and Executives

The Directors' remuneration shall be in the form of 1) meeting allowance, which will depend on the number of meetings attended and 2) pension, which will refer to the Company's operating and the evaluation of the Board's performance.



The Executive's remuneration shall be in the form of 1) Fixed remuneration which will be received in the form of salary, travel expenses, telephone expenses which the salary framework for each position is clearly defined. By this framework came from the survey data from the outside in order to compare and adjust the data to suit with the responsibilities and able to motivate the executives lead the Company to achieve the goals and 2) Variable remuneration such as bonuses, which shall be considered from the Company's turnover and the performance evaluation that determined by the Company.

7.6.1 Monetary Remuneration

1) Remuneration of Directors

The Annual General Meeting of Shareholders Year 2022 on April 28, 2022 has determined the Directors' remuneration and Sub-committees. The details are as follows.

Meeting Allowance

Paid to all directors who are not permanent employees. For the meeting of the Board of Directors and the Audit Committee at the rate specified in the table below.

Position	Year 2021 Meeting Allowance (Baht/time)	Year 2022 Meeting Allowance (Baht/time)
Chairman of the Board	18,000	18,000
Director	12,000	12,000
Audit Committees, Chairman	17,000	17,000
Audit Committee	12,000	12,000

Remark : Executive Director shall not receive meeting allowance.

The following table shows the Directors' monetary remuneration in the form of meeting allowances for the year ended December 31, 2021 and December 31, 2022. The details are follows.

Name	Meeting allowance (Baht)			
	Year 2021		Year 2022	
	The Company's Director	Audit Committee	The Company's Director	Audit Committee
1. Dr. Sathit Puttachaiyong	108,000	60,000	126,000	48,000
2. Mr. Nopparat Phutaviriya	72,000	85,000	84,000	68,000
3. Assoc. Prof. Dr. Panarat Panmanee	72,000	60,000	84,000	48,000
4. Mr. Kittipan Sri-bua-iam	-	-	-	-
5. Mr. Naris Ratyiam	-	-	-	-
6. Mr. Somkiat Yubanphaeo	-	-	-	-
7. Mrs. Punsaya Paprakornpisit	-	-	-	-
8. Dr. Parnai Kungwalrut	72,000	-	84,000	-
Total	324,000	205,000	378,000	164,000

Remark : Mrs. Punsaya Paprakornpisit has appointed by the Board of Directors Meeting No. 5/2021 held on August 10, 2021

Pension

The amount limit is not more than 1 million baht and assigned the Board of Directors to consider and allocate such remuneration which consider from the goal of turnover for that year. However, the Company shall not pay the director's pension if the Company's turnover does not meet the goal.

The following table shows the Directors' remuneration in the form of pension for the year ended December 31, 2021 and December 31, 2022. The details are follows.

Name	Director's Pension (Baht)	
	2021	2022
1. Dr. Sathit Puttachaiyong	150,000	180,000
2. Mr. Nopparat Phutaviriya	100,000	140,000
3. Assoc. Prof. Dr. Panarat Panmanee	100,000	140,000
4. Mr. Kittipan Sri-bua-iam	-	100,000
5. Mr. Naris Ratyiam	-	100,000
6. Mr. Somkiat Yubanphaeo	-	100,000
7. Mrs. Punsaya Paprakornpisit	-	100,000
8. Dr. Parnai Kungwalrut	-	140,000
Total	350,000	1,000,000

Remark : Directors' Pension will be calculated at the end of accounting period

2) Remuneration of Executives

The remuneration of the Company's Executives consists of salary, bonus and other benefits such as life insurance, social security payment, provident fund payment, vehicle expenses, telephone expenses, brokerage fees, etc. The summarized as follows.

Remuneration type	2021		2022	
	Number (person)	Value (million baht)	Number (person)	Value (million baht)
Salary	8	20.20	10	24.60
Bonus	8	1.60	10	2.58
Other remuneration	8	4.30	10	3.20
Total		26.10		30.38

Remark : Most of other remuneration comes from the savings life insurance for Mr. Kittipan Sri-bua-iam, which has been approved by the resolution of the Board of Directors' meeting since 2013 and the remain comes from the brokerage fees that only the Sales Executives are received this remuneration.



7.6.2. Non-monetary Remuneration/ Other remuneration

-None-

7.7 Personnel

As of December 31, 2022, the total number of employees (excludes executives) of the Company was 87 persons. The detail as follows.

Department	Number of employees		
	Dec 31, 2020 (person)	Dec 31, 2021 (person)	Dec 31, 2022 (person)
1. Accounting and Finance	9	9	8
2. HR and Admin	2	2	4
3. Purchasing	4	4	6
4. Sales and Marketing	27	26	23
5. Data Center	40	39	40
6. Information Technology	2	3	1
7. Internal Audit	-	1	1
8. Legal	1	1	1
9. Engineering and Operations (Construction contract)	1	-	-
10. Other (Secretary, Company Secretary and Investor Relations)	3	3	3
Total	89	88	87

In this regard, the Company and the Group have outsourced contractors to conduct in the construction business in the form of sub-contract. The Company outsources several sub-contractors, each contractor be responsible for the partial construction of the entire construction process and the sub-contractors will be responsible for the materials and labor costs. The company will send the engineers to control the quality of production and monitor the operations of each subcontractor for each project to be on schedule.

7.7.1 Remuneration of Employee

The remuneration of employees consists of salary, bonus, and other benefits such as provident fund contribution, overtime payment, travel expense, commission, compensation, retirement payment etc. The summarized as follows.

Remuneration type	Year 2020	Year 2021	Year 2022
Number of persons	90	88	87
Salary	27.5	31.5	34.3
Bonus	1.8	2.3	3.3
Provident Fund Contribution	0.4	0.5	0.5
Welfare and others	2.9	2.1	1.9
Overtime payment	1.3	1.0	1.2
Total	33.9	37.4	4.12

7.7.2 Provident Fund

The Company has provided a provident fund under the management of Kasikorn Asset Management Company Limited since December 27, 2018. The Company has determined a Contributions' Policy at rates 3% of the salary of executives and employees.

7.7.3 The significant changes in the number of employees

In 2020, the number of employees increased by 4 persons, most of them are the staff in Data Center Department to support the Business's expansion. However, the number of staff in the Engineering and Operations department has decreased, and the Company is in the process of recruiting a replacement person.

In 2021, the number of employees decreased by 2 persons due to the reduction of staff in the Engineering and Operations Department.

In 2022, the number of employees decreased by 1 net and was not significant.

7.7.4 Important Labor Disputes in the past 3 years

- None -

7.7.5 Personnel Development Policy

The Company realizes the importance and support the employees to enhance their knowledges and abilities in order to increase their self-efficiency and increase the competitiveness of the Company as follows.

- 1) Encourage and support the employees to expand their knowledge where the employees can offer their need on training both in-house training and outside training.
- 2) Train employees through hands-on learning with concrete measures or using simulations and case studies etc.



7.8 Other important information

7.8.1 The Company Secretary

To comply with the principles of good corporate governance, the Board of Directors Meeting No. 2/2020 held on February 26, 2020 resolved to appoint Mr. Phuwadon Muangsue served as the Company secretary to review the activities of the Board of Directors in the supervising and managing the business to be in the right direction, transparent and more efficient and more details in Attachment 1.

Scope of duties and responsibilities of the Company Secretary

The Company Secretary has authority and responsibility to perform on behalf of the Company or the Board of Directors as follows.

- 1) Oversee and give advice to the Board and the executives in the issues relating to matters of laws, regulations, rules and Articles of Association of the Company and follow up for proper and regular compliance.
- 2) Responsible for arranging the Board meeting and the shareholders' meeting and coordinate with relevant parties to effect and follow up implementation in accordance with the resolutions of such meetings.
- 3) Supervise to provide the information disclosures and report the information in the part that responsible to be aligned with the regulations and requirements of the Stock Exchange of Thailand, the Securities and Exchange Commission and relevant law.
- 4) Prepare place for the meeting and prepare and maintain the following important documents:
 - a register of directors
 - a notice calling the Board of Directors' meeting, a minute of the Board of Directors' meeting
 - a notice calling shareholders' meeting and a minute of shareholders' meeting
 - an annual report of the Company and
 - a stakeholding report of the Directors or Executives
- 5) Perform any other acts as specified in the notification of the Capital Market Supervisory Board, the Securities and Exchange Commission of Thailand and the Securities Exchange of Thailand.

7.8.2 The person who served as the Head of the Company's Internal Audit

Miss Siriwan Lueanloi served as Internal Audit Manager since December 9, 2021. She is experienced in internal audits. In addition and more details in Attachment 3.

7.8.3 The person assigned to the direct responsibility of supervising accounting preparation (Chief Accountant)

Mr. Narong Juekert is the Accounting Manager or Chief Accountant of the Company since January 16, 2020 until the present. The Company's Chief Accountant having full qualifications as specified by the Securities and Exchange Commission. He graduated with a bachelor's degree in accounting from Ramkhamhaeng University and have working experience in the field of accounting not less than 4 years, within 5 years prior to the date of submission of an application for permission to the Office.

7.8.4 List of Head of Investor Relations

Miss Daosawai Jutarseang, Position Investor Relations Manager. In case the investors and related persons have questions and inquiries, please contact email: ir@proen.co.th or call 02-690 3888 ext. 913.

7.9 Remuneration of Auditor

The Company and Subsidiaries have paid the audit fee to PricewaterhouseCoopers ABAS Ltd. for the audit of financial statements in the fiscal year 2020 2021 and 2022. The details as follows.

Remuneration for the Auditing Service	Year 2020 (Baht)	Year 2021 (Baht)	Year 2022 (Baht)
Annual audit fee	5,030,000	5,030,000	3,650,000
Non-audit fee*	138,509	851,292	103,122
Total	5,168,509	5,168,509	3,753,122

*Non-audit fee is a service fee for information auditing of the expenditures that can be deducted and in 2021, there is a service fee for information auditing of the initial public offering (IPO).

In this regard, the persons or businesses related to the auditors and the offices that the auditors are affiliated with above shall not be persons or businesses that are related to the Company.

7.10 Relationship with nancial advisor

- None -









8

Corporate Governance Report

8.1 Nomination and Appointment of Director and Executive Director

The Company Group has criteria and regulations for the nomination of personnel who will be responsible for the important Director and Executive Director positions to be proper and transparent to ensure that the Company has qualified Directors and Executive Directors who has skills, experience and professional abilities as follows.

Board of Directors Level

The Board of Directors is responsible for the nomination and consideration of the qualified person, who has complied with related regulations and law. The Board of Directors will propose the name of a qualified person, in order to obtain a professional Director with a variety of fields considering structure, size, and quorum of the Directors, to the Shareholders meeting for the Director election. However, there must be transparency and clarity in the selection of directors by considering on knowledge, ability, and expertise of the nominated person with adequate information for the benefit of the decision making by the Board of Directors and shareholders. Furthermore, the Company will give shareholders an opportunity to nominate a list of nominated persons of the Company Directors at the Annual General Meeting of Shareholders according to the rules and regulations specified by the Company Group's Board of Directors.

The appointment of directors is subject to the following principles and procedures:

- 1) In voting for the election of Directors, each shareholder has one voting right per one share.
- 2) In voting for the election of Directors, the vote casting must be done person by person, shareholders shall cast all their voting rights for the election of nominated person individually.
- 3) The person receiving the highest votes in descending order is elected to be Director equal to the number of directors to be elected at that time. If the person who is elected in descending order has equal votes exceeding the number of required directors, The Chairman of the meeting shall have one more vote as a casting vote.
- 4) The appointment of each Director must be approved by more than half of the total votes of shareholders who attend the meeting with voting rights.

In case the Director position is vacant by any reason other than the maturity of the Directors term, the Committee must appoint qualified person, who does not have any incompatibility, instead of the vacant position in the next Directors meeting unless the remaining term of the retiring Director is less than 2 months. The person act for Director shall be in the position equal to the remaining term of the retiring Director. The resolution of the appointment of Director (act for) must have a vote of not less than three-fourths of the total number of the remaining Directors.

Chief Executive Director and President Level

The Board of Directors will prepare for a succession plan of the Chief Executive Director and President Position to propose to the Board of Directors for consideration. When the Chief Executive Director or the President positions are vacant or the current person unable to perform their duties, the Company will

assign the Director in similar or lower level to be in charge of the vacant position until the nomination and selection of a qualified person in accordance with the principle specified by the Company is done. The candidate must be a person who has vision, knowledge, expertise, and must be suitable for the Company culture. The candidate must be considered by the Executive Committee, then propose to the Board of Directors and/or the Shareholders meeting for consideration and approval in order to appoint qualified person.

Basic qualification of Chief Executive Director

- 1) Education: at least Bachelor's Degree
- 2) Work experience: Director level or above
- 3) Has Leadership skill and broad vision
- 4) Be able to create a strategic plan and manage the organization
- 5) Decide and solve problems carefully, considering the best interests of the organization

Executives Level, from assistant to Director to Deputy Chief Executive Officer

When the Executive level from assistant to Director to Vice President is vacant or the current person unable to perform their duties, the Company will propose a successor, who has been selected before, to the appointed Executive Committee. The succession plan for Executive Level of the Company Group is as follows.

- 1) Analyze the business situation of the Company in terms of the strategy, policy, investment plan, operation plan, and business expansion.
- 2) Evaluate the readiness of manpower to comply with the short-term and long-term strategy of the Company
- 3) Establish a plan for the readiness of manpower by employee development or new employee recruitment for the replacement of resigned employees.
- 4) Create recruitment plan and Employee Training and Development plan prior to the retirement or early retirement of employees.
- 5) Determine qualification and competencies, which mean knowledge, skill, personality, attitude preferred in the position, and create individual development plans
- 6) Select, evaluate performance, and evaluate the ability of employees in order to consider the appropriateness
- 7) Apply tools to evaluate and analyze employee's ability
- 8) Place a successor from the analysis of potential performance of employees by notifying employees in advance to prepare for the job acceptance and learning working procedure, and to determine the reserved successor
- 9) Develop and evaluate the employee who is expected to be the successor whether he/she can create a progression and performance according to the prospect or not. In case the result does not meet the expectation, proceed as follows.
 - a) Rearrange the nomination and succession plan, or
 - b) Train new successors (if any), or
 - c) Recruit and elect new employees by external recruitment

When the successors match with the requirement of the higher level's duties, and there is a vacant position, or there is a vacant position in higher level, the promotion and acting shall be proposed according to the

Company policy re: Job Position Structure/Criteria to promote temporary employees to be the Company Group employees, promotion, job position changes, or obtain approval from the Board of Directors and CEO.

8.2 Attending the Board of Directors' Meeting

In 2022, the Board of Directors held 7 meetings and the Audit Committee had 4 independent meetings with the auditors of the PricewaterhouseCoopers ABAS Company Limited.

Name	Number of meeting attendance / total meeting				
	AGM	EGM	Board of Directors meeting	Audit Committee meeting	Executive Committee Meeting
1. Mr. Sathit Puttachaiyong	1/1	1/1	7/7	4/4	--
2. Mr. Nopparat Phutaviriya	1/1	1/1	7/7	4/4	--
3. Mrs. Panarat Panmanee	1/1	1/1	7/7	4/4	--
4. Mr. Kittipan Sri-bua-iam	1/1	1/1	7/7	--	12/12
5. Mr. Naris Ratyiam	1/1	1/1	7/7	--	11/12
6. Mr. Somkiat Yubanphaeo	1/1	1/1	7/7	--	11/12
7. Mrs. Punsaya Paprakornpisit	1/1	1/1	7/7	--	11/12
8. Mr. Parnai Kungwalrut	1/1	1/1	7/7	--	--
9. Mr. Nititorn Deeumpai	1/1	1/1	--	--	12/12

8.3 Development of the directors

The Company encouraged all of the Board of Directors and the Top Executives to participate in the seminars that would help benefit their performance of duties, increase knowledge, and expand the understanding of good corporate governance principles, rules and regulations, as well as roles and duties of the Board of Directors in managing work efficiently. The basic course where the directors of the Company attend the seminar was the course of the Thai Institute of Directors (IOD) and by The Stock Exchange of Thailand (SET) and the Securities and Exchange Commission, Thailand (SEC), in order to apply the knowledge and experience to develop the Company. In 2022, the Company held the seminar called PROEN X YournextU for Executives, Board of Directors and Board of Directors and passed training from other institutes as follows:

Name	Course
Mr. Kittipan Sri-bua-iam	1. Course 2 Morrow Scaler 6 Year 2022 2. Mission WE Year 2022
Mrs. Punsaya Paprakornpisit	1. Outward Mindset at Work, Agile Mindset and The 4 House of DISC, By SEAC 2. HR Strategy in New Normal, By SET
Mr. Nititorn Deeumpai	THE NEW CFO 2022, By SET
Mr.Pornpat Wattananiyomkajohn	1. Facebook Certified Digital Marketing Associate, Coursera Oct 2021-Oct 2023 2. Salesforce Sales Development Representative Specialization Oct 2022-Oct 2023

8.4 Appraising the performance of the Board of Directors, Sub-committee, and individual directors

The Company managed to have a performance appraisal of the Board of Directors under the principles of good corporate governance of companies listed in the Stock Exchange of Thailand annually so that the Board of Directors could together review the performance and various problems in order to effectively improve and correct the operation of the Board of Directors; the appraisal was done to the whole Board of Directors and also to each person individually. In 2022, the Company had prepared for Form for the Internal Appraisal of Performance of the Board of Directors by preparing the self-appraisal for the Board of Directors under the position and duties, divided into 3 Appraisal Forms as follows:

1. Self-Appraisal for the Board of Directors
2. Self-Appraisal for each Sub-committee
3. Self-Appraisal for the Board of Directors and Sub-committee for each person individually

Rules for the appraisal

Subject of Appraisal	Whole Board of Directors	Whole Sub-committee	Sub-committee for each person individually
1. Structure and qualifications of the Board of directors	✓	✓	✓
2. Board of Directors' Meeting	✓	✓	✓
3. Roles, duties, and responsibilities of the Board of Directors	✓	✓	✓
4. Others such as: - Relationship between the Board of Directors and the Management - Self-improvement of the Board of Directors	✓	-	-

Appraisal measurement of the Board of Directors is as follows:

- 0 = Strongly disagree or there is no action on that matter
- 1 = Disagree or there is just a little action on that matter
- 2 = Agree or there is some action on that matter
- 3 = Quite agree or there is good action on that matter
- 4 = Highly agree or there is excellent action on that matter

In 2022, the performance of each Board of Directors can be concluded as follows:

Result of the appraisal	Means of scores (Total of 4 points)
Board of Directors (Whole)	3.75
Board of Directors (Sub-committee for the whole board)	
Audit Committee	3.77
Executive Committee	3.81
Board of Directors (Individual)	3.85

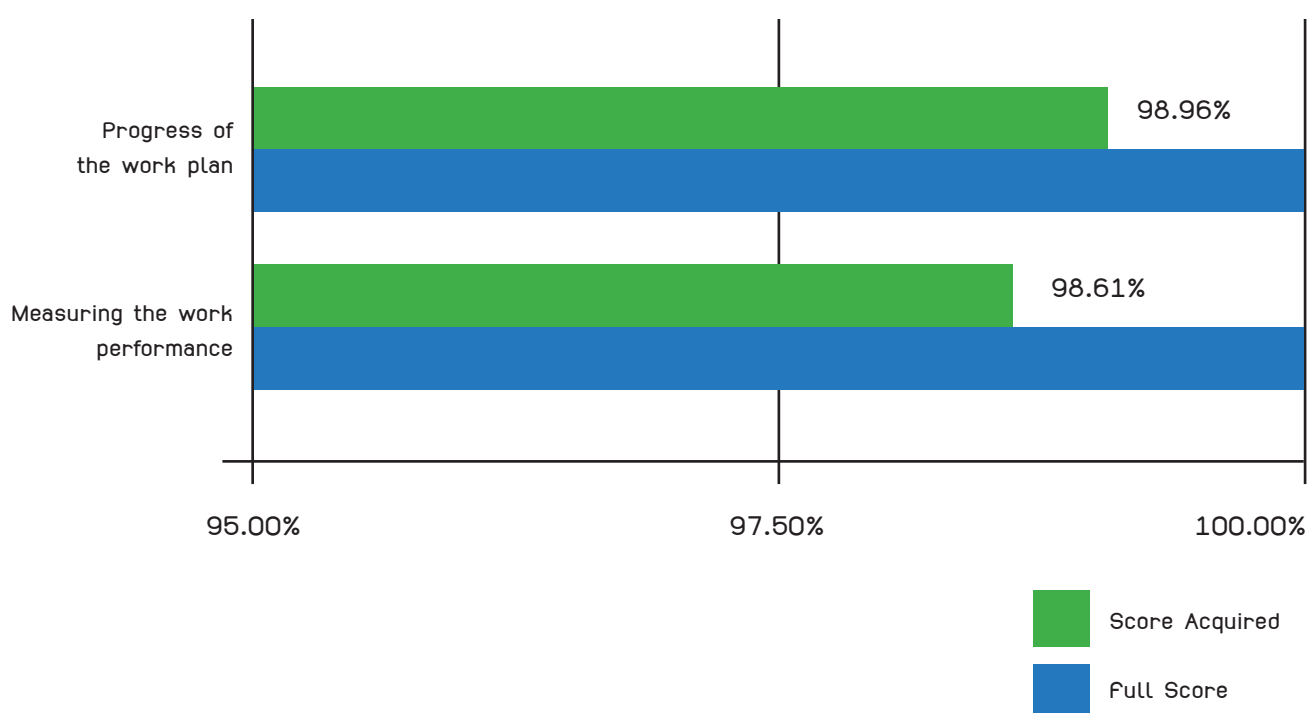
Appraising the performance of the Chief Executive Officer

The Company managed to have an appraisal of the Chief Executive Officer annually to appraising the performing of work compared with the target, annual work plan, and Company's strategy by using appraisal criteria under the methods of the Stock Exchange of Thailand; in this regard, there are 2 Appraisal Chapters as follows:

Chapter 1: Progress of the work plan

Chapter 2: Measuring work performance

The results from the performance appraisal of the Chief Executive Officer in 2022 are as follows:









9 Internal Audit and Related Party Transactions

9.1 Opinion of the Board of Directors regarding Internal Control

The Company Board of Directors realized the importance of the good Internal Control and considered that it is an important duty to ensure the Company Group has an appropriate and adequate Internal Control system to archive its goals, purposes, related law, regulations, and to prevent risks and damages that may occur to the Company Group and Stakeholders. The Accountancy and report must be correct, reliable, and the information disclosure must be complete and adequate at a proper period.

