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SUCCESS

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

2021

Message from Chairman



PROEN Corp Public Company Limited has developed continuous growth. And as of April 29, 2021, is the first day that the company has traded new shares to the general public (IPO) on the Market for Alternative Investment (mai) is a day that we PROEN people are very proud of, Such determination is dedicated of the Directors, Executives and Employees. Who have co-operated in carrying out the mission until achieving the goal and the IPO is the first step to move forward in accordance with the company's mission to be a leading company, to be a provider of Internet Data Center and complete telecommunication services in the country. To create continuous and sustainable growth, the company has adhered to good governance. with social responsibility, environment, anti-corruption in all forms and taking into account the benefits returns to shareholders and all groups of stakeholders equally.

From the outbreak of the coronavirus disease (COVID 19) that has a wide impact But it's an opportunity for the company. Because the New Normal lifestyle has a positive effect on PROEN with the company operating in Data center, Cloud service related to Content provider business, E-Commerce, including construction business related to telecommunication, resulting in earnings of The company grown. In 2021, the company had a total operating profit of 29.2 million baht, an increase of 3.9 million baht or 15% from the previous year. This was due to an increase in revenue from data services in the Internet Data Center. The data service business has a tendency to grow in line with the promotion of the government and the rouse of the private sector to manage corporate data in the form of Big Data. In 2022, the Company has prepared an investment plan for the construction of a new Internet Data Center building to increase service potential, innovation development, and accommodating an increasing number of customers

Finally, I would like to thank our business partners, shareholders, customers, and benefactors who have always supported and trusted the Company. and would like to send a warm thank you message to the management team, the employees who have worked hard together to lead the company to the set goals that we have always want to achieve.



