

## Business Overview

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In Year 2022, there were follow significant events of the Company.

1. Ultra Asia Company Limited, which is our subsidiary, purchased ordinary shares of QROI Network Service Inc. (“QNSI”), Philippines, which operates the business of providing services in the installing and testing of mobile network equipment on telecommunication towers in the Philippines in February 2022, in the proportion of 67 % of the total issued and paid-up shares of QNSI, amounting to 3.84 million USD, or approximately 126 million Baht.

2. The Company allocated 639.75 newly issued ordinary shares of the Company in the form of a general mandate to a specific investor (Private Placement) as per the resolution of the Annual General Meeting of Shareholders in March 2022, at a price of 0.10 baht per share, approximately 63.97 million Baht in total.

3. The Company allocated 10,001,924,804 newly issued ordinary shares as the Right Offering at the price of 0.05 Baht per share, totaling 500.10 million Baht, as well as allocating STOWER-W4 warrants to existing shareholders for free.

## Statement of Income

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Based on the consolidated financial statements, in Year 2022, the Company had revenue from sales and services totaling 339.11 million Baht, which is considered an increase from of the previous year by 209.41 million Baht or 161.45%. Most of the revenue were from telecom businesses in the Philippines, amounting to 213.41 million Baht, which is accounting for 62.93% of total revenue from sales and services. In addition, there were revenue from electricity and telecom businesses in the country, amounting to 116.48 million Baht and revenue from sales of industrial products amounting to 9.22 million Baht.

Revenue from operations increased significantly as a consequence of business restructuring with expansion of investment in telecommunication services business in Philippines and recognition of service revenues through QROI Network Services Inc. (QNSI), the Company’s subsidiary. While the revenues from the business of electricity and telecom infrastructure in the country have improved especially in the last quarter of the year.

**Consolidated Income Statement**

Operating Results <i>(unit: million Baht)</i>	2022	2021	increase (decrease)	
			million Baht	%
Revenue from electricity and telecom business	116.48	120.81	-4.33	-3.6%
Revenue from sales of industrial goods	9.22	7.61	1.61	21.1%
Revenue from overseas telecom business	213.41	1.29	212.13	16502.5%
<b>Total revenues from sales and services</b>	<b>339.11</b>	<b>129.71</b>	<b>209.41</b>	<b>161.4%</b>
Cost of electricity and telecom business	133.01	163.35	-30.34	-18.6%
Cost of industrial goods sales	5.30	4.36	0.94	21.6%
Cost of overseas telecom business	163.58	0.78	162.80	20851.1%
<b>Total cost of sales and services</b>	<b>301.89</b>	<b>168.49</b>	<b>133.40</b>	<b>79.2%</b>
<b>Gross profit (loss)</b>	<b>37.22</b>	<b>-38.78</b>	<b>76.00</b>	<b>196.0%</b>
Selling & administrative expenses	131.34	107.50	23.84	22.2%
<b>Profit (loss) before other incomes and expenses</b>	<b>-94.12</b>	<b>-146.28</b>	<b>52.16</b>	<b>35.7%</b>
Other incomes	20.98	39.51	-18.53	-46.9%
Gain (loss) on exchange rate	-12.78	9.56	-22.34	-233.7%
Other expenses	-6.14	-2.36	-3.79	-160.5%
<b>Earnings before interest and tax (EBIT)</b>	<b>-92.07</b>	<b>-99.57</b>	<b>7.50</b>	<b>-7.5%</b>
Financial cost	8.27	13.57	-5.30	-39.0%
Share of loss on investments in associates	-	4.71	-4.71	-100.0%
Income tax expenses	3.99	4.38	-0.39	-8.9%
<b>Net profit (loss) for the period</b>	<b>-104.33</b>	<b>-122.24</b>	<b>17.90</b>	<b>14.6%</b>
<b>Net profit (loss) attributable to the parent company</b>	<b>-107.46</b>	<b>-122.35</b>	<b>14.89</b>	<b>12.2%</b>
Extra profit on disposal of investment	-	71.64		

In Year 2022, the Company had a gross profit of 37.22 million Baht, representing 10.98% of the revenue from sales and services, an increase of 76.00 million Baht from the previous year. The Company expects that gross profit will likely improve accordingly to be in line with the growth of the telecom business in Philippines.

In Year 2022, the selling and administrative expenses increased by 23.84 million Baht from the previous year, since it is the first year which the expenses of QNSI, the Company's subsidiary, have been consolidated after the acquisition.

The financial cost was reduced by 5.30 million Baht because the outstanding loan was fully repaid. In addition, there was an unrealized loss on exchange rate of 12.78 million Baht.

As a result, the Company had a net loss of 107.46 million Baht, which had a lower loss amounting to 14.89 million Baht or 12.17% compared to the previous year which had a loss of 122.35 million Baht (loss of 2021 excluding extraordinary gain on disposal of investments).

## Statement of Financial Position

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The Company's financial position has greatly strengthened. After the capital increase and the restructuring of the new business, **the Company had significant asset growth**. The summary of the Company's financial position as of 31 December 2022 is as follows:

- Total assets of 1,219.16 million Baht, which is an increase of 367.42 million Baht or 43.14%.
- Total liabilities of 152.44 million Baht, which is a decrease of 81.93 million Baht or 34.96%.
- Total shareholders' equity of 1,074.13 million Baht, which is an increase of 439.64 million Baht or 69.29%.

As a result, the debt-to-equity ratio (D/E Ratio) was reduced to only 0.14 times from 0.38 times at the end of last year and had sufficient financial liquidity and reserve funds for investment in business expansion according to the new business restructuring plan, which lead in the Company to growth and stable financial position respectively.

Faithfully Yours,

-- Chalothorn Leelamali --

(Mr. Chalothorn Leelamali)  
Company Secretary