The Company Group assigned Executive Directors, appointed by the Board of Directors, to be responsible for risk management of the Company. The Executive Directors formulated a risk management policy, assessed and analyzed by internal and external risk factors affecting the Company in order to apply to the Company Group and to control the Company Group risk in systematically.

The Board of Directors meeting no. 2/2023 on date February 28, 2023 February 2022 with 3 audit committees attended the meeting, and they evaluated the adequacy of internal control, according to the guideline of COSO (The Committee of Sponsoring Organizations of Treadway Commission) comprised of:

- 1) Control Environment
- 2) Risk Assessment
- 3) Control Activities
- 4) Information & Communication
- 5) Monitoring Activities

The Board of Directors gave an opinion that the internal control of the Company Group is adequate and suitable with the Company Group's business operation, an internal audit department has been established to monitor, control the Company Group's business operation to ensure that the Company Group assets is secure, and will not be misused by Directors or Executives. The audit committee has no different opinion from the Board of Directors, then approved the Assessment form for the sufficiency of the Company's internal control system.

Furthermore, the Company Group has hired Unique Advisor co., Ltd. (Unique) to assess every internal control system from 2017 to 2021. For the follow up of internal control in 2022, the meeting of the Audit Committee no. 1/2022 dated February 25, 2022, considered Unique to be an internal auditor of The Company in order to monitor the internal control assessment for the year 2022. The Audit Committee resolved that Unique has expertise and experience in internal control, Unique will be reported to the Audit Committee.



9.2 Comments from the Auditor regarding internal control of the Company and its subsidiaries

PwC, the authorized Auditor of the Company Group reported notice and recommendation regarding internal control from the financial statement audit as of December 31, 2021, to the Audit Committee meeting no. 2/2023 on date February 25, 2023. There was no observation from the Auditor regarding internal control of the Company Group.

9.3 Comments from Internal Auditor regarding Internal control of the Company and its Subsidiaries

Internal auditor of the Company Group has reviewed and monitored the internal control of the Company Group in 2022 and found that the Directors have improved the internal control for the process design and the implementation according to Unique's advice in terms of control environment, formation of important policies and operational manuals, and control in processing level. As of December 31, 2022, the Company Group remained the low-risk issues, The issues will be proposed to the meeting as follows.

Internal Audit and Related Party Transactions

Detected issues	Suggestions	Results from the internal control improvement
Revenue recognition process		
1. The company provides Colocation rental services, but has not yet recognized the revenue from the services (revenue recognition is delayed) because it has not created a SO in the SAP system to generate an invoice for billing the customers. (Risk: High)	1. The company should emphasize to all parties involved tracking the signed contract and recording the follow-up results on the form completely, as specified in the operational manual. 2. It is necessary to review the work procedures regarding the duration of the renewal notification process and make them faster so that the sales and legal departments can draft contracts for customers to review the content and terms of the service in advance before the service agreement deadline is due and to be able to renew the contract in time.	Undergoing corrective action - Meanwhile, the internal audit team will follow up and notify the management team continuously.
2. In the case where customers have canceled the Colocation rental service but the company is still providing the server maintenance services for the customers (resulting in revenue loss) and there is a lack of follow-up with customers to collect the machines. (Risk: High)	1. Follow up with customers to pick up their equipment and check if they have any outstanding debts before allowing them to take the equipment out. 2. Separate the equipment of customers who have terminated their service to prevent their equipment from being mixed up with the equipment of customers who are currently using the service in the same area.	Undergoing corrective action - The Internal Audit Department will continue to track and report on the progress of the issue to the management team. Currently, the organization has already separated the equipment of customers who have terminated their service and placed it in a separate area for them to collect. The Legal Department is in the process of notifying these customers.

Detected issues	Suggestions	Results from the internal control improvement
2. In the case where customers have canceled the Colocation rental service but the company is still providing the server maintenance services for the customers (resulting in revenue loss) and there is a lack of follow-up with customers to collect the machines. (Risk: High)	3. Establish guidelines and procedures for working together to ensure clear and consistent practices in following up with customers who have terminated their service and in separating the server equipment area for customers who are currently using the service from the area for returning equipment. 4. The Legal Department should send a letter informing customers of the terms and conditions for depositing equipment within a specified period of time and the various responsibilities involved if they fail to collect their equipment. This is to prevent customer complaints in the future.	Undergoing corrective action - The Internal Audit Department will continue to track and report on the progress of the issue to the management team. Currently, the organization has already separated the equipment of customers who have terminated their service and placed it in a separate area for them to collect. The Legal Department is in the process of notifying these customers.
3. Provide colocation services without charging valued customers.	There should be a policy in writing in place regarding providing services without charging a fee. The policy should clearly state the conditions in which this applies, such as: - Conditions under which customers are eligible to receive services. - The duration of providing services without charging a service fee. - Compare the expenses incurred to request approval from the authorized person. - There must be a presentation to the CEO for approval every time.	Undergoing corrective action - The Internal Audit Department will follow up and report to the management team continuously.
There is a failure to comply with the Ministry's regulations and standards in managing and operating occupational health and safety and environmental conditions in relation to preventing and controlling fires.		
4. Failure to comply with the law and lack of supervision from superiors. (Risk Level: Moderate)	1. Corrective action will be taken to ensure that work practices comply with the law. - In cases where there are incomplete inspection result displays, take steps to ensure that the displays are complete. - Conduct monthly inspections of fire extinguishers in accordance with legal requirements and record the results of the last inspection on the equipment. 2. There should be random inspections of work practices to ensure that they are being carried out according to the specified guidelines.	The corrective actions have been carried out successfully. - Those responsible have been carrying out their duties in accordance with the laws and regulations.



Detected issues	Suggestions	Results from the internal control improvement
Controlling petty cash in accordance with company policies.		
5. The petty cash balance is incomplete and not in compliance with the approved amount, and there are improper practices in controlling and disbursing the funds. (Risk Level: Moderate)	1. The custodian in charge of controlling the petty cash fund is prohibited from mixing personal funds with the company's petty cash. 2. As the custodian of the petty cash, it is advisable to adjust the frequency of reimbursement to ensure that there is enough balance to cover the expenses. For example, it is recommended to reimburse every week or at a suitable interval, rather than one large reimbursement that may deplete the balance. 3. It is recommended to conduct random checks once a week or once a month, depending on the appropriateness, to ensure that the petty cash balance is accurate and in accordance with the approved amount. 4. It is recommended to revise the company's policies and regulations to ensure that they are up to date and consistent in practice to avoid confusion among users. Additionally, there should be good control measures in place, along with widespread announcements and clear documentation.	Undergoing corrective action – The Internal Audit Department will follow up and continuously inform the management team. The Accounting and Finance Department is currently revising policies to be suitable for the work and to ensure good internal control.

Note: For the risk issues which are in the process of correction by the Group as mentioned in the Table above, Internal auditor Department shall check and follow up the correction and shall present this to the Committee Meeting for examination and acknowledgement further.

In 2022, the Internal Audit Department has audited the company in quarterly and reported to the Audit Committee as following items.

Auditing of Internal control of the Company Group in 2022

Subject	Quarter 1/22	Quarter 2/22	Quarter 3/22	Quarter 4/22
1. The process of recognizing revenue from service delivery.	✓	✓	✓	✓
2. The system for controlling petty cash.				✓
3. Processes related to occupational health and safety and environmental conditions in preventing and responding to fires.	✓			

9.4 Internal Audit Manager of the Company and its Subsidiaries

The Audit Committee meeting no. 1/2022 on February 25, 2022 has appointed Miss Siriwan Lueanloi to be the Internal Audit Manager. The Audit Committee has reviewed the qualification and found that she is suitable with the position by having independent, qualified educational background, internal audit work experience. The approval of appointment, deprivation, rotation the person who is in the position of internal audit manager of the Company Group must be approved by the Audit Committee. Qualification of the Internal Audit manager is specified in the attachment 3.

9.5 Related Party Transactions

9.5.1 Person who may have Conflict of Interest and Relationship Type

Person who may have Conflict of Interest	Relationship
1. Mr. Kittipan Sri-bua-iam	- Director, Authorized Director, Chairman of the Board of Directors, Chief Executive Officer, - Major shareholder, holding 155,925,700 shares directly and indirectly, calculated as 49.344% of the paid-up capital as of December 31st, 2022
2. Wealth Water House Co., Ltd. (WWH), a holding company (currently invest in only PROEN, without other business)	- Major shareholders, holding shares of 49.344% directly and indirectly of the paid-up capital as of December 31st, 2022 - Having a mutual director which is Mr. Kittipan Sri-bua-iam - Mr. Kittipan Sri-bua-iam is the major shareholder of WWH with a share proportion of 99.9% of the paid-up capital as of December 31st, 2022

9.5.2 Related party transactions

The Company Group has made related party transactions with person or entities that may have conflict of interest as follows.



PROEN Corp Public Co., Ltd.

Person or entities that may have conflict of interest	Transaction type	2020 (Thousand Baht)	2021 (Thousand Baht)	2022 (Thousand Baht)	Necessity and reasonability of transactions
1. Mr. Kittipan Sri-bua-iam	Advance land rental cost	61.40	61.40	61.40	PROEN rent the land title deed no. 97764, at Huykwang District, Bangkok with an area of 56 square wa from Mr. Kittipan to be used as a car parking space for employees and visitors, with 1 year contract period from August 1st, 2020 - July 31, 2021, with rental cost of 100,000 Baht/year. The rental cost is not included 5% withholding tax amounting to 5,263.16 Baht, which will charge the tenant and entered into a new lease agreement in 2021 on July 31, 2021, with a contract term of 1 year, starting on August 1, 2021, until July 31, 2022 with a rental rate of 100,000 baht/year, the said rental fee does not include tax deduction. Withholding 5% worth 5,263.16 baht, which the tenant will be responsible and renewed the lease agreement in 2022 on July 31, 2022, with a term of 1 year, starting from August 1, 2022, to July 31, 2023, with a rental rate of 100,000 baht per year. This rental fee does not include the 5% withholding tax, which is valued at 5,263.16 baht. The tenant will be responsible for it. Additionally, there is an additional land rental for 1 parking lot. According to the title deed with the number 4809 in Huai Khwang District, Bangkok, with an area of 51 square wah, the lease is for 1 year starting from January 1, 2022 to December 31, 2022, with a rental rate of 200,000 baht/year. The rental fee does not include tax, which will be deducted at the rate of 5%, with a value of 10,526.32 baht. The lessee will be responsible for the payment. Comments from Audit Committee This transaction is necessary and reasonable, and the rental was for the Company Group's benefit. The rental cost and condition is the same as the market rate.
	Pay for land rental	105.26	105.26	315.79	
2. Wealth Water House Co., Ltd. (WWH)	Revenue from Services	31.75	30.00	30.00	In 2021 and 2022, WWH applied Co-Location service of the PROEN with service fees paid at a rate equal to the third party. Comments from Audit Committee The transaction deemed normal price and conditions as same as trading with third parties
	Accrued Revenues	-	1.25	1.25	
	Account Receivable	5.35	-	-	
	Unearned Revenues	1.25	-	-	

PROEN Telebiz Co., Ltd.

Person or entities that may have conflict of interest	Transaction type	2020 (Thousand Baht)	2021 (Thousand Baht)	2022 (Thousand Baht)	Necessity and reasonability of transactions
1. Mr. Kittipan Sri-bua-iam	Loan from Director	-	-	-	In 2020, TELEBIZ had to borrow an urgent loan to maintain the financial credit of a bank, then the repayment had been paid next day without interest.
	Beginning period	490.00	-	-	
	Withdraw	(490.00)	-	-	
	Repayment	-	-	-	Comments from Audit Committee
	Ending period	-	-	-	The Audit Committee has considered the necessity and reasonability of this financial aid, and found that it was for the best interests of the Company Group in maintaining financial credit. This transaction was an urgent situation, therefore PROEN made a demand for an Audit Committee meeting and Directors meeting to consider before an approve of the transaction.
	Interest	-	-	-	

9.3 Measure or procedure for the approval of related transactions

The Board of Directors meeting no. 5/2019 on August 14, 2019 approved policy and procedure for making connected transactions and related party transactions between the Company Group and connected person, or entities, or person or entities that may have conflict of interest against the Company Group in the future. There must be complied with the security and exchange regulations or the Stock Exchange of Thailand's regulations to ensure that making transactions will be transparent and will not be a transfer of benefit. There should be the transaction made for the best benefit of the Company Group and shareholders. The Company Group will comply with the conditions regarding related party transactions disclosure regulations disclosed in a note to the financial statements audited by the Company Group's auditor and form 56-1/One report.

In case an approval of related party transactions required by the law that the transaction must be approved by the Company Group Director meeting or shareholder meeting, the Audit Committee will be demanded to attend the meeting in order to consider and approve the necessity and reasonability of transactions. The comments of the Audit Committee will be presented to Directors meeting or Shareholder meeting (depending on the case) in order to ensure that the proposed transactions will be made for the best benefit of the Company and shareholders.

Transactions that are trade agreements with general commercial terms

The managements can be able to approve connected transactions or related party transactions that are trade agreements with general commercial terms between the Company Group, Directors, Executives, connected person or entities, or person or entities that may have a conflict of interest. If transactions are small transactions, according to the regulations of the Stock Exchange of Thailand, the Capital Market Supervisory Board, and SEC. And there are trade agreements in the same way that a sensible person



would be made to the general parties in the same situation with the bargaining power of trade without the influence of being Directors, Executives, connected person or related party, or person that may have conflict of interests (depending on cases), and the trade agreements has been approved by the Board of Directors.

Transactions that are trade agreements with uncommon commercial terms

Transactions that are trade agreement with uncommon commercial terms must be considered and commented by Audit Committee, who will approve the transactions regarding necessity of entering into the transaction, and the suitable price of such transaction by considering conditions that comply with the business characteristic comparing with normal business in the industry, and/or there is a price comparison with third party, and/or the market price, and/or it can be able to show that the transactions is under the reasonable or fair conditions, then propose to the Board of Directors to consider an approval of entering into the transactions. However, if the transactions are large transactions, according to the Stock Exchange of Thailand regulation, the Capital Market Supervisory Board, and SEC, after the Board of Directors approved, the agenda for entering such transaction must be proposed to the shareholder meeting for the approval.

9.4 Policy or trend of the related party transactions in the future

After the Company Group offered the IPO, the related party transactions or connected transaction between the Company Group and the person that may have a conflict of interest, stakeholders, or person who may have a conflict of interest, including land rent to be used as car parking space, legal service fee, advance payments. The Company shall comply with the Securities Act, rule, notice, instruction or regulations of the Capital Market Supervisory Board, the SEC, and SET. The entering into the transactions must not be a benefit transferring of the Company Group or Shareholders, but it will be the transactions that are considered the best benefit of the Company Group and Shareholders.

In case of normal business transactions or support business transactions and transactions occurring in the future, the Company Group will determine criteria and guidelines in order to comply with general trade condition referring to the fair price and conditions, reasonability, accountability, then propose to the Audit Committee to comment for the suitability of the transactions. In case the Audit Committee has no expertise in consideration of related party transactions, the Company Group will hire a specialist such as auditor or independent asset assessor to give an opinion regarding the related party transactions. The opinion of the Audit Committee or specialist will be used for the decision making of the Board of Directors, or Shareholders, depending on cases.

Furthermore, when there are related party transactions or connected party transactions or when there are changes on agreement and transaction conditions between major shareholders, directors, or person who may have conflict of interest, or connected person, the beneficial director must not attend the meeting for the agenda regarding entering such transaction.

Part 3

Financial Statements

PROEN CORP PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2022



Independent Auditor's Report

To the Shareholders and the Board of Directors of PROEN Corp Public Company Limited

My opinion

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

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2022;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (TFAC Code) that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the TFAC Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter: Revenue recognition from construction contract. The matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

Key audit matter	How my audit addressed the key audit matter
<i>Revenue recognition from construction contract</i> Refer to Notes to Financial Statements No. 4.18 Accounting policies for revenue recognition and Note 7 Accounting policies for critical accounting estimates and judgements. The Group recognises revenue from construction contracts in accordance with the performance obligations satisfied over time. The progress measurement for each performance obligation depends on the condition and substance determining in a contract with customer. I focused on the revenue recognition because: 1. The revenue recognition involves significant management's judgements when identifying the performance obligations, evaluating the method used, either input or output method, to measure progress towards completion of the contract, the estimation of total contract cost and the provision for project loss which may impact to progress measurement of the projects applying the input method 2. The Group has revenue recognition from construction contract for the year ended 31 December 2022 of Baht 587.37 million, representing 38% of total revenue in the consolidated statement of comprehensive income.	I enquired management about the Group's accounting policies, including those related to its judgements and related estimates. Further, I tested design and operating effectiveness of the internal control system of the revenue and receivable cycle. This includes internal controls to measure the achievement of the performance obligations. I gained an understanding of the contents of contracts by random inspection to assess the appropriateness of the revenue recognition method, and to assess it complies with the requirements of the Financial Reporting Standards and it has been applied consistently. I tested, on sample basis, the calculation of the revenue recognition of the construction contracts on which input and output method were applied as follows: 1) Input method - Examining the actual cost incurred during the year with invoices and receipts including the accruals for cost incurred but not yet billed from suppliers or sub-contractors e.g. purchase cut off testing to assess all purchase of materials and services have been recorded accurately and completely; - Agreeing the estimation of total contract cost with the approved estimation of total contract cost set by the executive committee and project manager; - Testing the accuracy of the stage of completion of the contracts and the amount of revenue recognition; 2) Output method - Examining supporting documents for the calculation of the work completed and transferred to customers, for example, client acceptance certificates; - Testing the accuracy of the stage of completion of the contracts and the amount of revenue recognition. I assessed the adequacy of the estimation of the project loss by comparing the contract value with the estimation of total contract and inquiring the management about the potential losses identified including reading the construction agreements and the related documents. I found the method of contract revenue recognition was reasonable and appropriate based on the environment and circumstances.

Other information

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

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

As part of an audit in accordance with TSAs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and 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 consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

PricewaterhouseCoopers ABAS Ltd.

Nuntika Limviriyalers

Certified Public Accountant (Thailand) No.7358

Bangkok

28 February 2023

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	9	552,742,896	127,119,551	544,186,255	114,934,578
Financial assets measured at fair value					
through profit or loss	11	-	149,572,705	-	149,572,705
Trade and other receivables	10	698,082,375	424,758,256	622,500,777	411,463,278
Current portion of lease receivables	5.1.1	5,684,804	5,301,554	5,684,804	5,301,554
Short-term loans to related parties	33	-	-	87,323,303	54,058,203
Financial assets measured at amortised cost		2,373,180	2,267,675	2,373,180	2,267,675
Inventories	13	9,790,784	103,715,855	9,630,489	103,555,560
Other current assets		11,668,799	12,751,326	6,772,756	7,527,980
Total current assets		1,280,342,838	825,486,922	1,278,471,564	848,681,533
Non-current assets					
Restricted bank deposits	14	87,129,826	80,849,700	83,819,826	80,849,700
Lease receivables	5.1.1	3,649,096	9,333,900	3,649,096	9,333,900
Investment in subsidiaries	15	-	-	13,624,575	11,999,600
Property, plant and equipment	16	172,268,548	137,990,459	170,785,031	137,133,785
Right-of-use assets	17	17,494,872	8,720,818	17,494,872	8,720,818
Intangible assets	18	4,434,249	2,784,010	4,414,977	2,778,858
Deferred tax assets	19	21,295,065	11,281,383	10,635,004	11,186,077
Other non-current assets		3,764,890	2,158,159	1,980,659	1,958,159
Total non-current assets		310,036,546	253,118,429	306,404,040	263,960,897
Total assets		1,590,379,384	1,078,605,351	1,584,875,604	1,112,642,430

Director _____

Director _____

The accompanying notes are an integral part of these consolidated and separate financial statements.