Dr. Sathit Puttachaiyong
Chairman of the Board



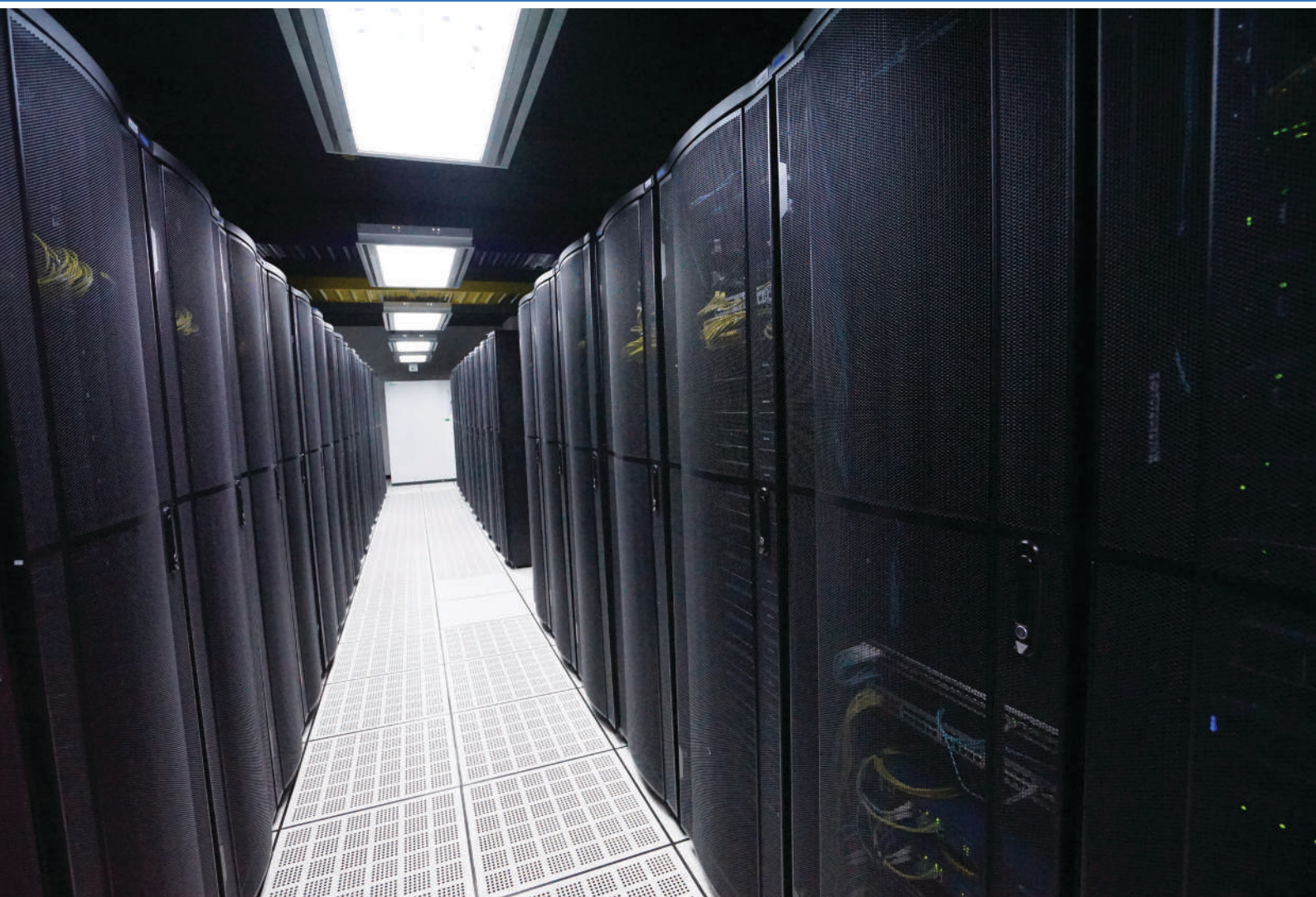
CAT
TOWER

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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 CAT Telecom Tower, 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 CAT Telecom Tower, 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

1.1.2. Major Milestone

The Major Milestone of the Company Group is as follows

Year	Major Milestone
1997	- In October 3 rd , 1997 Mr. Kittipan Sri-bua-iam registered a Company with 1 million Baht paid-up capital namely Proimage Engineering and Construction Co., Ltd. to perform business of indoor lighting installation business
2000	- The Company Group provided more services as follows:

Year	Major Milestone
	<ul style="list-style-type: none"> • Bandwidth rental service • Server computer depositary service at IDC (Co-Location) • Web Hosting Service • Web Design Service • Was a dealer in Narrowband internet top-up hours (Dial-up modem) for Asianet company (currently True Internet), customers can buy internet top-up hours and connect the internet from telephone line
2001	<ul style="list-style-type: none"> - Provided Radio Streaming service as the first provider of internet-based online radio station in Thailand
2003	<ul style="list-style-type: none"> - The Company name has changed to Proimage Engineering Communication Co., Ltd. in order to conform with the Company business characteristic.
2005	<ul style="list-style-type: none"> - Office was relocated to 4th floor, CAT Telecom Tower, Bangrak, and Internet Data Center (IDC) has been built with a capacity of 118 Server computer racks - Obtained internet service provider license type 1 (NTC/MM/INT/ISP/II/007/2548) which is an internet service provider license without telecom network providing to end user directly to increase the following services: <ul style="list-style-type: none"> • Provided Leased line internet or to lease out internet circle to specific clients, so user to be able to use high speed internet • Provided Frame Relay internet or internet network connection contained more than 2 networks, which data are divided into packages to be transmitted together to the terminal without reservation of a specific network circuit comparing with Leased line • Provided Integrated Services Digital Network (ISDN) that data, television wave and sound wave can be transmitted through telephone lines at the same time, and • Provided ICT Solutions by development of IT system and Telecom system security
2008	<ul style="list-style-type: none"> - Extended IDC service in the area of 4th floor of CAT Telecom Tower, Bang Rak with server capacity of 190 racks

