

Business Overview

In Year 2023, there were follow significant events of the Company.

1. **The Company changed the par value by way of a reverse stock split from Baht 0.10 to Baht 1.00.** After the reverse stock split, the number of registered shares was changed from 36,972,514,000 shares to 3,697,251,400 shares.
2. The Company closed two indirect subsidiaries registered in Singapore, namely Ultra Network Pte. Ltd. and Ultra Asia Investment Pte. Ltd. In which, both subsidiaries were wholly owned by Ultra Asia Co., Ltd., a subsidiary of the Company.
3. The Company closed its subsidiary, Paradise Green Energy Co., Ltd., which is currently in the process of liquidation.

Statement of Income

According to the consolidated financial statements, **the Company's total revenue from sales and services in 2023 was 173.28 million Baht.** Of this, 92.48 million Baht or equivalent to 53.37% was from domestic businesses and 80.80 million Baht or equivalent to 46.63% was from telecommunications businesses in the Philippines. The businesses with potential and continuous growth are the hot-dip galvanizing service business, the industrial product sales business, and the telecommunications service business in the Philippines.

Regarding state sector projects within the country, there have been gradual tender openings, and **the company has secured orders of high-voltage transmission tower projects and substation structures from the Electricity Generating Authority of Thailand (EGAT) during the 3rd and 4th quarter, with an approximate value of 210 million Baht.** Revenue recognition for these projects is estimated at 5% in the current year, with the remaining 95% expected in year 2024.

In year 2023, Skytowers Infra Inc., a subsidiary in the Philippines, delivered telecommunication stations to Mobile Network Operators (MNOs) as per master lease agreements, totaling 43 stations. This contributed to a continuous increase in revenue from telecommunication tower rentals. Additionally, the subsidiary QROI Network Services Inc. (QNSI) experienced a decline in revenue from the equipment installation business as major MNOs are revising network planning strategy. However, **there was an increase in revenue from recent services of tower audit and maintenance, along with ongoing development of solar cell installation business for telecommunication stations and buildings in the**

Philippines, aimed at generating additional revenue streams beyond the existing business of installing and implementing mobile network equipment on telecommunication towers.

The company incurred gross loss of 26.55 million Baht in 2023 resulting from a decrease in operating income and ongoing cost of idle capacity. However, there are plans to increase revenue streams, optimize production capacity, and reduce expenses, which is anticipated that the gross profit will likely improve accordingly. Sales and administrative expenses of year 2023 increased by 13.25 million Baht compared to the previous year, primarily due to losses from devaluation of other current financial assets.

In year 2023, the Company recognized an extraordinary loss from impairment of goodwill, amounting to 49.00 million Baht, resulting in a net loss of 205.96 million Baht. Excluding this extraordinary item, the Company incurred a normal net loss of 156.96 million Baht, compared to 107.46 million Baht in the previous year.

Consolidated Income Statement

Operating Results <i>(unit: million Baht)</i>	2023	2022	increase (decrease)	
			million Baht	%
Revenue from electricity and telecom business	81.72	116.48	-34.76	-29.8%
Revenue from sales of industrial goods	10.76	9.22	1.54	16.7%
Revenue from overseas telecom business	80.80	213.41	-132.61	-62.1%
Total revenues from sales and services	173.28	339.11	-165.84	-48.9%
Cost of electricity and telecom business	120.37	133.01	-12.64	-9.5%
Cost of industrial goods sales	6.58	5.30	1.28	24.2%
Cost of overseas telecom business	72.87	163.58	-90.71	-55.5%
Total cost of sales and services	199.83	301.89	-102.06	-33.8%
Gross profit (loss)	-26.55	37.22	-63.77	-171.3%
Selling & administrative expenses	144.59	131.34	13.25	10.1%
Profit (loss) before other incomes and expenses	-171.14	-94.12	-77.02	-81.8%
Other incomes	14.02	20.98	-6.96	-33.2%
Gain (loss) on exchange rate	-3.05	-12.78	9.73	76%
Loss on impairment of assets	-49.00	-3.04	-45.96	-1512%
Other expenses	-	-3.10	3.10	100.0%
Earnings before interest and tax (EBIT)	-209.17	-92.07	-117.11	-127.2%
Financial cost	6.21	8.27	-2.06	-24.9%
Income tax expenses	0.82	3.99	-3.17	-79.5%
Net profit (loss) for the period	-216.21	-104.33	-111.87	-107.2%
Net profit (loss) attributable to the parent company	-205.96	-107.46	-98.50	-91.7%

Statement of Financial Position

The Company's financial position as of 31 December 2023 is as follows:

- **Total assets of 1,144.67 million Baht, which is an decrease of 74.49 million Baht or 6.11%.** The decrease in total assets was due to a decrease in trade receivables and an impairment of Goodwill.
- **Total liabilities of 260.16 million Baht, which is a decrease of 107.72 million Baht or 70.66%.** The increase in total liabilities was due to the recording of lease liabilities amounting to 47.76 million Baht and consideration received in advance of 64.90 million Baht.
- **Total shareholders' equity of 960.12 million Baht, which is a decrease of 172.01 million Baht or 16.01%.**

Based on the financial position above, **the Company has a healthy capital structure and low financial risk. The debt-to-equity ratio (D/E Ratio) is only 0.29 times, and the current ratio is 4.05 times.** This indicates that the Company has a strong financial position and sufficient liquidity and cash flow to support its business plan.

Faithfully Yours,

-- Chalothorn Leelamali --

(Mr. Chalothorn Leelamali)
Company Secretary