PROEN Corp Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2022

		Consolidated financial statements		Separate financial statements	
		2022 Baht	2021 Baht	2022 Baht	2021 Baht
Notes					
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term					
borrowings from financial institutions	20	2,174,767	88,933,371	-	85,930,664
Trade and other payables	21	506,184,809	448,670,517	475,820,000	449,274,820
Current portion of long-term borrowings					
from financial institutions	20	14,836,694	19,303,920	12,974,046	18,203,630
Current portion of lease liabilities	5.1.1	14,750,815	17,435,864	14,750,815	17,400,129
Other current liabilities		14,339,237	6,970,549	12,058,741	5,380,188
Total current liabilities		552,286,322	581,314,221	515,603,602	576,189,431
Non-current liabilities					
Long-term borrowings from financial					
institutions	20	32,537,087	42,081,949	30,140,102	37,782,239
Debenture	20	494,811,722	-	494,811,722	-
Lease liabilities	5.1.1	13,089,978	12,134,604	13,089,978	12,134,604
Employee benefit obligations	22	17,114,310	14,669,493	16,813,472	14,042,967
Provision for decommissioning		8,651,942	8,625,266	8,651,942	8,625,266
Total non-current liabilities		566,205,039	77,511,312	563,507,216	72,585,076
Total liabilities		1,118,491,361	658,825,533	1,079,110,818	648,774,507

Director _____

Director _____

The accompanying notes are an integral part of these consolidated and separate financial statements.

PROEN Corp Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2022

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity	23				
Authorised share capital					
Ordinary share 417,000,000 shares					
of par Baht 0.5 each					
(31 December 2021:					
Authorised share capital					
Ordinary share 316,000,000 shares					
of par Baht 0.5 each)		237,000,000	158,000,000	237,000,000	158,000,000
Issued and paid-up share capital					
Ordinary share 316,000,000 shares					
of paid-up at Baht 0.5 each		158,000,000	158,000,000	158,000,000	158,000,000
Share premium	23	228,732,200	228,732,200	228,732,200	228,732,200
Advance received from share subscription	25	3,409,740	-	3,409,740	-
Share surplus from business					
combination under common control		1,175,732	1,175,732	-	-
Retained earnings					
Appropriated - legal reserve	24	11,770,000	8,850,000	11,770,000	8,850,000
Unappropriated		68,080,890	23,008,916	103,852,846	68,285,723
Other comprehensive income		(1,502)	(1,502)	-	-
Equity attribute to owners of the parent		471,167,060	419,765,346	505,764,786	463,867,923
Non-controlling interests		720,963	14,472	-	-
Total equity		471,888,023	419,779,818	505,764,786	463,867,923
Total liabilities and equity		1,590,379,384	1,078,605,351	1,584,875,604	1,112,642,430

Director _____

Director _____

The accompanying notes are an integral part of these consolidated and separate financial statements.

PROEN Corp Public Company Limited
Statements of Comprehensive Income
For the year ended 31 December 2022

	Notes	Consolidated financial statements		Separate financial statements	
		2022 Baht	2021 Baht	2022 Baht	2021 Baht
Revenues	8				
Revenues from sales of goods		626,909,334	528,366,117	616,856,387	528,351,562
Revenues from rendering services		317,099,813	300,566,082	308,658,188	296,823,997
Revenues from construction contracts		587,366,706	229,551,793	532,092,820	229,551,793
Total revenues		1,531,375,853	1,058,483,992	1,457,607,395	1,054,727,352
Costs					
Cost of sales		(597,549,487)	(484,627,940)	(589,563,827)	(484,627,940)
Cost of services		(212,615,290)	(219,842,521)	(209,103,367)	(219,903,570)
Cost of construction contract		(515,902,630)	(207,989,808)	(470,482,248)	(207,989,808)
Total costs		(1,326,067,407)	(912,460,269)	(1,269,149,442)	(912,521,318)
Gross profit		205,308,446	146,023,723	188,457,953	142,206,034
Other income	28	16,984,931	3,079,539	20,168,655	12,587,829
Selling expenses		(21,752,232)	(20,434,242)	(21,453,824)	(18,669,888)
Administrative expenses		(97,825,119)	(77,588,903)	(87,935,042)	(72,672,151)
Net impairment losses		(4,474,106)	(4,134,468)	115,105	(9,064,138)
Finance costs	29	(30,064,786)	(9,768,249)	(29,790,837)	(9,443,769)
Profit before income tax expense		68,177,134	37,177,400	69,562,010	44,943,917
Income tax expense	31	(3,108,909)	(8,014,169)	(13,447,878)	(7,976,900)
Profit for the year		65,068,225	29,163,231	56,114,132	36,967,017
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations		1,220,690	-	742,910	-
Income tax on items that will not be reclassified		(244,138)	-	(148,582)	-
Total items that will not be reclassified to profit or loss		976,552	-	594,328	-
Other comprehensive income for the year, net of tax		976,552	-	594,328	-
Total comprehensive income for the year		66,044,777	29,163,231	56,708,460	36,967,017

Director _____

Director _____

The accompanying notes are an integral part of these consolidated and separate financial statements.

PROEN Corp Public Company Limited
Statements of Comprehensive Income
For the year ended 31 December 2022

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Profit attributable to:					
Owners of the parent		65,236,759	29,158,012	56,114,132	36,967,017
Non-controlling interests		(168,534)	5,219	-	-
		<u>65,068,225</u>	<u>29,163,231</u>	<u>56,114,132</u>	<u>36,967,017</u>
Total comprehensive income attributable to:					
Owners of the parent		66,213,311	29,158,012	56,708,460	36,967,017
Non-controlling interests		(168,534)	5,219	-	-
		<u>66,044,777</u>	<u>29,163,231</u>	<u>56,708,460</u>	<u>36,967,017</u>
Earnings per share					
Basic earnings per share	32	<u>0.21</u>	<u>0.10</u>	<u>0.18</u>	<u>0.13</u>
Diluted earnings per share	32	<u>0.18</u>	<u>0.10</u>	<u>0.16</u>	<u>0.13</u>

Director _____

Director _____

The accompanying notes are an integral part of these consolidated and separate financial statements.

PROEN Corp Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2022

Consolidated financial statements													
		Attributable to owners of the parent											
		Share surplus from business combination under common control			Retained earnings		Other components of equity			Total owner of the parent		Non-controlling interests	
		Share premium			Appropriated-legal reserve		Unappropriated		Change in parent's ownership interest in subsidiaries			Total equity	
Notes	Issued and paid-up share capital	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
	115,000,000		-	-	1,175,732	7,000,000	27,296,404	(1,502)	150,470,634	9,253	150,479,887		
Opening balance at 1 January 2021													
Change in equity for the year													
23	Share increase	43,000,000	228,732,200	-	-	-	-	-	271,732,200	-	271,732,200	-	-
24	Legal reserve	-	-	-	-	1,850,000	(1,850,000)	-	-	-	-	-	-
27	Dividend payment	-	-	-	-	-	(31,595,500)	-	(31,595,500)	-	(31,595,500)	-	(31,595,500)
	Total comprehensive income for the year	-	-	-	-	-	29,158,012	-	29,158,012	5,219	29,163,231	-	-
		158,000,000	228,732,200	-	1,175,732	8,850,000	23,008,916	(1,502)	419,765,346	14,472	419,779,818		
Closing balance 31 December 2021													
Opening balance at 1 January 2022													
Change in equity for the year													
	Investment in a newly established subsidiary	-	-	-	-	-	-	-	(1,502)	14,472	419,779,818		
25	Advance received from share subscription	-	-	3,409,740	-	-	-	-	-	875,025	3,409,740	875,025	3,409,740
24	Legal reserve	-	-	-	-	2,920,000	(2,920,000)	-	-	-	-	-	-
27	Dividend payment	-	-	-	-	-	(18,221,337)	-	(18,221,337)	-	(18,221,337)	-	(18,221,337)
	Total comprehensive income for the year	-	-	-	-	-	66,213,311	-	66,213,311	(168,534)	66,044,777	-	-
		158,000,000	228,732,200	3,409,740	1,175,732	11,770,000	68,080,890	(1,502)	471,167,060	720,963	471,888,023		
Closing balance 31 December 2022													

Director _____ Director _____

The accompanying notes are an integral part of these consolidated and separate financial statements.

PROEN Corp Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2022

		Separate financial statements					
		Notes	Issued and paid-up share capital	Share premium	Advance received from share subscription premium	Retained earnings	
						Appropriated-legal reserve	Total equity
			Baht	Baht	Baht	Baht	Baht
Opening balance at 1 January 2021			115,000,000	-	-	7,000,000	186,764,206
Change in equity for the year							
Share increase	23		43,000,000	228,732,200	-	-	271,732,200
Legal reserve	24		-	-	-	1,850,000	-
Dividend payment	27		-	-	-	-	(31,595,500)
Total comprehensive income for the year			-	-	-	-	36,967,017
Closing balance 31 December 2021			158,000,000	228,732,200	-	8,850,000	463,867,923
Opening balance at 1 January 2022			158,000,000	228,732,200	-	8,850,000	463,867,923
Change in equity for the year							
Advance received from share subscription	25		-	-	3,409,740	-	3,409,740
Legal reserve	24		-	-	-	2,920,000	-
Dividend payment	27		-	-	-	-	(18,221,337)
Total comprehensive income for the year			-	-	-	-	56,708,460
Closing balance 31 December 2022			158,000,000	228,732,200	3,409,740	11,770,000	505,764,786

Director _____

Director _____

The accompanying notes are an integral part of these consolidated and separate financial statements.



PROEN Corp Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2022

	Notes	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax		68,177,134	37,177,400	69,562,010	44,943,917
Adjustments for:					
Depreciation	16	24,407,462	23,099,205	23,874,529	22,186,206
Amortisation	18	424,292	1,013,461	416,662	982,419
Amortisation of right-of-use assets	17	13,933,386	9,155,659	13,933,386	9,155,659
Gain on disposal of assets	28	(5,767,133)	(929,177)	(5,767,133)	(929,177)
Net impairment loss		4,474,106	4,134,468	(115,105)	9,064,138
Allowance loss on diminution					
in value of inventories (Reversal)	30	23,528	(110,102)	23,528	(110,102)
Losses from changes in fair value					
of financial assets	11	2,740,117	427,295	2,740,117	427,295
Impairment on non-financial assets		3,959,649	-	-	-
Impairment on digital assets	18	909,066	-	909,066	-
Income from node validator	18	(2,517,777)	-	(2,517,777)	-
Interest income	28	(1,750,678)	(1,534,647)	(7,479,622)	(5,725,702)
Interest expense	29	30,064,786	9,768,249	29,790,837	9,443,769
Employee benefit obligations	22	3,665,507	3,218,018	3,513,415	2,969,399
Changes in operating assets and liabilities					
- trade and other receivables		(281,727,577)	(131,098,225)	(205,152,449)	(148,903,939)
- lease receivable		5,301,554	4,944,143	5,301,554	4,944,143
- inventories		93,901,543	(83,192,857)	93,901,543	(83,138,257)
- other current assets		(207,979)	(4,005,545)	(274,162)	(3,165,554)
- other non-current assets		(1,606,731)	(3,282)	(22,500)	196,718
- trade and other payables		58,727,414	178,372,496	27,518,848	186,829,904
- other current liabilities		7,315,519	(4,630,107)	6,678,554	(5,594,964)
- employee benefit obligations	22	-	(559,824)	-	(559,824)
Cash generated from operations		24,447,188	45,246,628	56,835,301	43,016,048
<u>Less</u> Interest paid		(27,277,166)	(9,330,659)	(26,808,478)	(9,152,092)
Income tax paid		(12,023,054)	(9,289,529)	(12,016,002)	(10,012,303)
Net cash (used in) generated from operating activities		(14,853,032)	26,626,440	18,010,821	23,851,653

Director _____

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The accompanying notes are an integral part of these consolidated and separate financial statements.

PROEN Corp Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2022

	Notes	Consolidated financial statements		Separate financial statements	
		2022 Baht	2021 Baht	2022 Baht	2021 Baht
Cash flow from investing activities					
Payment for financial assets measured at amortised cost		-	(5,575)	-	(5,575)
Payment for financial assets measured at fair value through profit or loss	11	-	(150,000,000)	-	(150,000,000)
Proceeds for financial assets measured at fair value through profit or loss	11	146,832,588	-	146,832,588	-
Purchase of property, plant and equipment		(55,619,580)	(24,521,600)	(54,459,804)	(24,519,980)
Payments for borrowing cost of property, plant and equipment		(3,888,253)	-	(3,888,253)	-
Purchase of intangible assets		(554,202)	(91,208)	(532,452)	(91,208)
Purchase of right-of-use asset		(2,013,278)	-	(2,013,278)	-
Increase in restricted bank deposits		(6,280,126)	(10,000,000)	(2,970,126)	(10,000,000)
Payment for investment in subsidiaries	15	-	-	(1,624,975)	-
Payment for short-term loans to related parties	33	-	-	(33,265,100)	(18,111,000)
Repayment from short-term loans to related parties	33	-	-	-	26,530,369
Proceeds from disposal of vehicles and equipment		5,777,042	1,459,320	5,777,042	1,459,320
Interest received		1,614,875	1,570,977	1,604,172	6,329,500
Net cash generated from (used in) investing activities		85,869,066	(181,588,086)	55,459,814	(168,408,574)
Cash flows from financing activities					
Proceeds from issuance of new share	23	-	279,500,000	-	279,500,000
Payment for transaction costs directly attributable to the issue of new shares	23	-	(9,709,750)	-	(9,709,750)
Proceeds from short-term borrowings from financial institution		152,335,000	115,363,801	152,335,000	115,363,801
Repayments of short-term borrowings from financial institution		(237,335,000)	(108,515,516)	(237,335,000)	(108,515,516)
Proceeds from long-term borrowings from financial institution	20.3	17,385,680	2,045,510	17,385,680	2,045,510
Repayments of long-term borrowings from financial institution	20.3	(31,599,356)	(18,146,525)	(30,414,275)	(18,146,525)
Proceeds from issue of debentures	20.4	500,000,000	-	500,000,000	-
Payment for transaction costs directly attributable to the issue of debentures	20.4	(8,060,000)	-	(8,060,000)	-
Repayments of lease liabilities	20.5	(22,423,837)	(23,472,264)	(22,388,102)	(23,063,396)
Proceeds from advance received from share subscription	25	3,409,740	-	3,409,740	-
Proceeds from share increased by subsidiary from non-controlling interest		875,025	-	-	-
Dividends payment	27	(18,221,337)	(31,595,500)	(18,221,337)	(31,595,500)
Net cash generated from financing activities		356,365,915	205,469,756	356,711,706	205,878,624

Director _____

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The accompanying notes are an integral part of these consolidated and separate financial statements.

PROEN Corp Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2022

	Note	Consolidated financial statements		Separate financial statements	
		2022 Baht	2021 Baht	2022 Baht	2021 Baht
Net increase in					
cash and cash equivalents		427,381,949	50,508,110	430,182,341	61,321,703
Opening balance of					
cash and cash equivalents	9	123,186,180	72,678,070	114,003,914	52,682,211
Closing balance of					
cash and cash equivalents	9	<u>550,568,129</u>	<u>123,186,180</u>	<u>544,186,255</u>	<u>114,003,914</u>
Significant non-cash transactions are as follows:					
Payable arising from right-of-use assets		20,694,162	5,327,928	20,694,162	5,327,928
Payable arising from construction					
and equipment		440,651	1,253,024	440,651	1,253,024
Payable arising from intangible assets		-	88,382	-	88,382
Increase in digital assets under unpaid					
intangible assets		2,517,777	-	2,517,777	-

Director _____

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The accompanying notes are an integral part of these consolidated and separate financial statements.

PROEN Corp Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2022

1 General information

PROEN Corp Public Company Limited (the “Company”) is a public limited company which listed on the Stock Exchange of Thailand. The company is incorporated and domiciled in Thailand. The address of the Company’s registered office is as follows:

72 Telecom Bangrak Tower 4th, 18th Fl., Charoen Krung Rd., Bangrak Sub-district, Bangrak District, Bangkok.

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

The Group is principally engaged in the business of IT equipment distributor, providing internet data center services and related services, providing internet security services and construction.

These consolidated and separate financial statements were authorised for issue by the Board of Directors on 28 February 2023.

2 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed specifically in Note 4.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 7.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

3 New and amended financial reporting standards

3.1 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022 and are relevant to the Group

Interest rate benchmark (IBOR) reform - phase 2, amendments to TFRS 9, TFRS 7, TFRS 16 and TFRS 4 provide relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flows or hedging relationship arising from the replacement of one benchmark with an alternative benchmark.

Key relief measures of the phase 2 amendments are as follows:

- When changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), changes that are necessary as a direct result of the IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.
- Hedge accounting relief measures will allow most TFRS 9 hedge relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

TFRS 7 requires additional disclosure about:

- the nature and extent of risks arising from the IBOR reform to which the entity is exposed to
- how the entity manages those risks
- the entity’s progress in transitioning from the IBOR to alternative benchmark rates and how the entity is managing this transition.

All revised financial reporting standards above have no significant impact to the Group.

PROEN Corp Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2022

3.2 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2023 and are relevant to the Group

Certain amended financial reporting standards have been issued that are not mandatory for the current reporting period and have not been early adopted by the Group.

- a) **Amendment to TAS 16 - Property, plant and equipment** clarified to prohibit entities from deducting from the cost of an item of PP&E any proceeds received from selling any items produced while the entity is preparing that asset for its intended use.
- b) **Amendment to TAS 37 - Provisions, contingent liabilities and contingent assets** clarified that, in considering whether a contract is onerous, the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling the contract. Before recognising a separate provision for an onerous contract, the entity must recognise any impairment losses that have occurred on the assets used in fulfilling the contract.
- c) **Amendment to TFRS 3 - Business combinations** clarified some minor amendments to update its references to the Conceptual Framework for Financial Reporting and added a consideration for the recognition of liabilities and contingent liabilities acquired from business combinations. The amendments also confirmed that contingent assets shouldn't be recognised at the acquisition date.
- d) **Amendment to TFRS 9 - Financial Instruments** clarified which fees should be included in the 10% test for the derecognition of financial liabilities. It should only include fees between the borrower and lender.

The Group's management is considering the impact of the amended financial reporting.

4 Accounting policies

4.1 Group accounting - investments in subsidiaries

(a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

(b) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

PROEN Corp Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2022

4.2 Business combination

Business combination under common control

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree in the proportion of interests under common control at the carrying values of the acquiree presented in the highest level of the consolidation prior to the business combination under common control at the acquisition date. The Group retrospectively adjusted the business combination under common control transactions as if the combination occurred from the beginning of period of which the financial statements in the previous period are comparatively presented in accordance with the guidance of business combination under common control as issued by the Federation of Accounting Professions.

Costs of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred, and equity instruments issued by the acquirer at the date of which the exchange in control occurs. Other costs directly attribute to business combination under common control, such as professional fees of legal advisors and other advisors, registration fees, and costs relating to preparation of information for shareholders, are capitalised as an investment in the separate financial statements while immediately recognised as expenses in the consolidated financial statements in the period of which the business combination occurs.

The difference between costs of business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as "Surplus arising from business combination under common control" in equity and is derecognised when the investment is disposed transfer to retained earnings.

4.3 Foreign currency translation

a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the date of revaluation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

4.4 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date and bank overdrafts.

In the statements of financial position, bank overdrafts are shown in current liabilities.

4.5 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30-45 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables is disclosed in Note 5.1.2 (c).

PROEN Corp Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2022

4.6 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of inventories is determined by the first-in, first-out method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and directly attributable costs in bringing the inventories to their present location and condition.

4.7 Financial asset

a) Classification

The Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

d) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. The measurement which the Group classifies its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- **FVPL:** Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

PROEN Corp Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2022

e) Impairment

From 1 January 2020, the Group applies the TFRS 9 simplified approach in measuring the impairment of trade receivables, unbilled contract revenue and lease receivables which applies lifetime expected credit loss, from initial recognition, for all trade receivables, unbilled contract revenue and lease receivable.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

For other financial assets carried at amortised cost, the Group applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

The Group assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Group and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Group reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment (and reversal of impairment) losses are recognised in profit or loss.

4.8 Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate cost to residual values over estimated useful lives, as follows:

Land improvements	5 years
Building and buildings improvements	5, 10, 20 years
Network equipment	5 years
Furniture fixture and office equipment	5 years
Vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised within profit or loss.

PROEN Corp Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2022

4.9 Intangible assets

a) Acquired computer software

Acquired computer software licenses is measured at cost. These costs are amortised over their estimated useful lives not over than 10 years.

Cost associated with maintaining computer software are recognised as an expense as incurred.

b) Acquired IP Address

Separately acquired IP address is measured at historical cost. IP Address which has an indefinite useful life are not subject to amortisation and are tested annually for impairment and carried at cost less accumulated impairment losses.

c) Digital assets

Digital assets from being a node validator are stated at cost less impairment loss. Digital assets are initially recognised at fair value on the initial date and presented under "Intangible assets". The fair value is based on the daily closing price on the website of the digital asset exchange center.

Digital assets which have an indefinite useful life are not subject to amortisation and are tested quarterly for impairment and carried at cost less accumulated impairment losses.

Digital assets are tested for impairment at the closing date. The impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is based on the daily closing price on the website of the digital asset exchange center. If an intangible asset's carrying amount is increased and it has been recognised as expense in the prior period. The increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Gains or losses on disposals and impairment loss are presented in profit or loss.

4.10 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

4.11 Leases

Leases - where the Group is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the property rental contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease.

PROEN Corp Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2022

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Leases - where the Group is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Rental income under operating leases (net of any incentives given to lessees) is recognised 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 asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

4.12 Financial liabilities

a) Classification

Financial instruments issued by the Group are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

PROEN Corp Public Company Limited
Notes to the Consolidated and Separate Financial statements
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c) Derecognition and modification measurement

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Group assesses whether the renegotiation / modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

4.13 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

4.14 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates, and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

PROEN Corp Public Company Limited
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4.15 Employee benefits

Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

4.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

4.17 Share capital

Ordinary shares with discretionary dividends are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown as a deduction in equity.