Year	Major Milestone
2009	<ul style="list-style-type: none"> - Provided video streaming services, data transmission in the form of multimedia, broadcast of video and audio signal via internet
2011-2012	<ul style="list-style-type: none"> - Provided more services as follows: <ul style="list-style-type: none"> • Consultant service provider and develop information technology network systems • Provided internet service by point-to-point connection (Multiprotocol Label Switching or MPLS) without data transmission through data center that make the network be more stable than Leased Line Internet • Extended IDC service in the area of 4th floor of CAT Telecom Tower, Bang Rak with server capacity of 250 racks
2013	<ul style="list-style-type: none"> - Established PROEN Communication Co., Ltd.; then the name has been changed into Secure Network Operation Center Co., Ltd. (“SNOC”) with a paid-up capital of 2 million Baht, to perform the business of Internet Security through Cloud system (Distributed Denial-of-Service or DDoS) and to sale of Telecom equipment
2015	<ul style="list-style-type: none"> - 1The second office has been built at Huai Khwang used as Back Office - Provided Branch Connect service, a connection between office with Software-Defined WAN (SD-WAN) via cloud system, making data transmission fast, stable with high security, in cooperation with VeloCloud Networks, Inc., the world leader in Cloud-Delivered SD-WAN service - Extended IDC service in the area of 18th floor of CAT Telecom Tower, Bang Rak with server capacity of 350 racks - Was certified by ISO / IEC 27001: 2013
2016 - 2017	<ul style="list-style-type: none"> - Extended IDC service in the area of 18th floor of CAT Telecom Tower, Bang Rak with server capacity of 620 racks - Was the Enterprise Cloud Service Provider under the brand “SEA Cloud”
2018	<ul style="list-style-type: none"> - Established PROEN Corporation Co., Ltd., then the name has been changed to PROEN Telebiz (“TELEBIZ”) with its registered capital of 10 million Baht to operate Telecom infrastructure building business

Year	Major Milestone
	- Was certified with ISO 9001: 2015 – Quality Management System
2019	- On 13 th June, 2019 the Company transformed the business into a public company and the Company’s name was changed to PROEN Corp Public Company Limited.
2020	- On 21 st 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: <ul style="list-style-type: none"> • 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 18 th 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 29 th , 2021

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, 2021 Amount 150.72 Baht

Spending	Spending Period	Amount (Million Baht)	Details/Spending progress
1. Construction of new Internet Data Center (IDC) building and office.	-	0.00	PROEN is in the process of planning for the construction 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 2022.
2. Working capital in the business of ICT services and Telecommunication, Infrastructure Services.	Apr. 30 – Dec. 31 2021	47.02	Used as working capital for the purpose
3. Financial institution debt settlement	Apr. 30 – Dec. 31 2021	65.00	Pay off short-term debts with various financial institutions
Total		112.02	

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

1.1.4. 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					
		2019		2020		2021	
		Million Baht	%	Million Baht	%	Million Baht	%
Revenue of telecommunication networking equipment sales	PROEN, SNOC	408.4	46.2	336.8	33.5	528.37	49.77
Revenue of telecommunication network and services	PROEN, SNOC	350.0	39.6	260.4	25.9	300.56	28.31
Technology and Communication Business		758.4	85.8	597.2	59.4	828.93	78.08
Revenue of construction activities	PROEN, TELEBIZ	124.2	14.0	403.9	40.2	229.55	21.63
Construction Business		124.2	14.0	403.9	40.2	229.55	21.63
Total Revenues of Sales and Services		882.6	99.8	1,001.1	99.6	1,058.48	99.71
Other revenues ^{a)}	PROEN, TELEBIZ, SNOC	1.6	0.2	4.4	0.4	3.08	0.29
Total Revenues		884.2	100.0	1,005.5	100.0	1,061.56	100.00

Note: a) Other revenues consist of interest received from deposits held in financial institutions, and interest received from loans to related parties.

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 59.39% of an average percentage of total revenue in 2020 and 78.09% of total revenue in 2021. Group of the companies focuses on providing services that efficiently responds to all types of customers' work efficiently under the concept of being an IT One Stop Service Center with details of services as follows:

1. Data Center Space Rental Service

Data Center Rental Service is a 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 CAT Telecom Building, Bang Rak, Bangkok and was built to be equivalent to TIER 3 standard with a total rental area of 2,086 square meters with approximately 645 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.
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

Tier Classification	<u>Tier 1</u>	<u>Tier 2</u>	<u>Tier 3</u>	<u>Tier 4</u>	PROEN
	Basic site infrastructure	Redundant site infrastructure	Concurrently maintainable site infrastructure	Fault tolerant site infrastructure	
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 CAT Telecom Building



Dual Powered supply



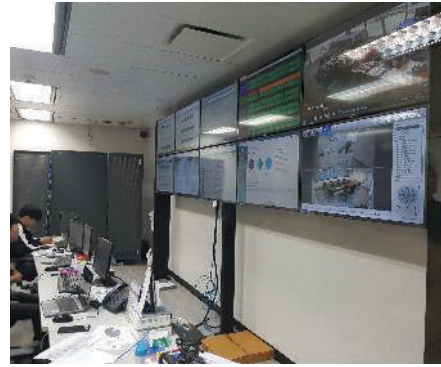
Double floor, raised floor to prevent water leakage that may cause damage to computer equipment



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 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, Storage of the Company without having to invest themselves, 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 TELEBIZ 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 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 2021

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 : 434,917,638.06 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 July 13, 2022

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 Telcom 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	CAT Telecom	MFEC Public Company Limited
CAT Telecom	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, 2021 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 2,086 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

¹ SUPERNAP 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).

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 2023.

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, arranging 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 and Communication Business

Electronic products manufacturing in 2021* grew by 6.7 percent compared to 2020, with an increase in Printer, PCBA, Semiconductor devices, transistors, IC and HDD products which was a result of the increasing demand of world electronics products in order to support the need for Cloud Computing and Data Center, including the need for equipment needed for long distance work and education. Moreover, it also has an increase in export value in key markets such as ASEAN, the European Union, the United States, and China.

Electronics Industry Trends in 2022

As for the electronics industry in 2022, the production and exports of electronic products are expected to increase by approximately 5.0 and 8.0 percent, respectively compared to the previous year as the global economy recovers from the COVID-19 outbreak and due to the adjustment of semiconductor manufacturers. According to the chip shortage situation, there is a constant demand for electronic products, including the need for the development and improvement of 5G network technology, data centers, resulting in increased demand for electronic products domestically and internationally.

Source : Summary of Thai Industrial Economic Conditions in 2021 and Trends in 2022, The Office of Industrial Economics (NESDB)

Worldwide IT Market Outlook in 2022

Gartner Forecasts worldwide IT market in 2022 will exceed \$4 trillion while Thailand will grow 6.4% compared to this year, accounted for THB 8.7 billion.

Enterprise software is expected to have the highest growth in 2022 at 11.5%, driven by infrastructure software spending continuing to outpace application software and global spending growth on devices has reached its peak this year (15.1%) resulting from remote activities such as remote work, telehealth, and remote study that constantly increased, but Gartner forecasts 2022 will still show an increase in enterprises that upgrade devices and/or invest in multiple devices to grow in hybrid work setting.

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

	2020 Spending	2020 Growth (%)	2021 Spending	2021 Growth (%)	2022 Spending	2022 Growth (%)
Data Center Systems	178,836	2.5	196,142	9.7	207,440	5.8
Enterprise Software	529,028	9.1	600,895	13.6	669,819	11.5
Devices	696,990	-1.5	801,970	15.1	820,756	2.3
IT Services	1,071,281	1.7	1,191,347	11.2	1,293,857	8.6
Communications Services	1,396,334	-1.5	1,451,284	3.9	1,482,324	2.1
Overall IT	3,872,470	0.9	4,241,638	9.5	4,474,197	5.5

Source: Gartner (October 2021)

Spending on technology products and services in Thailand is expected to increase by 6.4% compared to this year, accounted for THB 8.7 billion. The largest IT spending segment in Thailand is communications services, but it is expected to show the lowest growth in 2022.

Spending growth on devices (mainly PCs and tablets) reached its peak of 21.7% in 2021 as remote work and learning took place. Consumers and enterprises upgrade devices and/or invest in multiple devices for remote or hybrid work.

Gartner also forecasts that enterprise software will show the highest growth in 2022, with an increase of 14.8% compared to the previous year (see Table 2).

Thailand IT Spending Forecast (Millions of Baht)

	2020 Spending	2020 Growth (%)	2021 Spending	2021 Growth (%)	2022 Spending	2022 Growth (%)
Data Center Systems	19,432	-1.0%	20,709	6.6%	21,656	4.6%
Enterprise Software	45,777	12.6%	53,480	16.8%	61,381	14.8%
Devices	165,988	11.5%	202,028	21.7%	220,106	9.0%
IT Services	70,695	3.0%	77,866	10.1%	85,466	9.8%
Communications Services	461,241	14.6%	465,345	0.9%	482,844	3.8%
Overall IT	763,134	6.1%	819,428	7.4%	871,453	6.4% (2021)

Gartner’s IT spending forecast applies rigorous analysis of sales by thousands of vendors across the entire range of IT products and services. Gartner uses primary research techniques, supported by secondary research sources, to build a comprehensive database of market size data on which to base its forecast.