4.18 Revenue recognition

Revenue includes all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectability of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfilment of the obligation to the customer.

Sale of goods

Revenue from the sale of goods is recognised when the Group sells a product to the customer which is the point that control of goods has transferred.

Services

The Group recognised service contracts with a continuous service provision as revenue on a straight line basis over the contract term, regardless of the payment pattern.

IT consulting services

The IT consulting division provides business IT management, design, implementation and support services under fixed-price and variable-price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours.

Some contracts include multiple deliverables, such as the sale of hardware and related installation services. However, the installation is simple, does not include an integration service and could be performed by another party. It is therefore accounted for as a separate performance obligation.

PROEN Corp Public Company Limited
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Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. If contracts include the installation of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed and the customer has accepted the hardware.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

If the contract includes an hourly fee, revenue is recognised in the amount to which the Group has a right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

Revenue from construction

Revenue from construction includes contracts to provide construction and foundation services for building and civil. Under the contracts, the Group's construction activities create or enhance an asset or work in progress that the customer controls as the asset is created or enhanced, and hence revenue is recognised over time by reference to the progress towards completing the construction works. Under this method, the revenue recognised is based on the latest estimate of the total value of the contract and actual completion rate determined by reference to the physical state of progress of the works.

Claims, variations and liquidated damages are accounted for as variable consideration and are included in contract revenue provided that it is highly probable that a significant reversal will not occur in the future.

The warranty of construction contract which accordance with terms in contract is due within 2 years. However, there is no expenditure during warranty period according to the historical data. The Group does not recognise a provision and cost of construction.

Contract assets and contract liabilities

A contract asset is recognised where the Group recorded revenue for fulfilment of a contractual performance obligation before the customer paid consideration or before the requirements for billing. The balance is shown as a current asset, under "Trade and other receivables".

A contract liability is recognised when the customer paid consideration or a receivable from the customer that is due before the Group fulfilled a contractual performance obligation. The balance is shown as a current liability, under "Trade and other payable".

For each customer contract, contract liabilities are set off against contract assets.

Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

4.19 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

4.20 Legal reserve

Legal Reserve is required to set aside as statutory reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. This reserve is not available for dividend distribution. The Company records the reserve in the current year. The appropriation will be subsequently approved by the Board of Directors and the Shareholders' meeting.

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4.21 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under TFRS 9; and
- the amount initially recognised less the cumulative amount of income recognised in accordance with the principles of TFRS 15.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between a) the contractual payments required under the debt instrument; and b) the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

5 Financial risk management

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, including the effects of changes in interest rates, counterparties do not comply with the contract, credit risk, liquidity risk and capital risk management. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Group's risk management is controlled by a treasury department under policies approved by the board of directors. Group treasury identifies, evaluates and manages financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk and credit risk as well as investment of excess liquidity.

The Group mainly engages in financial transactions denominated in a local currency where that company is based. The management has considered the risk from exchange rate is low.

5.1.1 Market risk

Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group is exposed to interest rate risk relates primarily to its deposits at financial institutions, restricted bank deposits, lease receivable, long-term loans to related parties, short-term borrowings, long-term borrowings and debentures. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The Group assesses that the interest rate risk is insignificant as the interests from financial assets and financial liabilities are not significantly different. However, the Group will use interest rate swap to management the risk when necessary.

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Significant financial assets and liabilities which are interest component categorized by interest rate and maturity date as shown below

	Consolidated financial statements										Interest rate (% p.a.)
	Fixed interest rates				Floating interest rates						
	Within 1 year		Over 5 years		Within 1 year		Over 5 years		Over 5 years		
	Baht	1 - 5 years Baht	5 years Baht	Over Baht	Baht	1 - 5 years Baht	5 years Baht	Over Baht	5 years Baht	Total Baht	
As at 31 December 2022											
Significant financial assets											
Cash and cash equivalents	552,742,896	-	-	-	-	-	-	-	-	552,742,896	0.125 - 0.350
Restricted bank deposits	-	87,129,826	-	-	-	-	-	-	-	87,129,826	0.32 - 0.375
Lease receivables, net	5,684,804	3,649,096	-	-	-	-	-	-	-	9,333,900	7.00
	558,427,700	90,778,922	-	-	-	-	-	-	-	649,206,622	
Significant financial liabilities											
Bank overdrafts and short-term loans from financial institutions	2,174,767	-	-	-	-	-	-	-	-	2,174,767	2.45 - 11.37
Long-term loans from financial institutions, net	6,451,075	12,796,073	-	8,385,619	19,741,014	-	-	-	-	47,373,781	2.00 - 8.10
Debentures	-	494,811,722	-	-	-	-	-	-	-	494,811,722	0.065
Lease liabilities, net	14,750,815	13,089,978	-	-	-	-	-	-	-	27,840,793	3.97 - 8.75
	23,376,657	520,697,773	-	8,385,619	19,741,014	-	-	-	-	572,201,063	
As at 31 December 2021											
Significant financial assets											
Cash and cash equivalents	127,119,551	-	-	-	-	-	-	-	-	127,119,551	0.125 - 0.375
Restricted bank deposits	-	80,849,700	-	-	-	-	-	-	-	80,849,700	0.125 - 0.25
Lease receivables, net	5,301,554	9,333,900	-	-	-	-	-	-	-	14,635,454	7.00
	132,421,105	90,183,600	-	-	-	-	-	-	-	222,604,705	
Significant financial liabilities											
Bank overdrafts and short-term loans from financial institutions	3,933,371	-	-	85,000,000	-	-	-	-	-	88,933,371	2.15 - 11.37
Long-term loans from financial institutions, net	6,273,988	13,098,735	-	13,029,932	27,178,117	1,805,097	-	-	-	61,385,869	2.00 - 6.95
Lease liabilities, net	17,435,864	12,134,604	-	-	-	-	-	-	-	29,570,468	4.91 - 8.75
	27,643,223	25,233,339	-	98,029,932	27,178,117	1,805,097	-	-	-	179,889,708	



	Separate financial statements							
	Fixed interest rates				Floating interest rates			
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Over 5 years Baht	Interest rate (% p.a.)
As at 31 December 2022								
Significant financial assets								
Cash and cash equivalents	544,186,255	-	-	-	-	-	544,186,255	0.125 - 0.350
Restricted bank deposits	-	83,819,826	-	-	-	-	83,819,826	0.32 - 0.375
Lease receivable, net	5,684,804	3,649,096	-	-	-	-	9,333,900	7.00
	549,871,059	87,468,922	-	-	-	-	637,339,981	
Significant financial liabilities								
Long-term loans from financial institutions, net	4,588,427	10,399,088	-	8,385,619	19,741,014	-	43,114,148	2.00 - 8.10
Debentures	-	494,811,722	-	-	-	-	494,811,722	0.065
Lease liabilities, net	14,750,815	13,089,978	-	-	-	-	27,840,793	3.97 - 8.75
	19,339,242	518,300,788	-	8,385,619	19,741,014	-	565,766,663	
As at 31 December 2021								
Significant financial assets								
Cash and cash equivalents	114,934,578	-	-	-	-	-	114,934,578	0.125 - 0.375
Restricted bank deposits	-	80,849,700	-	-	-	-	80,849,700	0.125 - 0.25
Lease receivable, net	5,301,554	9,333,900	-	-	-	-	14,635,454	7.00
	120,236,132	90,183,600	-	-	-	-	210,419,732	
Significant financial liabilities								
Bank overdrafts and short-term loans from financial institutions	930,664	-	-	85,000,000	-	-	85,930,664	2.15 - 11.37
Long-term loans from financial institutions, net	5,173,697	8,799,025	-	13,029,933	27,178,117	1,805,097	55,985,869	2.00 - 6.95
Lease liabilities, net	17,400,129	12,134,604	-	-	-	-	29,534,733	4.91 - 8.75
	23,504,490	20,933,629	-	98,029,933	27,178,117	1,805,097	171,451,266	

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5.1.2 Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost and at fair value through profit or loss (FVPL) as well as credit exposures to customers, including outstanding receivables.

a) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

Sales to retail customers are required to be settled in cash or using major credit cards to mitigate credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

For derivative financial instruments, management has established limits so that, at any time, less than 10% of the fair value of favourable contracts outstanding are with any individual counterparty.

The Group's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

b) Security

For some trade receivables the Group may obtain security in the form of guarantees, or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

c) Impairment of financial assets

The Group and the Company have following financial assets that are subject to the expected credit loss model:

- cash and cash equivalents
- trade receivable, unbilled contract revenue, retention receivables, and accrued income, accrued interest and other receivables (included in trade and other receivables)
- loans to related parties
- financial assets measured at amortised cost
- restricted deposits with financial institution
- lease receivables.

While cash and cash equivalents, financial assets measured at amortised cost, restricted bank deposits, retention receivables, accrued income, interest receivables, loans to related parties and lease receivables are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

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Trade receivables

The Group and the Company considered the aging of receivables based on invoices' due date of outstanding receivables balance as of reporting date as follows:

Consolidated financial statements						
	Not yet due Baht	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	Over 12 months Baht	Total Baht
31 December 2022						
Gross carrying amount						
- trade receivables	71,559,730	51,107,481	16,625,149	12,468,803	42,999,810	194,760,973
Loss allowance	-	-	-	-	42,999,810	42,999,810
Consolidated financial statements						
	Not yet due Baht	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	Over 12 months Baht	Total Baht
31 December 2021						
Gross carrying amount						
- trade receivables	96,105,064	19,203,637	3,538,572	18,747,475	27,748,790	165,343,538
Loss allowance	-	-	854,946	13,506,468	27,748,790	42,110,204
Separate financial statements						
	Not yet due Baht	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	Over 12 months Baht	Total Baht
31 December 2022						
Gross carrying amount						
- trade receivables	59,377,170	51,142,363	16,625,149	12,543,552	28,744,912	168,433,146
Loss allowance	-	-	-	-	28,744,912	28,744,912
Separate financial statements						
	Not yet due Baht	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	Over 12 months Baht	Total Baht
31 December 2021						
Gross carrying amount						
- trade receivables	97,180,951	19,053,190	4,374,547	5,673,359	27,287,309	153,569,356
Loss allowance	-	-	854,946	4,302,262	27,287,309	32,444,517

Unbilled contract revenue

Mostly unbilled contract revenue will be billed to customers within three months, unless otherwise agreed in customer contracts. However, the Group has mitigated credit risk by collection cash from customers in advance according to term of contract and present as 'Unearned revenue from construction' and slightly deduction with progress billing.

The Group and the Company considered the aging of unbilled contract revenue from outstanding balance as of reporting date as follows.

Consolidated financial statements						
	Not yet due Baht	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	Over 12 months Baht	Total Baht
31 December 2022						
Gross carrying amount						
- unbilled contract revenue	-	79,033,263	262,447,718	101,149,772	-	442,630,753
Loss allowance	-	-	-	-	-	-
Consolidated financial statements						
	Not yet due Baht	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	Over 12 months Baht	Total Baht
31 December 2021						
Gross carrying amount						
- unbilled contract revenue	-	109,189,440	7,787,374	6,852,788	-	123,829,602
Loss allowance	-	-	-	-	-	-
Separate financial statements						
	Not yet due Baht	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	Over 12 months Baht	Total Baht
31 December 2022						
Gross carrying amount						
- unbilled contract revenue	-	74,679,431	225,998,806	86,678,630	-	387,356,867
Loss allowance	-	-	-	-	-	-

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31 December 2021	Separate financial statements					Total Baht
	Not yet due Baht	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	Over 12 months Baht	
Gross carrying amount	-	109,189,440	7,787,374	6,852,788	-	123,829,602
- unbilled contract revenue	-	-	-	-	-	-
Loss allowance	-	-	-	-	-	-

The reconciliations of loss allowance for trade receivables and unbilled contract revenue for the year ended 31 December:

	Consolidated financial statements			
	Trade receivables		Unbilled contract revenue	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
At 1 January	42,110,204	23,932,969	-	14,680,479
Increase in loss allowance recognised in profit or loss during the year	7,880,434	18,268,344	-	478,183
Receivable written off during the year as uncollectible	(3,584,500)	-	-	(637,712)
Unused amount reversed	(3,406,328)	(91,109)	-	(14,520,950)
At 31 December	42,999,810	42,110,204	-	-

	Separate financial statements			
	Trade receivables		Unbilled contract revenue	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
At 1 January	32,444,517	23,380,379	-	-
Increase in loss allowance recognised in profit or loss during the year	3,291,223	9,064,138	-	-
Receivable written off during the year as uncollectible	(3,584,500)	-	-	-
Unused amount reversed	(3,406,328)	-	-	-
At 31 December	28,744,912	32,444,517	-	-

Impairment losses on trade receivables and unbilled contract revenue are presented as net impairment losses within profit before finance costs and income taxes. Subsequent recoveries of amounts previously written off are credited against the same line item.

Loans to related parties

The Company has loans to related parties measured at amortised cost. The 12-month expected credit loss allowance was recognised for those loans without any significant increase in credit risk. The lifetime expected credit loss was recognised for those loans with significant increase in credit risk.

5.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group held deposits at call of Baht 552,315,004 (2021: Baht 126,668,562) that are expected to readily generate cash inflows for managing liquidity risk.

From the nature of business operation of the Group which is a business that is flexible and changes all the time. The Group's treasury has maintained flexibility in its funding sources by maintaining adequate credit facilities.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group, in accordance with practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining financing plans.

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a) Financing arrangements

The Group has access to the following undrawn credit facilities as at 31 December as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Floating rate				
Expiring within one year				
- Bank overdrafts	2,825,233	1,997,293	-	-
- Bank loans	456,724	8,222,969	456,724	8,222,969
- Working capitals	284,540,000	259,000,000	284,540,000	259,000,000
Expiring beyond one year				
- Bank overdrafts	52,100,000	46,169,337	52,100,000	46,169,337
- Bank loans	27,865,867	33,810,684	27,865,867	33,810,684
- Working capitals	20,000,000	-	20,000,000	-
	387,787,824	349,200,283	384,962,591	347,202,990

b) Maturity of financial liabilities

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Consolidated financial statements					Book value
Maturity of significant financial liabilities	On demand	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	Liability Baht
As at 31 December 2022						
Bank overdrafts and short-term loans from financial institutions	-	2,174,767	-	-	2,174,767	2,174,767
Trade payables, net	143,400,905	27,997,879	-	-	171,398,784	171,398,784
Long-term loans from financial institutions	-	17,017,688	35,130,181	-	52,147,869	47,373,781
Debentures	-	28,459,160	506,777,219	-	535,236,379	494,811,722
Lease liabilities, net	-	16,004,635	13,558,884	-	29,563,519	27,840,793
Total non-derivatives	143,400,905	91,654,129	555,466,284	-	790,521,318	743,599,847
	Consolidated financial statements					Book value
Maturity of significant financial liabilities	On demand	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	Liability Baht
As at 31 December 2021						
Bank overdrafts and short-term loans from financial institutions	-	88,961,883	-	-	88,961,883	88,933,371
Trade payables, net	-	228,219,472	-	-	228,219,472	228,219,472
Long-term loans from financial institutions	-	21,902,417	43,883,075	1,830,256	67,615,748	61,385,869
Lease liabilities, net	-	18,837,196	13,139,469	-	31,976,665	29,570,468
Total non-derivatives	-	357,920,969	57,022,544	1,830,256	416,773,769	408,109,180

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Maturity of significant financial liabilities	Separate financial statements					Book value Liability Baht
	On demand	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	
As at 31 December 2022						
Trade payables, net	140,882,855	27,513,473	-	-	168,396,328	168,396,328
Long-term loans from financial institutions	-	14,995,630	32,660,282	-	47,655,912	43,114,148
Debentures	-	28,459,160	506,777,219	-	535,236,379	494,811,722
Lease liabilities, net	-	16,004,635	13,558,884	-	29,563,519	27,840,793
Total non-derivatives	140,882,855	86,972,898	552,996,385	-	780,852,138	734,162,991
Maturity of significant financial liabilities	Separate financial statements					Book value Liability Baht
	On demand	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	
As at 31 December 2021						
Bank overdrafts and short-term loans from financial institutions	-	85,959,176	-	-	85,959,176	85,930,664
Trade payables, net	-	219,134,630	-	-	219,134,630	219,134,630
Long-term loans from financial institutions	-	20,558,796	39,335,016	1,830,256	61,724,068	55,985,869
Lease liabilities, net	-	18,801,196	13,139,469	-	31,940,665	29,534,733
Total non-derivatives	-	344,453,799	52,474,485	1,830,256	398,758,540	390,585,896

5.2 Capital risk management

5.2.1 Risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

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6 Fair value estimation

Fair values are categorised into hierarchy based on inputs used as follows:

- Level 1: The fair value of investment in equity instrument in level one is based on the closing price by reference to the active markets.
- Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates. Fair value for the following investments was determined by closing price of mutual fund management.
- Level 3: The fair value of financial instruments is not based on observable market data.

Fair values of financial assets and financial liabilities have similar value with carrying amounts as most of financial assets and financial liabilities are short term financial instruments except for borrowings according to disclosure in Note 20 that have the fair value.

At 31 December 2022 and 2021, the Company does not have other financial assets and liabilities measured at fair value except investment in debt instruments.

Debt Instruments which are within fair value level 2 of the fair value hierarchy are fair valued using a Net Asset Valuation ("NAV") approach as at period end date. The data is publicly available on the Bond Market Association, which is calculated by fund manager of the mutual fund.

	Consolidated and Separate financial information	
	31 December 2022 Baht	31 December 2021 Baht
Level 2		
Assets		
Financial assets measured at fair value through profit or loss		
Fixed Income Fund	-	149,572,705
Total	-	149,572,705

7 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Allocation of transaction price in contracts with customers

In some cases, it is difficult to find a single selling price for each product or service in which the Company offers customers various products and services in one contract because the market price is quite volatile due to the high competition. In many cases there is no single selling price offered in the market. The change in the sales price estimated individually will have a significant impact on the price allocation of the combined items to each obligation to be performed. Therefore, the allocation will impact revenue recognition, assets and liabilities arising from contracts.

b) Provision for cost of construction

The Group recognised construction cost by using bill of quantities and labours used in each construction contract. The construction cost is estimated by engineer or project manager. The estimation can be changed if the substance of work change.

c) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

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8 Segment information

The Group has three segments report which are comprised of IT equipment distribution, internet data center and related services and construction. The Group is operating in Thailand only. Therefore, the Group considers that there is only one geographic area.

Reporting segments are referred from the Group's internal report which is reviewed by chief operating decision-maker. Chief executive officer and chief financial officer decision-maker are the chief executive who makes decisions about resource allocation and assesses the segment performance by considering from revenue and segment results.

The Board of Directors consider the following reporting segments.

	Consolidated financial statements			
	IT equipment distribution Baht	Internet data center and related services Baht	Construction Baht	Total Baht
For the year ended 31 December 2022				
Revenue				
Gross segment revenues	627,772,334	324,965,331	587,366,706	1,540,104,371
Revenue from inter - segment	(863,000)	(7,865,518)	-	(8,728,518)
Total revenue	626,909,334	317,099,813	587,366,706	1,531,375,853
Segment results	29,359,847	104,484,523	71,464,076	205,308,446
Other income				16,984,931
Unallocated costs				(124,051,457)
Finance costs				(30,064,786)
Profit before income tax expense				68,177,134
Income tax expense				(3,108,909)
Net profit for the year				65,068,225
Timing of revenue recognition				
At a point in time	626,909,334	-	-	626,909,334
Over time	-	317,099,813	587,366,706	904,466,519
Total Revenue	626,909,334	317,099,813	587,366,706	1,531,375,853

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	Consolidated financial statements			
	IT equipment distribution Baht	Internet data center and related services Baht	Construction Baht	Total Baht
For the year ended 31 December 2021				
Revenue				
Gross segment revenues	528,472,850	311,697,118	229,551,793	1,069,721,761
Revenue from inter - segment	(106,733)	(11,131,036)	-	(11,237,769)
Total revenue	528,366,117	300,566,082	229,551,793	1,058,483,992
Segment results	43,738,177	80,723,561	21,561,985	146,023,723
Other income				3,079,539
Unallocated costs				(102,157,613)
Finance costs				(9,768,249)
Profit before income tax expense				37,177,400
Income tax expense				(8,014,169)
Net profit for the year				29,163,231
Timing of revenue recognition				
At a point in time	528,366,117	-	-	528,366,117
Over time	-	300,566,082	229,551,793	530,117,875
Total Revenue	528,366,117	300,566,082	229,551,793	1,058,483,992

Information about major customers

The details of major customers can be analysed by segment as follow:

	Consolidated financial statements			
	IT equipment distribution Baht	Internet data center and related services Baht	Construction Baht	Total Baht
For the period ended 31 December 2022				
Major customer 1	292,326,958	150,930,811	-	443,257,769
Major customer 2	-	-	276,313,472	276,313,472
For the period ended 31 December 2021				
Major customer 1	413,161,468	128,107,004	-	541,268,472
Major customer 2	-	-	133,145,058	133,145,058

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9 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Cash on hand	19,252	46,152	7,931	16,600
Deposits held at call with banks	552,315,004	126,668,562	544,064,795	114,807,063
Fixed deposits less than 3 months	408,640	404,837	113,529	110,915
	552,742,896	127,119,551	544,186,255	114,934,578

Cash, cash equivalents and bank overdrafts include the following for the purposes of the statements of cash flows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Cash and cash equivalent	552,742,896	127,119,551	544,186,255	114,934,578
Bank overdrafts (Note 20)	(2,174,767)	(3,933,371)	-	(930,664)
	550,568,129	123,186,180	544,186,255	114,003,914

10 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Trade receivables				
Trade receivables - third parties	194,760,973	165,343,538	167,434,987	148,539,777
Trade receivables - related parties (Note 33)	-	-	998,159	5,029,579
Total trade receivables	194,760,973	165,343,538	168,433,146	153,569,356
<u>Less</u> Impairment loss on trade receivable (Note 5.1.2)	(42,999,810)	(42,110,204)	(28,744,912)	(32,444,517)
Trade receivables, net	151,761,163	123,233,334	139,688,234	121,124,839
Other receivables				
Unbilled contract revenue (Note 5.1.2 and 26.1)	442,630,753	123,829,602	387,356,867	123,829,602
Retention receivable from construction contract	29,461,894	40,595,069	24,095,146	34,583,769
Advance payment for construction contract	28,529,687	91,344,037	19,280,045	75,761,142
Advance payment for goods and services	3,687,489	5,410,036	3,687,489	5,401,116
Accrued income	15,356,844	23,203,814	25,202,289	29,771,880
Prepayments	13,020,314	16,143,972	11,431,819	15,494,993
Accrued interest income	56,633	26,336	11,201,030	5,431,085
Other receivables	12,958,123	867,155	-	14,894
Advance payments	619,475	104,901	557,858	49,958
Other receivables, net	546,321,212	301,524,922	482,812,543	290,338,439
Total trade and other receivables, net	698,082,375	424,758,256	622,500,777	411,463,278

Impairment on trade receivables and unbilled contract revenue

Information of impairment on trade receivables and unbilled contract revenue disclose in Note 5.1.2 (c)

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11 Financial assets measured at fair value through profit or loss

Movements of investment in debt instruments for period ended 31 December 2022 is as follows:

	Consolidated and Separate financial information	
	Financial assets measured at fair value through profit or loss	
	2022	2021
	Baht	Baht
Opening net book value	149,572,705	-
Addition	-	150,000,000
Disposal	(146,832,588)	-
Change in fair value	(2,740,117)	(427,295)
Closing net book value	-	149,572,705

Significant disposal during the year

During the year 2022, the Group disposed listed securities measured at FVPL in the amount of Baht 146.83 million.