The Gartner quarterly IT spending forecast presents a unique perspective on IT spending across the hardware, software, IT services and telecommunications segments. These reports help Gartner’s clients understand market opportunities and challenges.

Source: The article: Forecasts Worldwide IT Market in 2022 by Gartner, Inc, as of December 8, 2021

2. Construction Business

The value of public construction in 2021 is said to grow by 6%, with supporting factors from the progress of mega-projects. However, the outbreak of COVID-19 at the construction worker campsite as well as the implementation of construction activities under the Bubble and seal measure has put pressure on the construction sector for the rest of the year. In 2021, for construction, the government sector has been supported by the start of construction of mega projects such as the High-Speed Rail Linking Three Airports (Don Mueang - Suvarnabhumi - U-Tapao), Development Project of Laem Chabang Port Phase 3, the project of Eastern

Aviation City Phase 1, The 3rd Runway Construction for Suvarnabhumi Airport Expansion Project. In addition, there are many projects that are under construction from the past and are still making progress, such as Bang Yai - Kanchanaburi Intercity Motorway Project, Bang Pa-in-Nakhon Ratchasima Intercity Motorway Project, resulting in the gradual funding of government construction.

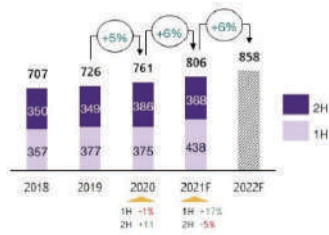
For the budget in fiscal year 2021 of the 4 main agencies investing in the construction sector, namely the Department of Highways, the Royal Irrigation Department, the Department of Rural Roads, and the Department of Public Works and Town & Country Planning has expanded from the previous year, especially the Department of Highways, received a budget of more than 126 billion baht. (+11%YoY), which is mainly used for the construction of highways and bridges. The Royal Irrigation Department received a budget of more than 74,000 million baht (+9%YoY), which was mainly used for the construction of irrigation areas. In addition, the investment budget disbursement rate for fiscal year 2021 at the end of June 2021 was 48% of the investment budget, higher than the same period last year, which was 34% of the investment budget. As a result, the capital expenditure disbursement value at the end of June 2021 is at 258,583 million baht (+47%YTD), driving amount of money to spread into government construction in the first half of 2021.

Based on the progress of mega-projects, both the projects that have just begun construction in 2021 and the projects that are under construction from the past, also the budget of the main units investing in the construction sector in the fiscal year 2021 expanded from the previous year along with the value of capital expenditure disbursement in the first half of 2021, which was higher than the same period of the previous year, showed supports in the first half of 2021, the value of government construction was at 438,295 million baht (+17 %YTD).

EIC views that even in the first half of 2021, the value of public construction will expand at a high rate, but the construction sector is one of the businesses that will be affected by the new wave of Covid-19 outbreak. The closing order for construction workers' campsites in July 2021 has resulted in the pause of government construction projects in Bangkok and its surrounding provinces, in line with the decrease in the amount of capital expenditure disbursement in July 2021 to 33,966 million baht (-15%YoY). In addition, the risk of the spread of COVID-19 in construction worker campsites in the rest of the year may also be closed. According to the requirements to carry out construction activities under the Bubble and Seal measure starting from August 2021 onwards, it creates pressure that may cause the construction of various projects to be delayed due to hygiene regulations and social distancing which may affect the efficiency of construction.

Moreover, in the second half of 2020, the value of public construction expanded at a rate of up to 11%YoY, driven by an efficient disbursement of capital expenditures. As a result, the base in the second half of 2020 was at a high level, resulting in EIC forecasting that the value of public construction in the second half of 2021 was likely to shrink by -5%. Therefore, the total government construction value in 2021 was approximately 806,000 million baht (+6%YoY), which was a continuous expansion from 2020, which expanded by 5%YoY.

รูปที่ 4 : ผลิตภัณฑ์มวลรวมในประเทศของภาคก่อสร้างภาครัฐ
หน่วย : พันล้านบาท



ที่มา : ธนาคารโลก (World Bank) และข้อมูลจากกรมการก่อสร้างภาครัฐ

รูปที่ 5 : ตัวอย่างโครงการเมกะโปรเจกต์ที่คาดว่าจะเริ่มก่อสร้างในปี 2022

ตัวอย่างโครงการ	มูลค่า (ล้านบาท)
• รถไฟฟ้าสายสีลมตะวันตก ช่วงบางขุนนนท์-มีนบุรี	140,000
• รถไฟฟ้าสายสีวงแหวน ช่วงเตาปูน-บางหว้าบูรณะ	101,000
• รถไฟฟ้าชลุ่ ระยะที่ 2 ช่วงดอนเมือง-หนองคาย	26,000
• รถไฟฟ้าความเร็วสูง กรุงเทพฯ-โคราช สัญญา 4-1 ช่วงบางซื่อ-ดอนเมือง	10,000
• ขยายท่าอากาศยานสุวรรณภูมิด้านทิศเหนือ	42,000
• ขยายท่าอากาศยานดอนเมือง เฟส 3	38,000
• มอเตอร์เวย์ สายบางขุนเทียน-บ้านแพ้ว ช่วงเอกชัย-บ้านแพ้ว	19,700
• ทางด่วนรวม 3-สามพระยาสัญญา 1 และ 3	14,000

ที่มา : ธนาคารโลก (World Bank) และข้อมูลจากกรมการก่อสร้างภาครัฐ



As for the outlook for 2022, public construction remains a key driver of the construction sector. Based on the progress of mega-projects as well as the start of construction of new projects, EIC expects that the government construction value in 2022 is likely to be around 858 billion baht (+6%YoY), as a result of the progress of important mega-projects that have continued to be constructed from the past, such as the high-speed rail project connecting 3 airports, the high-speed rail project linking the three airports, the Eastern Aviation City Project, Phase 1, the 3rd Runway Construction for Suvarnabhumi Airport Expansion Project.

Moreover, the start of bidding and construction of new mega-projects, including the expansion of electric trains, double-track railways, high-speed trains, the airport expansion project and the road project will also allow more money to gradually enter the government construction sector in 2022 as well. However, it is needed to keep an eye on the bidding and signing of new project contracts that may be delayed and affect the expansion of government construction in 2022. The budget of major agencies investing in the construction sector in fiscal year 2022 the contraction of government construction may not support the value of public construction. However, the budgets of the main agencies investing in the construction sector, namely the Department of Highways and the Department of Rural Roads in fiscal year 2022, contracted -8 % YoY and -5 % YoY, respectively, in line with the overall view of the budget allocation in 2022, which was reduced from the previous year in the midst of the COVID-19 pandemic. Therefore, this part of the budget may not help support the value of government construction in 2022, which is different from the situation in 2021 where the budget in fiscal year 2021 of the main agencies investing in the construction sector expanded from the previous year. It can be said that the factors supporting the value of government construction in 2022 will derive mainly from the progress of mega-projects and the start of construction of new projects.

Private construction continues to slow down in line with the continuous contraction of the real estate sector, which EIC expected that the private construction value in 2021 would be around 514 billion baht (-7%YoY). This was a decrease in both residential and commercial real estate construction. The outbreak of COVID-19 has resulted in a decline in housing units sold in Bangkok and its surrounding provinces since 2020. 65,279 residential units were sold (-35%YoY), the lowest level in 11 years, and later in 2021 since April 2021, when the outbreak worsened, it has put pressure on housing units sold in 2021 to be unable to recover. EIC expects housing units sold in Bangkok and its surrounding provinces in 2021 were sold with 57,300 units (-12%YoY).

However, the aforementioned situation causes residential dealers have to release their stocks and launching new housing projects cautiously, by delaying the launching of new housing projects for the rest of 2021. This made EIC to expect new housing units to be launched in Bangkok and its surrounding provinces in 2021 at 47,000 units (-36%YoY), a continuous decline from 2020 which had new housing launched at 73,043 units (-39%YoY). At the same time, commercial real estate operators have also been affected by the COVID-19 pandemic such as closing down business, and work-from-home measures. This caused the business sector to cancel or reduce the lease of office space, resulting in a continuous contraction in office building permit applications during the first five months of 2021. Retail spaces have been affected by past lockdown orders except supermarkets, take-out restaurants and delivery services. This caused tenants in other areas unable to bear the cost of rent and have to canceled the space lease even after the lockdown order has been relaxed. It is expected that the situation will not improve real soon. However, requesting permission to build a retail space in the first 5 months of 2021 could recover from a very low base in the first 5 months of 2020 that contracted -47%YTD. Although dealers or businessmen are still expanding the area to support the recovery of the retail business, there are still challenges from the rapidly expanding online shopping popularity that may reduce the number of shopping at the store. It is essential that businessmen need to improve their strategies to continue to attract more in-store purchases.