For the information about the methods and assumptions used in determining fair value refer to note 6.

12 Financial assets and financial liabilities

As at 31 December, classification of the Group's and the Company's financial assets and financial liabilities are at amortised cost as follows:

	Consolidated financial statements			
	Fair value through profit or loss (FVPL)		Amortised cost	
	2022	2021	2022	2021
	Baht	Baht	Baht	Baht
Significant financial assets				
Cash and cash equivalents	-	-	552,742,896	127,119,551
Trade receivables, net	-	-	151,761,163	123,233,334
Financial assets measured at fair value through profit or loss	-	149,572,705	-	-
Lease receivable, net	-	-	9,333,900	14,635,454
Restricted bank deposits with financial institutions	-	-	87,129,826	80,849,700
	-	149,572,705	800,967,785	345,838,039
Significant financial liabilities				
Bank overdrafts and short-term loans from financial institutions	-	-	2,174,767	88,933,371
Trade payables, net	-	-	171,398,784	228,219,472
Long-term loans from financial institutions, net	-	-	47,373,781	61,385,869
Debentures	-	-	494,811,722	-
Lease liabilities, net	-	-	27,840,793	29,570,468
	-	-	743,599,847	408,109,180

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	Separated financial statements			
	Fair value through profit or loss (FVPL)		Amortised cost	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Significant financial assets				
Cash and cash equivalents	-	-	544,186,255	114,934,578
Trade receivables, net	-	-	139,688,234	121,124,839
Financial assets measured at fair value through profit or loss	-	149,572,705	-	-
Lease receivable, net	-	-	9,333,900	14,635,454
Loan to related parties	-	-	87,323,303	54,058,203
Restricted bank deposits with financial institutions	-	-	83,819,826	80,849,700
		149,572,705	864,351,518	385,602,774
Significant financial liabilities				
Bank overdrafts and short-term loans from financial institutions	-	-	-	85,930,664
Trade payables, net	-	-	168,396,328	219,302,647
Long-term loans from financial institutions, net	-	-	43,114,148	55,985,869
Debentures	-	-	494,811,722	-
Lease liabilities, net	-	-	27,840,793	29,534,733
	-	-	734,162,991	390,753,913

13 Inventories

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Raw material	160,295	160,295	-	-
Work in process (Note 26)	7,516,358	59,792,059	7,516,358	59,792,059
Finished goods	2,137,659	14,711,210	2,137,659	14,711,210
Work in process under construction contract (Note 26)	-	29,052,291	-	29,052,291
Total inventories	9,814,312	103,715,855	9,654,017	103,555,560
Less Allowance for slow-moving of inventories	(23,528)	-	(23,528)	-
Inventories, net	9,790,784	103,715,855	9,630,489	103,555,560

The cost of inventories amounted to Baht 93,901,543 and Baht 93,901,543 (2021: Baht 83,192,857 and Baht 83,138,257) recognised as expense and included in cost of sales in consolidated comprehensive income and separate comprehensive income, respectively.

In 2022, there is no inventory is carried at net realisable value, this being lower than cost (2021: nil).

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14 Restricted bank deposits

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Saving deposits	10,354,500	19,664,500	7,044,500	19,664,500
Fixed deposits	76,775,326	61,185,200	76,775,326	61,185,200
	87,129,826	80,849,700	83,819,826	80,849,700

At 31 December 2022, the Group's deposits are pledged with domestic financial institutions as collateral of letter guarantee, overdraft facilities and borrowing facilities of the company and subsidiaries (Note 20).

15 Investments in subsidiaries

The movement in investments in subsidiaries can be analysed as follows:

	Separate financial statements	
	2022 Baht	2021 Baht
1 January	11,999,600	11,999,600
Additions	1,624,975	-
31 December	13,624,575	11,999,600

As at 31 December 2022, the subsidiaries included in consolidated financial statement are listed below. The subsidiaries have only ordinary shares in which the Group directly holds those shares. The proportion of ownership interests held by the Group is equal to voting rights in subsidiaries held by the Group. In addition, the Group has interest in a joint operation.

The detail of investments in subsidiaries are as follows:

Name	Country of incorporation	Nature of business	Registered share capital		Issued and paid-up share capital		Proportion of shares held by parent		Investment in cost method	
			2022 Baht	2021 Baht	2022 Baht	2021 Baht	2022 %	2021 %	2022 Baht	2021 Baht
Secure Network Operation Center Company Limited	Thailand	Provide internet securities services	2,000,000	2,000,000	2,000,000	2,000,000	100	100	1,999,800	1,999,800
Proen Telebiz Company Limited	Thailand	Construction	10,000,000	10,000,000	10,000,000	10,000,000	100	100	9,999,800	9,999,800
ICONNEXT Company Limited	Thailand	Provide network operation	10,000,000	-	2,500,000	-	64.99	-	1,624,975	-
Joint Venture - Proen Fit	Thailand	Provide internet services	-	-	-	-	97	97	-	-

On 11 August 2022, the Board of Directors' meeting No. 6/2022 approved the establishment of a subsidiary, ICONNEXT Company Limited, located in Thailand. The registered capital of Baht 10 million consists of 100,000 ordinary shares with a par value of Baht 100 per share. PROEN Corp Public Company Limited, the parent company, is a shareholder in the subsidiary, representing 64.99% of the total issued shares. On 18 August 2022, the Company paid up 25%, totalling Baht of 1.62 million.



16 Property, plant and equipment

	Consolidated financial statements					
	Land and land improvement Baht	Buildings and building improvement Baht	Network equipment Baht	Furniture fixtures and equipment Baht	Vehicles Baht	Work in progress Baht
At 1 January 2021						
Cost	75,980,262	20,788,258	86,408,042	38,670,619	11,869,581	1,449,910
Less Accumulated depreciation	(84,927)	(7,844,376)	(60,828,236)	(23,807,764)	(6,559,207)	-
Net book value	75,895,335	12,943,882	25,579,806	14,862,855	5,310,374	1,449,910
For the year ended 31 December 2021						
Opening net book value	75,895,335	12,943,882	25,579,806	14,862,855	5,310,374	1,449,910
Additions	-	-	18,159,204	4,992,921	-	2,425,520
Transfer-in (out)	-	-	(244,367)	-	(285,776)	-
Depreciation charge	-	762,850	2,145,000	967,580	-	(3,875,430)
	(35,067)	(1,828,607)	(13,505,285)	(5,861,513)	(1,868,733)	-
Closing net book value	75,860,268	11,878,125	32,134,358	14,961,843	3,155,865	-
At 31 December 2021						
Cost	75,980,262	21,551,108	106,407,246	44,631,120	8,111,581	-
Less Accumulated depreciation	(119,994)	(9,672,983)	(74,272,888)	(29,669,277)	(4,955,716)	-
Closing net book value	75,860,268	11,878,125	32,134,358	14,961,843	3,155,865	-

137,990,459

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	Consolidated financial statements						
	Land and land improvement		Buildings and building improvement		Network equipment		Total Baht
	Baht		Baht		Baht		
For the year ended 31 December 2022							
Opening net book value	75,860,268		11,878,125		32,134,358		137,990,459
Additions	3,262,410		-		18,774,876		58,695,460
Disposals, net	-		-		(9,312)		(9,909)
Transfer-in (out)	411,340		461,732		-		-
Depreciation charge	(45,428)		(1,825,765)		(15,083,200)		(24,407,462)
Closing net book value	79,488,590		10,514,092		35,816,722		172,268,548
At 31 December 2022							
Cost	79,654,012		22,012,840		120,316,631		310,189,862
Less Accumulated depreciation	(165,422)		(11,498,748)		(84,499,909)		(137,921,314)
Closing net book value	79,488,590		10,514,092		35,816,722		172,268,548



	Separate financial statements					
	Land and land improvement Baht	Buildings and building improvement Baht	Network equipment Baht	Furniture fixtures and office equipment Baht	Vehicles Baht	Work in progress Baht
At 1 January 2021						
Cost	75,980,262	20,788,258	84,332,506	38,366,186	9,669,581	230,586,703
Less: Accumulated depreciation	(84,927)	(7,844,376)	(59,902,581)	(23,661,009)	(4,819,701)	(96,312,594)
Net book value	75,895,335	12,943,882	24,429,925	14,705,177	4,849,880	134,274,109
For the year ended 31 December 2021						
Opening net book value	75,895,335	12,943,882	24,429,925	14,705,177	4,849,880	134,274,109
Additions	-	-	18,159,204	4,991,301	-	2,425,520
Transfer-in (out)	-	-	(244,367)	-	(285,776)	(530,143)
Depreciation charge	-	762,850	2,145,000	967,580	-	(3,875,430)
	(35,067)	(1,828,607)	(13,090,185)	(5,803,614)	(1,428,733)	(22,186,206)
Closing net book value	75,860,268	11,878,125	31,399,577	14,860,444	3,135,371	137,133,785
At 31 December 2021						
Cost	75,980,262	21,551,108	104,331,710	44,325,067	5,911,581	252,099,728
Less: Accumulated depreciation	(119,994)	(9,672,983)	(72,932,133)	(29,464,623)	(2,776,210)	(114,965,943)
Closing net book value	75,860,268	11,878,125	31,399,577	14,860,444	3,135,371	137,133,785

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	Separate financial statements						
	Buildings and building improvement		Network equipment		Furniture fixtures and office equipment		Total
	Baht	Baht	Baht	Baht	Baht	Baht	
For the year ended 31 December 2022							
Opening net book value	75,860,268	11,878,125	31,399,577	14,860,444	3,135,371	-	137,133,785
Additions	3,262,410	-	18,737,947	4,878,161	-	30,657,166	57,535,684
Disposals, net	-	-	(9,312)	(597)	-	-	(9,909)
Transfer-in (out)	411,340	-	-	-	-	(411,340)	-
Depreciation charge	(45,428)	(1,812,582)	(14,665,968)	(6,169,529)	(1,181,022)	-	(23,874,529)
Closing net book value	79,488,590	10,065,543	35,462,244	13,568,479	1,954,349	30,245,826	170,785,031
At 31 December 2022							
Cost	79,654,012	21,551,108	118,204,166	48,881,804	5,911,581	30,245,826	304,448,497
Less Accumulated depreciation	(165,422)	(11,485,565)	(82,741,922)	(35,313,325)	(3,957,232)	-	(133,663,466)
Closing net book value	79,488,590	10,065,543	35,462,244	13,568,479	1,954,349	30,245,826	170,785,031

Borrowing costs of Baht 3.88 million (2021: nil), arising from financing for the construction of a new building, were capitalised during the year and are included in 'additions'. A capitalisation rate of 6.13% (2021: nil) was used representing the actual borrowing cost of the loan used to finance the project.

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As at 31 December 2022, the land and buildings at net book value of Baht 85.89 million (2021: Baht 87.74 million) in the consolidated and separate financial statements are mortgaged as collateral for borrowings from financial institutions of the Company and subsidiary (Note 20).

Depreciation expense has been charged to statement of comprehensive income as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Cost of sales	18,185,070	17,066,769	18,185,070	17,066,769
Administrative expenses	6,222,392	6,032,436	5,689,459	5,119,437
Total	24,407,462	23,099,205	23,874,529	22,186,206

17 Right-of-use assets

Movements of right-of-use assets are as follows:

	Consolidated and Separate financial information Baht
Balance as at 1 January 2021	11,954,012
Additions	5,922,465
Amortisation	(9,155,659)
Balance as at 31 December 2021	8,720,818
Balance as at 1 January 2022	8,720,818
Additions	22,707,440
Amortisation	(13,933,386)
Balance as at 31 December 2022	17,494,872

During 2022, The Group and the Company have total cash outflow for lease amounted to Baht 23,114,520 and Baht 22,936,655 (2021: Baht 23,794,822 and Baht 23,385,954), respectively.

The expense relating to leases that not included in the measurement of lease liabilities and right-of-use is as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Expense relating to short-term leases	726,418	322,558	512,818	322,558

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18 Intangible assets

	Consolidated financial statements			
	Computer program Baht	IP address Baht	Digital asset Baht	Total Baht
At 1 January 2021				
Cost	6,044,215	2,275,789	-	8,320,004
<u>Less: Accumulated amortisation</u>	<u>(4,702,123)</u>	<u>-</u>	<u>-</u>	<u>(4,702,123)</u>
Net book value	1,342,092	2,275,789	-	3,617,881
For the year ended 31 December 2021				
Opening net book value	1,342,092	2,275,789	-	3,617,881
Addition	179,590	-	-	179,590
<u>Amortisation charge</u>	<u>(1,013,461)</u>	<u>-</u>	<u>-</u>	<u>(1,013,461)</u>
Closing net book value	508,221	2,275,789	-	2,784,010
At 31 December 2021				
Cost	6,223,805	2,275,789	-	8,499,594
<u>Less: Accumulated amortisation</u>	<u>(5,715,584)</u>	<u>-</u>	<u>-</u>	<u>(5,715,584)</u>
Net book value	508,221	2,275,789	-	2,784,010
For the year ended 31 December 2022				
Opening net book value	508,221	2,275,789	-	2,784,010
Addition	465,820	-	2,517,777	2,983,597
<u>Amortisation charge</u>	<u>(424,292)</u>	<u>-</u>	<u>-</u>	<u>(424,292)</u>
<u>Impairment charge</u>	<u>-</u>	<u>-</u>	<u>(909,066)</u>	<u>(909,066)</u>
Closing net book value	549,749	2,275,789	1,608,711	4,434,249
At 31 December 2022				
Cost	6,689,625	2,275,789	2,517,777	11,483,191
<u>Less: Accumulated amortisation</u>	<u>(6,139,876)</u>	<u>-</u>	<u>-</u>	<u>(6,139,876)</u>
<u>Less: Accumulated impairment</u>	<u>-</u>	<u>-</u>	<u>(909,066)</u>	<u>(909,066)</u>
Net book value	549,749	2,275,789	1,608,711	4,434,249

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	Separate financial statements			
	Computer program Baht	IP address Baht	Digital asset Baht	Total Baht
At 1 January 2021				
Cost	5,951,075	2,275,789	-	8,226,864
Less: Accumulated amortisation	(4,645,177)	-	-	(4,645,177)
Net book value	1,305,898	2,275,789	-	3,581,687
For the year ended 31 December 2021				
Opening net book value	1,305,898	2,275,789	-	3,581,687
Addition	179,590	-	-	179,590
Amortisation charge	(982,419)	-	-	(982,419)
Closing net book value	503,069	2,275,789	-	2,778,858
At 31 December 2021				
Cost	6,130,665	2,275,789	-	8,406,454
Less: Accumulated amortisation	(5,627,596)	-	-	(5,627,596)
Net book value	503,069	2,275,789	-	2,778,858
For the year ended 31 December 2022				
Opening net book value	503,069	2,275,789	-	2,778,858
Addition	444,070	-	2,517,777	2,961,847
Amortisation charge	(416,662)	-	-	(416,662)
Impairment charge	-	-	(909,066)	(909,066)
Closing net book value	530,477	2,275,789	1,608,711	4,414,977
At 31 December 2022				
Cost	6,574,735	2,275,789	2,517,777	11,368,301
Less: Accumulated amortisation	(6,044,258)	-	-	(6,044,258)
Less: Accumulated impairment	-	-	(909,066)	(909,066)
Net book value	530,477	2,275,789	1,608,711	4,414,977

Amortisation of Baht 424,292 and 416,662 (2021: Baht 1,013,461 and 982,419) is included in administrative expenses in consolidated and separate financial statements.

19 Deferred income taxes

The analysis of deferred tax assets and deferred tax liability is as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Deferred tax assets:	23,186,934	14,955,141	12,526,873	14,859,835
Deferred tax liabilities:	(1,891,869)	(3,673,758)	(1,891,869)	(3,673,758)
Deferred income taxes (net)	21,295,065	11,281,383	10,635,004	11,186,077

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The movement of deferred income tax is as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
1 January	11,281,383	10,144,594	11,186,077	10,055,514
Charged (Credited) to profit or loss (Note 31)	10,257,820	1,136,789	(402,491)	1,130,563
Credited to other comprehensive income	(244,138)	-	(148,582)	-
31 December	21,295,065	11,281,383	10,635,004	11,186,077

The movement in deferred tax assets and liabilities during the year is as follows:

	Consolidated financial statements			
	At 1 January 2022 Baht	Recognised in profit or loss Baht	Recognised in other comprehensive income Baht	At 31 December 2022 Baht
Deferred tax assets				
Impairment loss on financial assets	6,488,905	2,111,057	-	8,599,962
Impairment on asset	-	919,473	-	919,473
Allowance for diminution in value of inventories	-	4,706	-	4,706
Employee benefit obligations	2,808,593	858,407	(244,138)	3,422,862
Provision for decommissioning	1,725,054	5,335	-	1,730,389
Liabilities under leases	3,932,589	(2,252,488)	-	1,680,101
Tax losses	-	6,829,441	-	6,829,441
	14,955,141	8,475,931	(244,138)	23,186,934
Deferred tax liabilities				
Right-of-use assets	(3,673,758)	1,781,889	-	(1,891,869)
Deferred income taxes (net)	11,281,383	10,257,820	(244,138)	21,295,065
	Consolidated financial statements			
	At 1 January 2021 Baht	Recognised in profit or loss Baht	Recognised in other comprehensive income Baht	At 31 December 2021 Baht
Deferred tax assets				
Impairment loss on financial assets	4,676,077	1,812,828	-	6,488,905
Allowance for diminution in value of inventories	22,019	(22,019)	-	-
Employee benefit obligations	2,326,678	481,915	-	2,808,593
Provision for decommissioning	1,596,074	128,980	-	1,725,054
Liabilities under leases	6,090,804	(2,158,215)	-	3,932,589
	14,711,652	243,489	-	14,955,141
Deferred tax liabilities				
Right-of-use assets	(4,567,058)	893,300	-	(3,673,758)
Deferred income taxes (net)	10,144,594	1,136,789	-	11,281,383

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	Separate financial statements			
	At 1 January 2022 Baht	Recognised in profit or loss Baht	Recognised in other comprehensive income Baht	At 31 December 2022 Baht
Deferred tax assets				
Impairment loss on financial assets	6,488,905	(739,922)	-	5,748,983
Allowance for diminution in value of inventories	-	4,706	-	4,706
Employee benefit obligations	2,808,593	702,683	(148,582)	3,362,694
Provision for decommissioning	1,725,054	5,335	-	1,730,389
Liabilities under leases	3,837,283	(2,157,182)	-	1,680,101
	14,859,835	(2,184,380)	(148,582)	12,526,873
Deferred tax liabilities				
Right-of-use assets	(3,673,758)	1,781,889	-	(1,891,869)
Deferred income taxes (net)	11,186,077	(402,491)	(148,582)	10,635,004
	Separate financial statements			
	At 1 January 2021 Baht	Recognised in profit or loss Baht	Recognised in other comprehensive income Baht	At 31 December 2021 Baht
Deferred tax assets				
Impairment loss on financial assets	4,676,077	1,812,828	-	6,488,905
Allowance for diminution in value of inventories	22,019	(22,019)	-	-
Employee benefit obligations	2,326,678	481,915	-	2,808,593
Provision for decommissioning	1,596,074	128,980	-	1,725,054
Liabilities under leases	6,001,724	(2,164,441)	-	3,837,283
	14,622,572	237,263	-	14,859,835
Deferred tax liabilities				
Right-of-use assets	(4,567,058)	893,300	-	(3,673,758)
Deferred income taxes (net)	10,055,514	1,130,563	-	11,186,077

Deferred tax assets for unused tax losses carried forward are recognized to the extent that it is probable that future taxable profit will be available against which tax benefits can be utilised.

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20 Borrowings

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Current				
Bank overdrafts	2,174,767	3,933,371	-	930,664
Short-term borrowings from financial institutions	-	85,000,000	-	85,000,000
Current portion of long-term borrowings from financial institutions	14,836,694	19,303,920	12,974,046	18,203,630
Total current borrowings	17,011,461	108,237,291	12,974,046	104,134,294
Non-current				
Long-term borrowings from financial institutions	32,537,087	42,081,949	30,140,102	37,782,239
Debentures	494,811,722	-	494,811,722	-
Total non-current borrowings	527,348,809	42,081,949	524,951,824	37,782,239
Total borrowings	544,360,270	150,319,240	537,925,870	141,916,533

20.1 Bank overdraft

As at 31 December 2022, bank overdraft are secured by saving deposits and fixed deposits, land and properties on land of Director and also secured by the Director of the Company.

20.2 Short-term borrowings from financial institutions

As at 31 December 2022, the Group has no short-term borrowings from financial institutions.

20.3 Long-term borrowings from financial institutions

The movements in long-term borrowings can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
1 January	61,385,868	77,267,769	55,985,868	71,867,768
Addition of loan	17,385,680	2,045,510	17,385,680	2,045,510
Repayment of loans	(31,599,356)	(18,146,525)	(30,414,275)	(18,146,525)
Amortisation of front end fee	201,589	219,115	156,875	219,116
31 December	47,373,781	61,385,869	43,114,148	55,985,869

As at 31 December 2022 long-term borrowings from financial institutions denominated in Thai Baht. The long-term borrowings are secured by land and properties of the Company (Note 16), land and properties of Director, and also secured by Director of the Company, the Company's subsidiary and Thai Credit Guarantee Corporation.

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The carrying amount and fair value of certain long-term borrowing are as follows:

	Consolidated financial statements			
	Total carrying amount		Total fair value amount	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	Baht	Baht	Baht	Baht
Long term loans from financial institutions	47,373,781	61,385,869	48,274,442	61,548,241
	Separated financial statements			
	Total carrying amount		Total fair value amount	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	Baht	Baht	Baht	Baht
Long term loans from financial institutions	43,114,148	55,985,869	44,066,663	56,088,911

The fair value is based on future cash flow according to loan contract using a discount rate based upon the borrowing rate which the company expect to pay as date of statement of financial position and are within level 2 of the fair value hierarchy.

20.4 Debentures

The movements in debentures can be analysed as follows:

	Consolidated and Separate financial statements	
	2022	2021
	Baht	Baht
1 January	-	-
Addition of debentures	500,000,000	-
Prepayment front end fee	(8,060,000)	-
Amortisation of front end fee	2,871,722	-
31 December	494,811,722	-

On 30 March 2022, the Company issued debentures of Baht 500 million with a fixed interest rate of 6.5% per annum and will be redeemed on 30 March 2024.

The carrying amount and fair value of certain debentures are as follows:

	Consolidated and Separate financial statements			
	Total carrying amount		Total fair value amount	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	Baht	Baht	Baht	Baht
Debentures	494,811,722	-	497,132,341	-

The fair value is based on future cash flow according to loan contract using a discount rate based upon the borrowing rate which the company expect to pay as date of statement of financial position and are within level 2 of the fair value hierarchy.

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20.5 Reconciliation of liabilities arising from financing activities

			Non-cash changes		
	1 January 2022 Baht	Net cash flow Baht	- amortisation of prepaid front end fee Baht	- payable arising from lease agreement Baht	31 December 2022 Baht
Consolidated financial statements					
Bank overdrafts	3,933,371	(1,758,604)	-	-	2,174,767
Short-term borrowings from financial institutions	85,000,000	(85,000,000)	-	-	-
Long-term borrowings from financial institutions	61,385,869	(14,213,676)	201,588	-	47,373,781
Debentures	-	491,940,000	2,871,722	-	494,811,722
Lease liabilities	29,570,468	(22,423,837)	-	20,694,162	27,840,793
Separate financial statements					
Bank overdrafts	930,664	(930,664)	-	-	-
Short-term borrowings from financial institutions	85,000,000	(85,000,000)	-	-	-
Long-term borrowings from financial institutions	55,985,869	(13,028,595)	156,874	-	43,114,148
Debentures	-	491,940,000	2,871,722	-	494,811,722
Lease liabilities	29,534,733	(22,388,102)	-	20,694,162	27,840,793
			Non-cash changes		
	1 January 2021 Baht	Net cash flow Baht	- amortisation of prepaid front end fee Baht	- payable arising from lease agreement Baht	31 December 2022 Baht
Consolidated financial statements					
Bank overdrafts	12,723,324	(8,789,953)	-	-	3,933,371
Short-term borrowings from financial institutions	78,151,715	6,848,285	-	-	85,000,000
Long-term borrowings from financial institutions	77,267,769	(16,101,015)	219,115	-	61,385,869
Lease liabilities	47,714,804	(23,472,264)	-	5,327,928	29,570,468
Separate financial statements					
Bank overdrafts	10,850,887	(9,920,223)	-	-	930,664
Short-term borrowings from financial institutions	78,151,715	6,848,285	-	-	85,000,000
Long-term borrowings from financial institutions	71,867,769	(16,101,015)	219,115	-	55,985,869
Lease liabilities	47,270,201	(23,063,396)	-	5,327,928	29,534,733

21 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Trade accounts payable				
Trade accounts payable - third parties	171,398,784	228,219,472	168,396,328	219,134,630
Trade accounts payable - related parties (Note 33)	-	-	-	168,017
Total trade accounts payable	171,398,784	228,219,472	168,396,328	219,302,647
Other accounts payable				
Accrued expense	25,848,945	25,685,889	48,102,355	42,559,368
Accrued costs of services	21,227,003	25,014,539	21,227,003	25,014,539
Accrued costs of construction	222,561,905	149,277,189	187,587,386	146,976,372
Unearned income (Note 26)	14,346,429	3,396,914	14,246,828	3,160,400
Advance received for services (Note 26)	12,829,144	6,739,066	12,829,144	6,739,066
Advance received for construction contract (Note 26)	32,193,777	3,934,704	21,067,778	3,820,295
Retention payable	3,330,772	3,804,242	-	-
Other payables	2,382,717	2,220,802	2,297,845	1,563,887
Interest payables	65,333	377,700	65,333	138,246
Total other accounts payable	334,786,025	220,451,045	307,423,672	229,972,173
Total trade and other payables	506,184,809	448,670,517	475,820,000	449,274,820

22 Employee benefit obligations

Employee benefit obligation is retirement benefits. Post-retirement benefits recognised in financial statements as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Statement of financial position				
Liability in the statement of financial position	17,114,310	14,669,493	16,813,472	14,042,967
Profit or loss charge included in operating profit for:				
	3,665,507	3,218,018	3,513,415	2,969,399

The movement in the defined benefit obligation over the year is as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
At 1 January	14,669,493	12,011,299	14,042,967	11,633,392
Current service cost	3,476,367	2,889,507	3,328,555	2,653,811
Interest cost	189,140	328,511	184,860	315,588
	18,335,000	15,229,317	17,556,382	14,602,791
Remeasurements:				
Gain from change in demographic assumptions	(867,822)	-	(412,275)	-
Loss from change in financial assumptions	1,181,870	-	1,166,467	-
Experience gain	(1,534,738)	-	(1,497,102)	-
	17,114,310	15,229,317	16,813,472	14,602,791
Payment from plans:				
Benefit payment	-	(559,824)	-	(559,824)
At 31 December	17,114,310	14,669,493	16,813,472	14,042,967

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The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2022 %	2021 %	2022 %	2021 %
Discount rate	1.39 - 2.88	2.85 - 3.42	1.39	2.85
Salary growth rate	7	5 - 7	7	5
Staff turnover rate	0 - 23	0 - 26	0 - 23	0 - 26

Sensitivity analysis for each significant assumption used is as follows:

	Consolidated financial statements					
	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	2022	2021	2022	2021	2022	2021
Discount rate	1.0%	1.0%	Decrease by 5.26 %	Decrease by 6.20 %	Increase by 5.84 %	Increase by 6.88 %
Salary growth rate	1.0%	1.0%	Increase by 6.33 %	Increase by 9.39 %	Decrease by 5.82 %	Decrease by 8.49 %
Staff turnover rate	1.0%	1.0%	Decrease by 5.80 %	Decrease by 6.90 %	Increase by 3.04 %	Increase by 3.56 %

	Separate financial statements					
	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	2022	2021	2022	2021	2022	2021
Discount rate	1.0%	1.0%	Decrease by 5.12 %	Decrease by 5.93 %	Increase by 5.66 %	Increase by 6.56 %
Salary growth rate	1.0%	1.0%	Increase by 6.16 %	Increase by 9.08 %	Decrease by 5.68 %	Decrease by 8.24 %
Staff turnover rate	1.0%	1.0%	Decrease by 5.63 %	Decrease by 6.58 %	Increase by 2.85 %	Increase by 3.24 %

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method has been applied as when calculating the retirement benefits recognised in the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Through its defined benefit retirement benefit plans the Group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields A decrease in Government bond yields will increase plan liabilities.

Inflation risk Some of the Group retirement benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation).

The weighted average duration of the defined benefit obligation is 21.13 years (2021: 22.59 years).

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Expected maturity analysis of undiscounted retirement benefits:

	Consolidated financial statements				
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
31 December 2021	-	4,440,478	4,514,428	181,923,082	190,877,988
31 December 2022	4,264,432	6,078,734	12,818,281	180,332,868	203,494,315

	Separate financial statements				
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
31 December 2021	-	4,440,478	4,514,428	148,609,368	157,564,274
31 December 2022	4,264,432	6,078,734	12,818,281	155,971,271	179,132,718

23 Share capital

	Authorised share capital		Issued and paid-up share capital		Share premium
	Shares	Baht	Shares	Baht	Baht
1 January 2021	316,000,000	158,000,000	230,000,000	115,000,000	-
Issue of shares	-	-	86,000,000	43,000,000	228,732,200
31 December 2021	316,000,000	158,000,000	316,000,000	158,000,000	228,732,200
1 January 2022	316,000,000	158,000,000	316,000,000	158,000,000	228,732,200
Issue of shares	158,000,000	79,000,000	-	-	-
31 December 2022	474,000,000	237,000,000	316,000,000	158,000,000	228,732,200

In April 2021, the Company made an initial public offering of 86,000,000 ordinary shares with a par value of Baht 0.50 per share, offering price of Baht 3.25 per share, totalling Baht 279,500,000. The Company recorded the cost of distribution of shares, net of tax, at the amount of Baht 7,767,800 which deducted in the account of premium on paid-up capital of ordinary shares. The Company's ordinary shares has started trading on the Market for Alternative Investment (MAI) since 29 April 2021.

At the Annual General Meeting of Shareholders for the year 2022 held on April 28, 2022, shareholders approved to increase the registered capital from Baht 158,000,000 to Baht 237,000,000 by issuing 158,000,000 new ordinary shares with a par value of Baht 0.50 per share to support the exercise of the warrants to purchase shares of the Company's newly issued ordinary shares No. 1 (PROEN-W1).

The total authorised number of ordinary shares is 474,000,000 shares (31 December 2021: 316,000,000 shares) with a par value of Baht 0.5 per share (31 December 2021: Baht 0.5 per share). 316,000,000 ordinary shares were issued and fully paid-up. 158,000,000 ordinary shares have not been paid. (31 December 2021: 316,000,000 ordinary shares were issued and fully paid).

24 Legal reserve

	Consolidated and separate financial statements	
	2022 Baht	2021 Baht
1 January	8,850,000	7,000,000
Appropriation during the year	2,920,000	1,850,000
31 December	11,770,000	8,850,000

Under the Public Companies Act., B.E. 2535, the Company is required to set aside as statutory reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. This reserve is not available for dividend distribution.

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25 Warrants

PROEN Corp Public Company Limited issued warrants to subscribe for ordinary shares to existing shareholders of the company, which have been approved by shareholders' meeting of the company.

Issued by	Allotted to	Approval date	Determined exercising date		Increase during the year	As at 31 December 2022	Decrease during the period					As at 31 December 2022		
			First exercise	Last exercise			Exercise ratio for ordinary shares per 1 warrant	Issue of ordinary shares during the period	Exercise price Baht	Amount Baht	Expired Shared		Outstanding warrant unit	
PROEN Corp Public Company Limited	Existing shareholders (PROEN W1)	28 April 2022	30 December 2022	22 March 2024		-	157,827,272	947,150	1	-	3.60	3,409,740	-	156,880,122
	Total					-	157,827,272	947,150	-	-		3,409,740	-	156,880,122

At the Annual General Meeting of Shareholders for the year 2022 held on April 28, 2022, shareholders approved the issuance of warrants on ordinary (PROEN-W1), not exceeding 158,000,000 units. On December 29, 2022, the warrant holders exercised their warrants (PROEN-W1) totalling 947,150 units to purchase 947,150 ordinary shares at the exercise price of Baht 3.6 per unit in total amount of Baht 3,409,740. The Company has already received full payment but has not registered the capital increase with Ministry of Commerce at 31 December 2022. Therefore, the amount received from the exercise of Baht 3,409,740 is presented as advance received from share subscription in share capital in consolidated financial statements.

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26 Assets and liabilities relating to with customers

26.1 Contract assets

The group has recognised the following assets related to contracts as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Contract assets				
- Unbilled contract revenue (Note 5.1.2 and 10)	442,630,753	123,829,602	387,356,867	123,829,602
<u>Less</u> Allowance for impairment (Note 5.1.2 and 10)	-	-	-	-
Total contract assets	442,630,753	123,829,602	387,356,867	123,829,602

Mostly unbilled contract revenue will be billed to customers within three to nine months, depend on customer contracts. However, the Group has mitigated credit risk by collection cash from customers in advance according to term of contract.

Significant changes in contract assets

Contract assets have increased which was due to the number of contract and the progress of construction during the year exceed the payment.

Costs to fulfil a contract

The asset recognised cost of services and cost of construction by percentage of completion from capitalising the costs to fulfil internet data center and related services and construction contract is included in inventories in the statement of financial position.

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Statements of financial position:				
Assets recognised from costs to fulfil a contract				
- Work in process (Note 13)	7,516,358	59,792,059	7,516,358	59,792,059
- Work in process under construction contract (Note 13)	-	29,052,291	-	29,052,291
Total Assets recognised from costs to fulfil a contract	7,516,358	88,844,350	7,516,358	88,844,350
Statements of comprehensive income:				
Service cost	59,792,059	18,622,009	59,792,059	18,622,009
Construction cost	29,052,291	-	29,052,291	-

The assets in relation to costs incurred in Internet data center services and related services and construction were presented as inventories in statement of financial position. The asset is recognised as services cost and construction cost, consistent with the pattern of revenue recognition.

The Group has no an impairment loss in 2022 because there is no the excess of the capitalized cost over the expected remaining consideration less any unrecognised directly related costs.

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26.2 Contract liabilities

The Group has recognised the following liabilities related to contracts with customers:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Contract liabilities				
- Unearned income (Note 21)	14,346,429	3,396,914	14,246,828	3,160,400
- Advance received for services (Note 21)	12,829,144	6,739,066	12,829,144	6,739,066
- Advance received for construction contract (Note 21)	32,193,777	3,934,704	21,067,778	3,820,295
Total contract liabilities	59,369,350	14,070,684	48,143,750	13,719,761

Significant changes in contract liabilities

Contract liabilities for internet data center and related services have increased which was due to recognition the increase of advance providing service revenue on contract.

Contract liabilities for construction contracts have increased which was due to recognition the decrease of progress of construction from contract activity.

Revenue recognised in relation to contract liabilities

Revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year.

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Revenue recognised that was included in the contract liability balance at the beginning of the period				
- Internet data center and related services contract	3,396,914	34,996,539	3,160,400	34,914,025
- IT consulting services	6,739,066	5,375,534	6,739,066	5,375,534
- Construction contract	3,820,295	13,979,856	3,820,295	13,979,856
	13,956,275	54,351,929	13,719,761	54,269,415

26.3 Unsatisfied long-term contracts

As at 31 December 2022, transaction price allocated to unsatisfied contracts of the Group and the Company's construction contract Baht of 37,904,691 and Baht of 19,768,074 respectively which will be recognised as revenue during the next reporting period.

The Group expects to recognise revenue from unsatisfied performance obligations from long-term contracts with internal customers 1 year if there are no obstacles to implementation.

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27 Dividends

2022

On 28 April 2022, the annual general meeting of shareholders 2022 approved interim dividends payment for the period during the 1 April 2021 to 31 December 2021 operating results by cash of Baht 0.0577 per share, totalling of Baht 18.22 million. The dividends were distributed to the shareholders on 25 May 2022.

2021

On 12 May 2021, the Extraordinary General Meeting of Shareholders approved interim dividends payment in respect of the 31 December 2020 and 31 March 2021 operating results by cash of Baht 0.1 per share, totalling of Baht 31.6 million. The dividends were distributed to the shareholders on 11 June 2021.

28 Other income

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Interest income	1,750,678	1,534,647	1,737,825	1,525,248
Interest income - related parties (Note 33)	-	-	5,741,797	4,200,454
Gain on disposal of vehicles and equipment	5,767,133	929,177	5,767,133	929,177
Management fee income - related parties (Note 33)	-	-	4,145,980	5,174,436
Rental income - related parties (Note 33)	-	-	208,800	208,800
Others	9,467,120	615,715	2,567,120	549,714
Total	16,984,931	3,079,539	20,168,655	12,587,829

29 Finance costs

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Finance cost:				
Bank borrowings	28,138,879	7,109,274	27,865,195	6,807,926
Lease liabilities	1,899,231	2,608,613	1,898,966	2,585,481
Provision for decommissioning	26,676	50,362	26,676	50,362
Total	30,064,786	9,768,249	29,790,837	9,443,769

PROEN Corp Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2022

30 Expense by nature

The following expenses are included in profit before finance cost and income tax can be classified by nature as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Cost of raw material and finished goods used	850,782,873	542,620,713	838,263,592	534,886,233
Loss for diminution in value of inventories (Reversal)	23,528	(110,102)	23,528	(110,102)
Internet and network service fee	52,397,595	50,023,186	55,205,271	57,818,715
Subcontract cost	266,001,778	178,994,151	221,389,957	178,994,151
Salaries, wages and other employee benefits	83,102,689	74,267,309	78,631,242	72,390,909
Utilities	85,940,662	80,037,479	85,940,662	80,037,479
Depreciation and amortisation	38,765,140	33,268,322	38,224,577	32,324,281
Service fee	14,843,321	12,188,531	14,843,321	12,188,531
Consultancy fee	5,835,853	7,453,486	4,968,853	5,166,486

31 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Current tax:				
Current tax	13,366,729	9,150,958	13,045,387	9,107,463
Total current tax	13,366,729	9,150,958	13,045,387	9,107,463
Deferred tax:				
(Increase) decrease in deferred tax assets (Note 19)	(8,475,931)	(243,489)	2,184,380	(237,263)
Increase in deferred tax Liabilities (Note 19)	(1,781,889)	(893,300)	(1,781,889)	(893,300)
Total deferred tax	(10,257,820)	(1,136,789)	402,491	(1,130,563)
Total income tax expense	3,108,909	8,014,169	13,447,878	7,976,900

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic weighted average tax rate applicable to profit of the home country of the Company as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Profit before tax	68,177,134	37,177,400	69,562,010	44,943,917
Tax calculated at a tax rate of 20% (2021: 20%)	13,635,427	7,435,480	13,912,402	8,988,783
Tax effect of:				
Expenses not deductible for tax purpose	351,018	252,634	349,593	241,905
Expenses that are deductible at a greater amount	(814,117)	(1,253,789)	(814,117)	(1,253,788)
Difference in tax rates for special tax rate	(107,202)	-	-	-
Income not subject to tax	(60,000)	(29,136)	-	-
Tax losses for which no deferred income tax asset was recognised	60,000	1,608,980	-	-
Utilisation of previously unrecognised tax losses	(9,956,217)	-	-	-
Tax charge	3,108,909	8,014,169	13,447,878	7,976,900

PROEN Corp Public Company Limited
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The tax (charge)/credit relating to component of other comprehensive income is as follows:

	Consolidated financial statements					
	2022			2021		
	Before tax Baht	Tax (charge) credit Baht	After tax Baht	Before tax Baht	Tax (charge) credit Baht	After tax Baht
Remeasurement on retirement benefit obligations	1,220,690	(244,138)	976,552	-	-	-
Other comprehensive income	1,220,690	(244,138)	976,552	-	-	-
Deferred income tax (note 19)		(244,138)			-	

	Separate financial statements					
	2022			2021		
	Before tax Baht	Tax (charge) credit Baht	After tax Baht	Before tax Baht	Tax (charge) credit Baht	After tax Baht
Remeasurement on retirement benefit obligations	742,910	(148,582)	549,328	-	-	-
Other comprehensive income	742,910	(148,582)	549,328	-	-	-
Deferred income tax (note 19)		(148,582)			-	

32 Earnings per share

Basic earnings per share and diluted earnings per share are calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of ordinary shares issued and paid during the year.