In 2022, the private construction value will likely remain stable as it still faces challenges from the slow recovery of the real estate sector. Besides, the business sector still has measures to allow employees to have hybrid working, work from home - work at the office, including the rapidly expanding popularity of online shopping that may affect commercial real estate operators that may likely to delay or reconsider the construction of large projects. Meanwhile, residential dealers are likely to develop smaller projects to be able to close sales quickly, with the private construction value expected to remain stable from 2021.

EIC views that in 2022, large dealers tend to adjust their strategies for more government construction, including small and medium-sized enterprises and is likely to turn to subcontractors for government construction amid a slow recovery in the real estate sector putting a pressure on large dealers to adjust.

Source : An article: A perspective of Thai construction industry in the rest of 2021 and 2022 trend, National Statistical Office, as of August 31, 2021

Product and Service Procurement

Data Center Service

As of December 31, 2021, PROEN has a data center service area at CAT Telecom Building of 2,086 square meters, which can support approximately 645 rack cabinets, of which 615 rack cabinets have already been used, or approximately 95.35%, 30 rack cabinets remaining for rent or about 4.65% 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. CAT Telecom (CAT)
2. Advance Wireless Network Company Limited (AWN)
3. TOT Public Company Limited (TOT)
4. Justel Network Company Limited (Jastel)
5. True International Gateway Company Limited (TIG)
6. 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 spam² and virus attack protection, application control system for transferring data via the internet network.

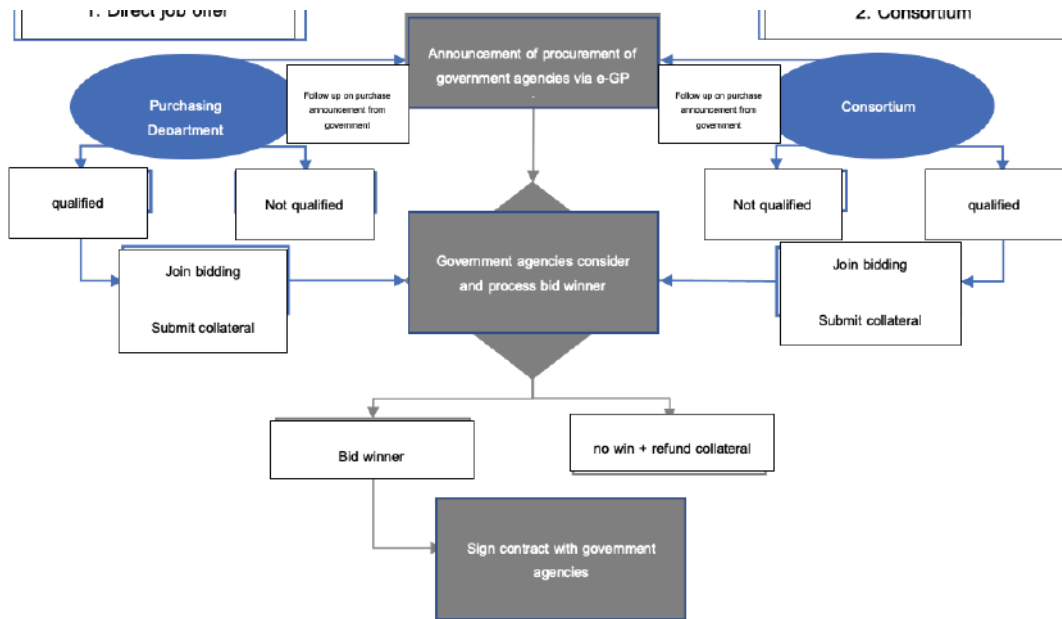
Target Customers and Channels for Services

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.

² Spam is the sending of unauthorized emails containing advertising messages to the recipient for commercial advertising purposes.