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Basic earnings per share				
Basic earnings per share attributable to the ordinary equity holders of the Company	0.21	0.10	0.18	0.13
Diluted earnings per share				
Diluted earnings per share attributable to the ordinary equity holders of the Company	0.18	0.10	0.16	0.13

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Reconciliations of earnings used in calculating earnings per share				
Basic earnings per share				
Profit attributable to the ordinary equity holders of the company used in calculating basic	65,236,759	29,158,012	56,114,132	36,967,017
Diluted earnings per share				
Profit attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share	65,236,759	29,158,012	56,114,132	36,967,017

PROEN Corp Public Company Limited
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	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Weighted average number of shares used as the denominator				
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	316,000,000	288,904,110	316,000,000	288,904,110
Adjustments for diluted earnings per share calculation:				
Options	38,182,098	-	38,182,098	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	354,182,098	288,904,110	354,182,098	288,904,110

33 Related-party transactions

Individuals and entities that directly or indirectly control or are controlled by or are under common control with the Company, including investment entities, associates, joint venture and individuals or entities having significant influence over the Company, key management personnel, including directors and officers of the Company and close members of the family of these individuals and entities associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The major shareholders of the Company are Wealth Water House Co., Ltd. and Mr.Kittipan Sribuaiaam that own 27.91% and 21.44% of the Company's shares, respectively. The remaining 50.65% of the shares are widely held.

Investments in subsidiaries are disclosed in note 15.

The following material transactions were carried out with related parties:

a) Revenue from sales and services

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Revenue from sales of goods and providing services				
Subsidiaries	-	-	6,787,218	8,863,869
Parent company	30,000	30,000	30,000	30,000
	30,000	30,000	6,817,218	8,893,869
Management fee (Note 28)				
Subsidiaries	-	-	4,145,980	5,174,436
Rental income (Note 28)				
Subsidiaries	-	-	208,800	208,800
Interest income (Note 28)				
Subsidiaries	-	-	5,741,797	4,200,454

PROEN Corp Public Company Limited
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b) Purchases of goods and services

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Cost of sales and services				
Subsidiaries	-	-	7,200,892	8,791,252
Rental expense				
Director	315,789	105,263	315,789	105,263

c) Outstanding balances arising from sales and purchases of goods and services

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Trade accounts receivable (Note 10)				
Subsidiaries	-	-	998,159	5,029,579
Other receivables				
Subsidiaries	-	-	-	14,894
Accrued income				
Subsidiaries	-	-	10,357,453	7,665,066
Parent company	1,250	1,250	1,250	1,250
	1,250	1,250	10,358,703	7,666,316
Prepaid rental				
Director	61,404	61,404	61,404	61,404
Interest receivable				
Subsidiaries	-	-	11,146,547	5,404,749
Trade accounts payable (Note 21)				
Subsidiaries	-	-	-	168,017
Accrued expense				
Subsidiaries	-	-	23,225,270	17,965,678
Unearned revenue				
Subsidiaries	-	-	-	683,668

PROEN Corp Public Company Limited
Notes to the Consolidated and Separate Financial statements
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d) Short-term loans to related party

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Baht	Baht	Baht	Baht
Short-term loans to related party				
Subsidiaries	-	-	87,323,303	54,058,203

The movements of short-term loans to subsidiaries can be analysed as follows:

	Consolidated and separate financial statements	
	2022	2021
	Baht	Baht
1 January	54,058,203	62,477,572
Addition during the year	33,265,100	18,111,000
Repayments during the year	-	(26,530,369)
31 December	87,323,303	54,058,203

Short-term loans to subsidiaries were given on commercial terms and conditions. The related interest income was Baht of 5,741,797 (2021: Baht of 4,200,454) is included in the separate financial statements. The short-term borrowing to subsidiaries due for repayment during January to March 2023.

e) Key management compensation

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Baht	Baht	Baht	Baht
Short-term employee benefits	18,658,622	15,799,810	18,658,622	15,799,810
Retirement benefits	2,444,816	2,409,575	2,770,505	2,409,575
	21,103,438	18,209,385	21,429,127	18,209,385

34 Commitments and contingencies

a) Guarantees

As at 31 December 2022, the Company has obligation to secure overdraft facilities of subsidiary Baht of 5 million (2021: Baht 5 million) and letter guarantees facilities of subsidiary Baht of 16.78 million (2021: nil).

b) Bank guarantees

As at 31 December, the Group has outstanding bank guarantees as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Baht	Baht	Baht	Baht
Bank guarantee	145,845,137	159,457,162	132,322,542	159,393,139

PROEN Corp Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2022

35 Events after the reporting period

Investment in new company

On January 19, 2023, the Board of Directors' meeting No. 1/2023 approved the investment transaction in Gateway Service Company Limited at amount of Baht 95 million. The registered capital consists of 1,172,840 ordinary shares with a price of Baht 81 per share. PROEN Corp Public Company Limited is a shareholder in the investment, representing 19% of the total issued shares. Gateway Service Company Limited located in Thailand, and principally engages in provide electronic pre-screening and verification services for applicants for electronic visa applicants (Electronics Visa On Arrival: E-VOA). And, Proen Corp Public Company Limited entered into a share subscription agreement of Gateway Service Company Limited on February 7, 2023.

Dividend Payment

On 28 February 2023, the Board of Directors' Meeting no.2/2023 passed a resolution to propose the Annual General Meeting of shareholders to approve interim cash dividends payment in respect of the operating results 2022 of Baht 0.12 per share, totalling of Baht 38.03 million.

ส่วนที่ 4

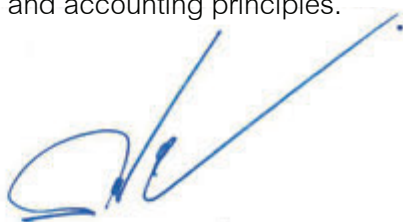
การรับรองความถูกต้อง ของข้อมูล

Report of The Board of Director's Responsibilities for Financial Statement

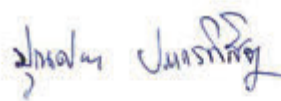
The Board of Directors of PROEN Corp Public Company Limited ("the Company") is responsible for the preparation of financial statements in accordance with generally accepted accounting principles of the Company and the Subsidiary company that are Annual Registration Statement / Annual Report 2022 (Form 56-1 One Report) basis including using judgment carefully and reasonably in preparation of financial statement. The important information is adequately disclosed in the notes to financial statement. The necessary clarification and analysis regarding the financial positions and performances of the Company and its subsidiaries have been provided for the interests of shareholders and investors.

In addition, the Board of directors has appointed an Audit Committee to be responsible for the financial statement and adequately disclosure to be accordance with Accounting principles appropriated with the business operation and provide the efficiently internal control systems. The comments of the Audit Committee on these issues are presented in the Audit Committee's Report available in Form 56-1 One Report

The Board of directors believes that the Company's overall effective internal control systems can be trusted with justifiable financial statements of PROEN Corp Public Company Limited as of December 31, 2022. The Company's auditor conducted his audits and expressed an opinion on the financial statement and the results of its operation in accordance with generally accepted auditing and accounting principles.



Mr. Kittipan Sri-bua-iam
Director



Mrs. Punsaya Paprakornpisit
Director

Attachment

Attachment 1

Proles of Directors, Executives, Highest responsibility in nance and accounting (CFO),
Person supervising accounting (Chief Accountant) and Company Secretary

1. Dr. Sathit Puttachaiyong

Age 65 Year

Position

Chairman of the Board

Independent Director

Audit Committee

Appointed:

April 18, 2018



Education/Training

- Doctor of Philosophy, Textile Engineering, The University of Leeds, UK
- Master of Science, Textile Science and Engineering, The University of Leeds, UK
- Postgraduate Diploma, Textile Science and Engineering, The University of Leeds, UK
- Director Accreditation Program (DAP) 144/2018

5-years Past Work Experiences

- 2018 – Present Chairman of the Board / Independent Director / Audit Committee
PROEN Corp Public Company Limited
(formerly “Proimage Engineering & Communication Co., Ltd.”)

Board Member/Management of Other Listed Companies on The Stock Exchange of Thailand

- None

Position in Other Company/Institution/Non-listed Companies

- 2015 – 2017 Chairman of the Board, Rajamangala University of Technology
- 2009 – 2017 chancellor, Rajamangala University of Technology Krungthep

Family Relationship among Directors and Executives

- None

Shareholdings (Ordinary Shares) (as at December 31, 2022)

- Held personally: 159,200 shares (0.050%)
- Held by Spouse/minor children: (none)

2. Mr. Nopparat Phutaviriya

Age 68 Year

Position

Independent Director
Audit Committees, Chairman

Appointed:

April 18, 2018



Mr. Nopparat Phutaviriya

Education/Training

- Member of The Honorable Society of Gray's Inn, United Kingdom
- Master of Laws, London School Economics and Political Science, England
- Bachelor of Laws of University College of Wales, England
- Bachelor of Laws of Ramkhamhaeng University
- Director Accreditation Program (DAP) 153/2018

5-years Past Work Experiences

- 2018 – Present Independent Director / Audit Committees, Chairman
PROEN Corp Public Company Limited
(formerly “Proimage Engineering & Communication Co., Ltd.”)

Board Member/Management of Other Listed Companies on The Stock Exchange of Thailand

- None

Position in Other Company/Institution/Non-listed Companies

- 1990 – Present Managing partner, Nopparat International Legal Counsellors Office Co., Ltd.
- 1995 - Present Director Pao Group International Ltd.
- 1990 - Present Director NOPPARAT INTERNATIONAL LAW LIMITED

Family Relationship among Directors and Executives

- None

Shareholdings (Ordinary Shares) (as at December 31, 2022)

- Held personally: (None)
- Held by Spouse/minor children: (None)

3. Assoc. Prof. Dr. Panarat Panmanee

Age 74 Year

Position

Independent Director

Audit Committee (have knowledge of accounting)

Appointed:

April 18, 2018

Education/Training

- Ph.D in Management and Accounting, Keio University, Japan
- Master Degree, Accountancy of THAMMASAT UNIVERSITY
- Bachelor Degree, Accountancy of THAMMASAT UNIVERSITY
- Certificate, Top Executive Program in Commerce and Trade (TEPCoT), Class 10, Commerce Academy
- Director Certification Program (DCP) 264/2018



Assoc. Prof. Dr. Panarat Panmanee

5-years Past Work Experiences

- 2018 – Present Independent Director / Audit Committee
PROEN Corp Public Company Limited
(formerly “Proimage Engineering & Communication Co., Ltd.”)

Board Member/Management of Other Listed Companies on The Stock Exchange of Thailand

- 2018 – Present Independent Director / Audit Committee
Gunkul Engineering Public Company Limited

Position in Other Company/Institution/Non-listed Companies

- 2021 – Present Specialists, Faculty of Management Science Silpakorn University
- 2020 – Present Advisor to the Technology Development and Professional Accounting Subcommittee, Federation of Accounting Professions Advisor to the Technology Development and Royal Patronage
- 2017 – 2020 Consultant in Accounting Professional Education and Accounting Technology, Federation of Accounting Professions Royal Patronage
- 2016 – 2019 Dean Faculty of Accounting Specialist PhD program, Faculty of Business Administration, University of the Thai Chamber of Commerce
- 2010 – 2015 Specialist PhD program, Faculty of Business Administration, Rajamangala University of Technology Thanyaburi

Family Relationship among Directors and Executives

- None

Shareholdings (Ordinary Shares) (as at December 31, 2022)

- Held personally: 158,700 shares (0.050%)
- Held by Spouse/minor children: (None)

4. Mr. Kittipan Sri-bua-iam

Age 49 Year

Position

Director (Authorized Directors)
Chairman of Executive Board
Chief Executive Officer

Appointed:

October 3, 1997



Mr. Kittipan Sri-bua-iam

Education/Training

- Master Degree, Internet and E-Commerce, Assumption University of Thailand.
- Bachelor Degree, Electronics and Telecommunications Engineering, Kasem Bundit University
- Director Certification Program (DCP) 261/2018
- Director Accreditation Program (DAP) 144/2018
- Capital Market Academy Programs,CMA. 30/2020
- Training Seminar Strategic Planning & Review Strategic By OPTIMA Consulting Co., Ltd.
- Course 2 Morrow Scaler 6, Year 2022
- Mission WC Project 2022

5-years Past Work Experiences

- 1997 – Present Director / Chairman of Executive Board / Chief Executive Officer
PROEN Corp Public Company Limited
(formerly “Proimage Engineering & Communication Co., Ltd.”)

Board Member/Management of Other Listed Companies on The Stock Exchange of Thailand

- None

Position in Other Company/Institution/Non-listed Companies

- 2022 – Present Director, ICON NEXT CO., LTD.
- 2018 – Present Director / Chief Executive Officer, ,PROEN TELEBIZ CO., LTD.
- 2017 – Present Director, WEALTH WATER HOUSE CO., LTD.
- 2016 – Present Director, EXIM (THAILAND) CO., LTD.
- 2015 – Present Director, ONLINE BIZ CO., LTD.
- 2013 – Present Director / Chief Executive Officer,
SECURE NETWORK OPERATIONS CENTER CO., LTD.
- 2010 – Present Director, SIAM CANNABIZ INDUSTRY CO., LTD.
(formerly “BANGKOK PALM OIL INDUSTRY CO., LTD.”)

Family Relationship among Directors and Executives

- Younger brother of Mrs. Punsaya Paprakornpisit

Shareholdings (Ordinary Shares) (as at December 31, 2022)

- Held personally: 67,745,700 shares (21.439%)
- Held by Spouse/minor children: (None)

5. Mr. Naris Ratyiam

Age 52 Year

Position

Director (Authorized Directors)
Executive Director
Chief Commercial Officer

Appointed:

August 2, 2008

Education/Training

- Bachelor Degree, School of Business Administration, Marketing, Sripatum University
- Director Accreditation Program (DAP) 153/2018
- Training Seminar Strategic Planning & Review Strategic By OPTIMA Consulting Co., Ltd.

5-years Past Work Experiences

- 2018 – Present Director/ Executive Director
PROEN Corp Public Company Limited
- 2008 – Present Chief Commercial Officer
PROEN Corp Public Company Limited
(formerly “Proimage Engineering & Communication Co., Ltd.”)

Board Member/Management of Other Listed Companies on The Stock Exchange of Thailand

- None

Position in Other Company/Institution/Non-listed Companies

- 2019 – Present Director, SECURE NETWORK OPERATIONS CENTER CO., LTD.

Family Relationship among Directors and Executives

- None

Shareholdings (Ordinary Shares) (as at December 31, 2022)

- Held personally: 7,592,300 shares (2.403%)
- Held by Spouse/minor children: (None)



6. Mr. Somkiat Yubanphaeo

Age 54 Year

Position

Director (Authorized Directors)
Executive Director
Chief Telecommunication Officer

Appointed:

April 18, 2018

Education/Training

- Master of Public Administration Program in Public, Phitsanulok University
- Bachelor Degree, Department of Telecommunication Engineering, Mahanakorn University of Technology.
- Director Accreditation Program (DAP) 153/2018
- Training Seminar Strategic Planning & Review Strategic By OPTIMA Consulting Co., Ltd.

5-years Past Work Experiences

- 2018 – Present Director/ Executive Director
PROEN Corp Public Company Limited
- 2017 – Present Chief Telecommunication Officer
PROEN Corp Public Company Limited
(formerly “Proimage Engineering & Communication Co., Ltd.”)

Board Member/Management of Other Listed Companies on The Stock Exchange of Thailand

- None

Position in Other Company/Institution/Non-listed Companies

- 2019 – Present Director, PROEN TELEBIZ CO., LTD.
- 2012 – 2018 Assistant Managing Director / Executive Director / Risk Management Committee
KING TELECOM PUBLIC COMPANY LIMITED

Family Relationship among Directors and Executives

- None

Shareholdings (Ordinary Shares) (as at December 31, 2022)

- Held personally: 250,000 shares (0.079%)
- Held by Spouse/minor children: (None)



7. Dr. Parnai Kungwalrut

Age 48 Year

Position

Independent Director

Appointed:

December 18, 2020

Education/Training

- Doctorate Degree, Electrical Engineering, King Mongkut's Institute of Technology Ladkrabang
- Master Degree, Master of Engineering (Instrumentation Engineering), King Mongkut's Institute of Technology Ladkrabang
- Master Degree, Master of Business administration (International Business Management, Eastern Asia University)
- Bachelor Degree, Electrical Communications Engineering, Rajamangala University of Technology Thanyaburi
- Director Certification Program (DCP) 170/2013
- Director Accreditation Program (DAP) 33/2005
- Capital Market Academy Programs, CMA. 30/2020
- Training Seminar Strategic Planning & Review Strategic By OPTIMA Consulting Co., Ltd.



Dr. Parnai Kungwalrut

5-years Past Work Experiences

- 2022 – Present Independent Director, PROEN Corp Public Company Limited
- 2020 – Present Director, PROEN Corp Public Company Limited

Board Member/Management of Other Listed Companies on The Stock Exchange of Thailand

- 2012 – 2020 Chief Executive Officer,
POWER SOLUTION TECHNOLOGIES PUBLIC COMPANY LIMITED

Position in Other Company/Institution/Non-listed Companies

- 2022 – Present Appointed Members, Senior Advisor,
Rajamangala University of Technology Suvarnabhumi
- 2015 – 2021 Director, NAWARAT BEVERAGE CO., LTD.

Family Relationship among Directors and Executives

- None

Shareholdings (Ordinary Shares) (as at December 31, 2022)

- Held personally: 153,700 shares (0.049%)
- Held by Spouse/minor children: (None)

8. Mrs. Punsaya Paprakornpisit

Age 54 Year

Position

Director (Authorized Directors)

Executive Director

Vice President – Human Resources and Administration

Appointed:

July 1, 2019

Education/Training

- Bachelor Degree, Bachelor of Business Administration in Management B.B.A. (Management), Phranakhon Rajabhat University
- Director Certification Program (DCP) 2020
- Training Seminar Strategic Planning & Review Strategic By OPTIMA Consulting Co., Ltd.
- Training Outward Mindset at Work, Agile Mindset and The 4 House of DISC by SEAC
- Training HR Strategy in New Normal

5-years Past Work Experiences

- 2021 – Present Director
PROEN Corp Public Company Limited
- 2019 – Present Executive Director / Vice President – Human Resources and Administration
PROEN Corp Public Company Limited
(formerly “Proimage Engineering & Communication Co., Ltd.”)
- 2013 – 2019 Human Resource Manager
Proimage Engineering & Communication Co., Ltd.

Board Member/Management of Other Listed Companies on The Stock Exchange of Thailand

- None

Position in Other Company/Institution/Non-listed Companies

- 2022 – Present Director, ICON NEXT CO., LTD.
- 2021 – Present Director, SECURE NETWORK OPERATIONS CENTER CO., LTD.
- 2021 – Present Director, PROEN TELEBIZ CO., LTD.

Family Relationship among Directors and Executives

- Older sister of Mr. Kittipan Sri-bua-iam

Shareholdings (Ordinary Shares) (as at December 31, 2022)

- Held personally: 325,600 shares (0.103%)
- Held by Spouse/minor children: (None)



9. Mr. Nititorn Deeumpai

Age 53 Year

Position

Executive Director
Chief Financial Officer

Appointed:

November 2, 2020



Mr. Nititorn Deeumpai

Education/Training

- Master Degree of Business Administration (Industrial Management), Ramkhamhaeng University
- Bachelor Degree, of Accounting (B.B.A) Faculty of Accountancy Dhurakij Pundit University
- Director Certification Program (DCP) 192/2014
- Anti-Corruption for Executive Program 3/2014
- Anti-Corruption the Practical Guide (ACPG) 23/2015
- The CFO's role in stakeholder communications (English Session)
- SET Social Impact Day 2019
- Training Seminar Strategic Planning & Review Strategic By OPTIMA Consulting Co., Ltd.
- CFO Refresher Class 2/2021
- THE NEW CFO 2022

5-years Past Work Experiences

- 2021 – Present Chief Financial Officer
PROEN Corp Public Company Limited
- 2020 – Present Executive Director
PROEN Corp Public Company Limited
- 2020 – 2022 Vice President –Strategy and Business Development
PROEN Corp Public Company Limited

Board Member/Management of Other Listed Companies on The Stock Exchange of Thailand

- 2014 – 2020 Executive Vice President / Chief Financial Officer
Cho Thavee Public Company Limited.

Position in Other Company/Institution/Non-Listed Companies

- 2022 – Present Director, ICON NEXT CO., LTD.
- 2021 – Present Senior Director, MAI a Listed Company Association
- 2017 – 2021 Executive Director and Treasurer, MAI a Listed Company Association

Family Relationship among Directors and Executives

- None

Shareholdings (Ordinary Shares) (as at December 31, 2022)

- Held personally: 1,000 shares (0.0003%)
- Held by Spouse/minor children: (None)

10. Mr. Thawatchai Praesangeim

Age 56 Year

Position

Chief Operating Officer

Acting Vice President – Strategy and Business Development

Appointed:

May 1, 2022

Education/Training

- Master Degree of Executive MBA, Thammasat University
- Master Degree of Computer & Engineering management, Assumption University
- Bachelor Degree, of Faculty of Engineering, Construction Technology, King Mongkut's Institute of Technology Ladkrabang
- Training Pacific Rim Bankers Program, University of Washington, USA



Mr. Thawatchai Praesangeim

5-years Past Work Experiences

- 2022 – Present Chief Operating Officer /
Acting Vice President – Strategy and Business Development
PROEN Corp Public Company Limited

Board Member/Management of Other Listed Companies on The Stock Exchange of Thailand

- 2015 – 2019 Senior Vice President & Head of Chinese Business
The Siam Commercial Bank Public Company Limited

Position in Other Company/Institution/Non-listed Companies

- 2019 – 2022 Assistant Executive Director & Head of Chinese Business
United Overseas Bank (Thai) Public Company Limited

Family Relationship among Directors and Executives

- None

Shareholdings (Ordinary Shares) (as at December 31, 2022)

- Held personally: (None)
- Held by Spouse/minor children: (None)

11. Mr. Visrut Manunpon

Age 37 Year

Position

Vice President - Business Development

Appointed:

June 1, 2017



Mr. Visrut Manunpon

Education/Training

- Bachelor of Engineering Programing Computer Engineering, Rajamangala University of Technology Than
- Training Seminar Strategic Planning & Review Strategic By OPTIMA Consulting Co., Ltd.

5-years Past Work Experiences

- 2017 – Present Vice President - Business Development
PROEN Corp Public Company Limited
(formerly “Proimage Engineering & Communication Co., Ltd.”)
- 2012 – 2017 Business Development Manager
Proimage Engineering & Communication Co., Ltd.

Board Member/Management of Other Listed Companies on The Stock Exchange of Thailand

- None

Position in Other Company/Institution/Non-listed Companies

- 2013 – Present Director, SECURE NETWORK OPERATIONS CENTER CO., LTD.

Family Relationship among Directors and Executives

- None

Shareholdings (Ordinary Shares) (as at December 31, 2022)

- Held personally: 1,358,700 shares (0.430%)
- Held by Spouse/minor children: (None)

12. Mrs. Sasirada Mututanon

Age 41 Year

Position

Vice President – Purchasing and Warehouse

Appointed:

March 1, 2020



Mrs. Sasirada Mututanon

Education/Training

- Bachelor Degree, Bachelor of Science Program in Biology, (Minor in Business Administration)
- Training Seminar Strategic Planning & Review Strategic By OPTIMA Consulting Co., Ltd.

5-years Past Work Experiences

- 2018 – Present Vice President – Purchasing and Warehouse
PROEN Corp Public Company Limited
(formerly “Proimage Engineering & Communication Co., Ltd.”)

Board Member/Management of Other Listed Companies on The Stock Exchange of Thailand

- None

Position in Other Company/Institution/Non-listed Companies

- 2015 – 2018 General Purchasing Supervisor
Global Mesh Communication CO., Ltd.

Family Relationship among Directors and Executives

- None

Shareholdings (Ordinary Shares) (as at December 31, 2022)

- Held personally: 1,200 shares (0.0004%)
- Held by Spouse/minor children: (None)

13. Mr. Narong Juekert

Age 43 Year

Position

Vice President – Finance and Accounting Department
The person supervising accounting

Appointed:

January 16, 2020

Education/Training

- Bachelor Degree, Accountancy of Ramkhamhaeng University
- Tax Auditor of Revenue Department
- Training course for Audit Core Training (Workshop). To develop continuous knowledge in accounting, total amount 19.30 hours
- Training course for Tax related to international trade and accounting standards Regarding the impact of changes in currency exchange rates, including the new law update, total amount 14.30 hours

5-years Past Work Experiences

- 2022 – Present Vice President – Finance and Accounting Department
PROEN Corp Public Company Limited
- 2020 – Present The person supervising accounting
PROEN Corp Public Company Limited
- 2020 – 2021 Accounting Manager
PROEN Corp Public Company Limited
(formerly “Proimage Engineering & Communication Co., Ltd.”)

Board Member/Management of Other Listed Companies on The Stock Exchange of Thailand

- None

Position in Other Company/Institution/Non-listed Companies

- 2019 – 2020 Accounting Manager, V Sukhumvit 81 Company Limited
- 2018 – 2019 Accounting Manager, Thanachok Vegetable (2012) Partnership Limited
- 2017 – 2018 Accounting Manager, Turnkey Communication Services Company Limited

Family Relationship among Directors and Executives

- None

Shareholdings (Ordinary Shares) (as at December 31, 2022)

- Held personally: 100 shares (0.00003%)
- Held by Spouse/minor children: (none)



14. Mr. Pornpat Wattananiyomkajohn

Age 36 Year

Position

Vice President - Sales and Marketing

Appointed:

October 27, 2022



Mr. Pornpat Wattananiyomkajohn

Education/Training

- Master Degree, of Executive-MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor Degree, of Computer Science, Chiang Mai University
- Training Certificated Northwestern University - Kellogg School of Management Certified The Art of Sales: Mastering the Selling Process, Coursera 2021
- Certificated Google Data Analytics Certificate, Coursera 2021
- Certificated Google Cloud Digital Leader Training Professional Certificate, Coursera 2021
- Certificated Facebook Certified Digital Marketing Associate, Coursera Oct 2021-Oct 2023
- Certificated York University, Toronto, Canada Course Advanced leadership in Marketing and sales module 2021
- Certificated Salesforce Sales Development Representative Specialization Oct 2022-Oct 2023

5-years Past Work Experiences

- 2022 – Present Vice President – Sales and Marketing Department
PROEN Corp Public Company Limited

Board Member/Management of Other Listed Companies on The Stock Exchange of Thailand

- None

Position in Other Company/Institution/Non-listed Companies

- 2017 – Present Director, Silverlake Consulting Co., Ltd.
- 2021 – 2022 Business Director, AI and Robotics Ventures Co., Ltd.
- 2018 – 2021 Head of Sales, DF Marketplace Limited (Kaidee)
- 2015 – 2019 Regional Head, AnyMind Group

Family Relationship among Directors and Executives

- None

Shareholdings (Ordinary Shares) (as at December 31, 2022)

- Held personally: (none)
- Held by Spouse/minor children: (none)

15. Mr. Phuwadon Muangsue

Age 49 Year

Position

Company Secretary

Appointed:

February 26, 2020



Mr. Phuwadon Muangsue

Education/Training

- Master Degree, MBA IN FINANCE AND BANKING, Ramkhamhaeng University
- Bachelor Degree, MBA IN FINANCE AND BANKING, Ramkhamhaeng University
- Training course Company Secretary Program 26/2551
- Effective Minute Taking (EMT) by IOD
- Training Seminar Strategic Planning & Review Strategic By OPTIMA Consulting Co., Ltd.
- CPIAT's Association of Internal Auditors up to 50
- IR Professional Certification Program 2/2013
- Internal Audit Practice, Class 33
- COSO Enterprise Risk Management Class 3
- ISO 9001:2008 Training Course และ ISO 9001:2015 Requirement
- Risk and Opportunities Assessment for QMS ISO 9001:2015
- Internal Audit Training Course ISO 9001:2015

5-years Past Work Experiences

- 2020 – Present Company Secretary
PROEN Corp Public Company Limited
- 2020 – 2021 Internal Audit Manager
PROEN Corp Public Company Limited
- 2020 – 2020 Company Secretary advisor and Internal Audit
PROEN Corp Public Company Limited
(formerly “Proimage Engineering & Communication Co., Ltd.”)

Board Member/Management of Other Listed Companies on The Stock Exchange of Thailand

- 2008 – 2018 Company Secretary, Internal Audit Manager, Manager of Quality Management Department and (acting) Investor Relations, Vintage Engineering Public Company Limited.

Position in Other Company/Institution/Non-listed Companies

- 2015 – Present Director, LN DIDACTIC CO.,LTD.
- 2019 – 2020 The Election Commission of the Association (ECT),
The Institute of Internal Auditors of Thailand

- 2017 – 2018 Sub-Committee on Drafting Articles of the Association,
The Institute of Internal Auditors of Thailand
- 2017 – 2018 Internal Control System Consultant, Change Estate Co., Ltd.

Family Relationship among Directors and Executives

- None

Shareholdings (Ordinary Shares) (as at December 31, 2022)

- Held personally: 16,800 shares (0.005%)
- Held by Spouse/minor children: (none)

	PROEN	Subsidiary			Related companies							
		PROEN TELEBIZ CO., LTD.	SECURE NETWORK OPERATIONS CENTER CO., LTD.	ICON NEXT CO., LTD.	WEALTH WATER HOUSE CO., LTD.	ONLINE BIZ CO., LTD.	EXIM (THAILAND) CO., LTD.	SIAM CANNABIZ INDUSTRY CO., LTD.	PAO GROUP INTER NATIONAL LTD.	NOPPARAT INTER NATIONAL LAW LIMITED	Gunkul Engineer- ing Public Company Limited	Silverlake Consulting Co., Ltd.
1. Dr. Sathit Puttachaiyong	X, ID, A											
2. Mr. Kittipan Sri-bua-iam	D, Ex	D	D	D	D	D	D	D				
3. Mr. Somkiat Yubanphaeo	D, E	D										
4. Mr. Naris Ratyiam	D, E		D									
5. Mr.-Nopparat Phutaviriya	D, ID, Ax								D	D		
6. Associate Professor Dr. Panarat Panmanee	D, ID, A										A	
7. Dr. Parnai Kungwalrut	D, ID											
8. Mr. Visrut Manunpon	F		D									
9. Mrs. Punsaya Paparakornpisit	D, E	D	D	D								
10. Mr. Nititorn Deeumpai	E			D								
11. Mr. Thawatchai Praesangelim	F											
12. Mrs. Sasirada Mututanon	F											
13. Mr. Narong Juekert	F											
14. Mr. Pornpat Wattananaiyomkajohn	F											D

Remarks : X = Chairman of the Board Ex = Chairman of Executive Board Ax = Audit Committees, Chairman

D = Director E = Executive Director F = Executive

A = Audit Committee ID = Independent Director

Attachment 2

Details of Directors of Subsidiaries

	PROEN	Subsidiary Company		
		PROEN TELEBIZ CO., LTD.	SECURE NETWORK OPERATIONS CENTER CO., LTD.	ICON NEXT CO., LTD.
1. Dr. Sathit Puttachaiyong	X, ID, A			
2. Mr. Kittipan Sri-bua-iam	D, Ex	D	D	X
3. Mr. Somkiat Yubanphaeo	D, E	D		
4. Mr. Naris Ratyiam	D, E		D	
5. Mr.Nopparat Phutaviriya	D, ID, Ax			
6. Assoc. Prof. Dr. Panarat Panmanee	D, ID, A			
7. Dr. Parnai Kungwalrut	D			
8. Mr. Visrut Manunpon			D	
9. Mrs. Punsaya Paprakornpisit	D, E	D	D	D
10. Mr. Nititorn Deeumpai	E			D
11. Mr. Chaiyooth Srijabok				D, Ex
12. Mr. Thanyanon Meeseeda				D
13. Mr. Tawan Rojpibulstit				D

Remarks : X = Chairman of the Board
D = Director
ID = Independent Director

Ex = Chairman of Executive Board
E = Executive Director

Ax = Audit Committees, Chairman
A = Audit Committee

Attachment 3

Details of Chief of internal audit and Chief of compliance

The Company uses the outsource service to be internal auditor of the Company. The Company hires the Unique Advisor Company Limited to be the internal control system inspector as from 2017-2021, In the year 2022, Miss Siriwan Lueanloi was assigned to work as the chief of internal inspectors with the following details:

	Information
Name - Surname	Miss Siriwan Lueanloi
Position	Internal Audit Manager
Educational qualifications	- Master of Business Administration (Finance), Kasetsart University - Bachelor of Business Administration (Finance), Kasetsart University
Licenses and diplomas	- Certified Professional Internal Audit of Thailand: CPIAT, No.1228
Training	- Intensive Cybersecurity Capacity Building Program by National Cyber Security Agency (NCSA) - Ensure readiness before the PDPA takes effect by The Securities and Exchange Commission Thailand (SEC) - PDPA for Auditors by The Institute of Internal Auditors (IIA) - Risk Based Audit by The Institute of Internal Auditors (IIA) - Audit Report Writing by The Institute of Internal Auditors (IIA) - Tool and Techniques for the Beginning Auditor by The Institute of Internal Auditors (IIA) - ISO9001:2008 Internal Audit by Moody International
Work experience	2021 - Present Intenal Audit Manager, PROEN Corp Public Company Limited 2019 - 2021 Internal Audit Supervisor, PTG Public Company Limited 2017 - 2019 Internal Audit Officer, Central Food Retail Company Limited 2012 - 2017 Internal Audit Officer, Home Product Center Public Company Limited

Besides, the Company has personnel in charge of following up and supervise the operation of the Company to be under the guideline for good internal control system with the following details:



	Information
Name - Surname	Mr. Phuwadon Muangsue
Position	Chief of compliance
Educational qualifications	Master Degree, MBA IN FINANCE AND BANKING, Ramkhamhaeng University Bachelor Degree, MBA IN FINANCE AND BANKING, Ramkhamhaeng University
Qualifications and Training Course	- Company Secretary Program (CSP) 26/2008 - Effective Minute Taking (EMT) 10/2008 - CPIAT's Association of Internal Auditors up to 50 - IR Professional Certification Program 2/2013 - Internal Audit Practice, Class 33 - COSO Enterprise Risk Management Class 3 - ISO 9001:2008 Training Course และ ISO 9001:2015 Requirement - Risk and Opportunities Assessment for QMS ISO 9001:2015 - Internal Audit Training Course ISO 9001:2015
Work experience	2020 - Present Company Secretary, PROEN Corp Public Company Limited 2020 - 2021 Internal Audit Manager, PROEN Corp Public Company Limited 2015 - Present Director, LN DIDACTIC CO.,LTD. 2019 - 2020 The Election Commission of the Association (ECT), The Institute of Internal Auditors of Thailand 2017 - 2018 Sub-Committee on Drafting Articles of the Association, The Institute of Internal Auditors of Thailand 2017 - 2018 Internal Control System Consultant, Change Estate Co., Ltd. 2008 - 2018 Company Secretary, Internal Audit Manager, Manager of Quality Management Department and (acting) Investor Relations, Vintage Engineering Public Company Limited.

Duties and responsibilities of the chief of internal inspection division and the chief of operation supervision division of the Company

- Preparing for plan in considering from the risks (Risk-based methodology) to present to the Inspection Committee for consideration and approval and to inform the managing director.
- Taking action in the inspection in order to achieve the specified plan as well as the requested special project, ordered by the Management and/ or the Inspection Committee.
- Reporting the results obtained from the inspection and the progress of the operation compared with the specified plan; in case when there is the significant issue, then the result can be reported to the Management immediately.
- Supporting on the operation and providing information necessary for the operation of the Inspection Committee and the Management of the Company concerned with the inspected works.
- Developing the personnel of the internal inspection department to be knowledgeable, skillful, and expert, and to have other abilities necessary for performing assigned duties.
- Checking and verifying the work performance to see whether it is done in consistent with the policy against the dishonesty and corruption, guideline, authority, rules and regulations, law and rules specified by the supervision division
- Performing other activities as assigned from the Management of the Company and/ or the Inspection Committee

Attachment 4

Review of Business Asset and Asset Revaluation

Review of Business Asset

Details appear under (1.2) Business Description

Asset Revaluation

-None-

Attachment 5

Full Version of Corporate Governance Policy and Guidelines and Code of Conduct

Corporate Governance

PROEN Public Company Limited Corporate Governance Policy, as the company has revealed on the company's website below;

<https://investor.proen.co.th/storage/downloads/cg/cg-policy/20210818-proen-cg-policy-en.pdf>

Anti-Corruption Policy

the Company is committed to conducting its business with integrity, transparency, responsibility, and compliance with good practices in corporate governance, Anti-Corruption Policy as the company has revealed on the company's website below;

<https://investor.proen.co.th/storage/downloads/cg/corporate-policy/20210818-proen-anti-corruption-en.pdf>

Code of Conduct

Driving the company operation to accuracy, transparency, fairness, and verifiability included treating employees fairly. The full version of Company Code of Conduct can be found on the company's website below;

<https://investor.proen.co.th/storage/downloads/cg/20210818-proen-coc-en.pdf>

Board of Director Charter, Audit Committee Charter and Executive Committee Charter can be found on the company's website below;

<https://investor.proen.co.th/en/corporate-governance/cg-report-and-download>



Attachment 6

Audit Committee's Report

Audit Committee's Report for 2022

Attention: Shareholder of the company

The Audit Committee of PROEN Corp Public Company Limited is appointed by the Company's director's that consists of 3 independent directors, each of whom is not an employee of the company or stakeholders. In this regard, the Audit Committee has knowledge, ability, expertise and has the qualifications in accordance with the stipulations.

The Audit Committee has complied with the scope, duties and responsibilities assigned by the Board of Directors, which complies with the regulations of the Stock Exchange of Thailand. The scope and duties of the major responsibilities in accordance with the specified roles and duties. Review the internal control system and the internal audit system to be sufficient and reliable. Review to ensure management and compliance with risk management policies, including supervising the company comply with relevant requirements and regulations in accordance with the principles of good corporate governance. There is 1 audit committee member who is knowledgeable and experience in accounting to review the reliability of the Company's financial statements to be accurate accordingly to the generally accepted accounting principles

In 2022, the Audit Committee a total of 4 meetings were held, with details of the meeting, attendance of the individual audit committee members as follows:

<i>List of Audit Committee</i>			<i>Number of times attending the meeting / Number of meetings held</i>
1. Mr. Nopparat	Phutaviriya	Chairman of the Audit Committee	4/4
2. Dr. Sathit	Puttachaiyong	Audit Committee	4/4
3. Assoc. Prof. Dr. Panarat	Panmanee	Audit Committee	4/4

In which each meeting was invited to the management concerned, Internal auditor and external auditors attend the meeting according to the appropriate agenda. Summary of important matters in the performance of the audit committee

1. Review of financial reports

Consider reviewing to certify the quarterly financial statements and the 2022 financial statements that have been reviewed and audited by the Company's auditors, The Audit Committee has an opinion consistent with the auditor that Company's financial statements should be accurate and sufficient to disclose information in accordance with generally accepted accounting standards.

2. Consideration of the proposed appointment of the auditor and audit fees

Consider selecting, appointing and proposing the auditor's remuneration for the year 2022 to be presented to the Board of Directors and seek for approval from the shareholders meeting. The Audit Committee has considered based on the performance independence business savvy and the appropriateness of the

remuneration and is not a stakeholder with the Company. In 2022, it was proposed to appoint an auditor PricewaterhouseCoopers ABAS Ltd. (PwC) as the Company's auditor and subsidiary For the accounting period from January 1, 2022 to December 31, 2022, the Company's audit fee is determined. The amount does not exceed 2,790,000 baht, Excluding expenses for auditing subsidiaries according to the names of the auditors as follow:

- | | | |
|-------------|---------------|---|
| 1. Pisit | Thangtanagul | Certified Public Accountant (Thailand) No. 4095 |
| 2. Nuntika | Limviriyalers | Certified Public Accountant (Thailand) No. 7358 |
| 3. Tithinun | Vankeo | Certified Public Accountant (Thailand) No. 9432 |

3. Consideration of connected transactions or items that may have conflicts of interest

To consider, review and give opinions on the rules of related transactions of the Company to be in accordance with the regulations of the Stock Exchange of Thailand according to the law by considering the value of the transaction. Reasonableness of the transaction and the necessity of the list in order to make the transaction beneficial to the company and stakeholders.

4. Monitoring of corporate risk management

Consider and give opinions on the organization's risk management, to reduce and prevent risks from affecting the main goals organizational objectives ready to suggest good practice

5. Review of the internal control system

Consider and review the operating information and internal control system of the Company. To assess the adequacy, appropriateness and effectiveness of the internal control system by considering the internal auditor's audit report. It was found that the internal control system of the company is sufficient and appropriate

6. Supervision of the Auditing Unit

Review assessing the independence of the internal audit department It is the person who approves the appointment, transfer and dismissal of the head of the internal audit unit. Is the person who approves the annual audit plan and the charter of the internal Audit Department as well as to supervise the internal audit unit to operate in accordance with internal audit standards.

7. Legal Compliance Review policy rules and related requirements

- Consider reviewing the internal audit by considering the scope of duties and responsibilities independence
- Review and approve the appropriate amendments to the internal audit charter and in line with the Stock Exchange of Thailand's internal audit guideline
- Review the Charter of the Audit Committee to consider the qualifications, scope, powers and duties of the meeting and the report of the Audit Committee to comply with the principles of good corporate governance and regulations of the Stock Exchange of Thailand

- Consider and review various matters to be in accordance with the guidelines and requirements of the Stock Exchange of Thailand for enhancing the good corporate governance system

In this regard, the Audit Committee has performed all duties as stipulated in the Audit Committee Charter approved by the Board of Directors in accordance with the announcements and regulations of the Stock Exchange of Thailand. Therefore, it is of the opinion that the Company Financial and operational information is accurately reported having an internal control system appropriate and effective internal audits. Compliance with relevant regulations and laws that are consistent with the good corporate governance system adequately transparent and reliable. In addition, there has been an improvement in the operating system for better quality to suit the business environment continuously.

The performance of the Audit Committee and those who perform internal audits have received great cooperation from all parties. The Audit Committee would like to thank you all for this wonderful opportunity.



(Mr. Nopparat Phutaviriya)
Chairman of the Audit Committee



PROEN Corp Public Company Limited

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