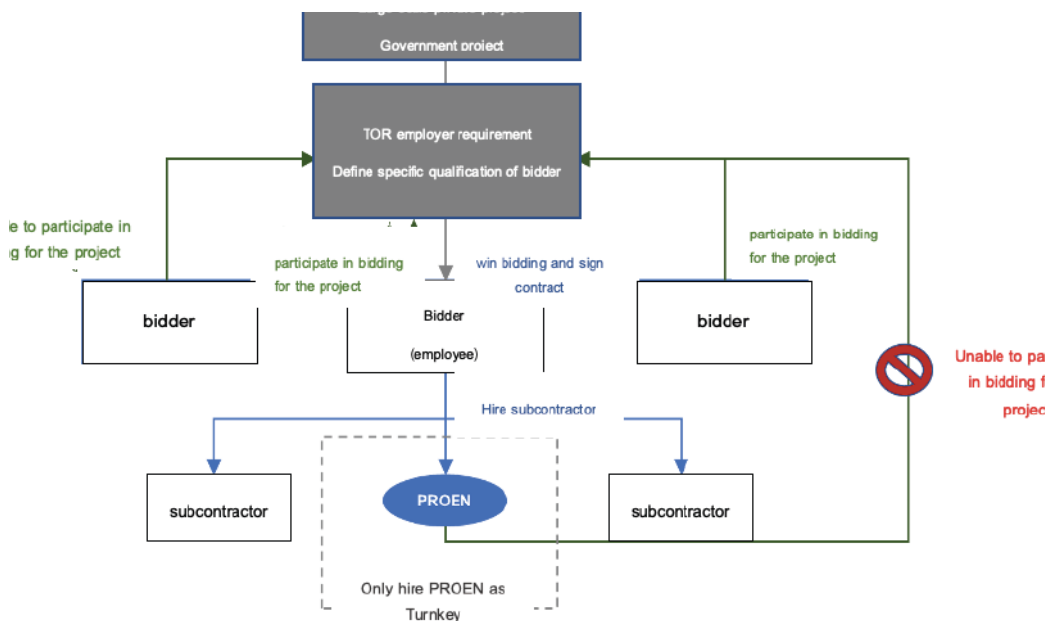
The process of accepting work from the government sector



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, 2020. The company group has approximately 69 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 companyGroup 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 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 an better adjusted gross margin.

Market Expansion

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

1.2.4 Environment Impact

None. As the company group's construction business takes the design into account, sustainable and environmentally friendly materials are used. Environmental pollution such as dust, noise, and other materials are controlled and prevented throughout the construction process. The company has prevented and fix the environmental impact both during the construction period and monitored on the delivery date.

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 (not including monthly recurring income of 260.92 million baht)

Project (Unit : Million Baht)	Project Value	Recognized Revenue until December 31, 2021	Work that has not yet been delivered	Preliminary Construction Schedule
True - Siam Square Block H & Wittayakit, Cabinet Transfer, Optical Cross Connet (OCC#02) and Dismantling Communication Equipment	1.81	0.36	1.45	Within 2022
Computer Center Core Network Efficiency Improvement Project	65.31	-	65.31	Within 2022
Total	67.12	0.36	66.76	

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, 2021	Work that has not yet been delivered	Preliminary Construction Schedule
A Drainage System to Solve Flooding Problems on Sri Ayutthaya Road and Rama 6 ¹ Project	219.54	95.03	124.51	Within 2022
Work on improving the efficiency of 14 power stations	91.26	58.42	32.84	Within 2022
Contract work to improve distribution system to underground cable - Nakhon Ratchasima (UG - Korat)	124.66	123.51	1.15	Within 2022
Contract for the construction of 69 KV underground power transmission line, the secondary gold line mass transit system project	3.70	-	3.70	Within 2022
Project for sale and installation of M&E system equipment, yellow and pink line stations	54.55	26.86	27.69	Within 2022

Project (Unit : Million Baht)	Project Value	Recognized Revenue until December 31, 2021	Work that has not yet been delivered	Preliminary Construction Schedule
Project to change the aerial cable system to underground power cable North Green Line (Phahon Yothin Road and Lad Phrao Road)	420.97	133.15	287.82	Within 2022
Total²	1,175.00	697.29	477.71	

¹ Telebiz was contracted by River Engineering Company Limited ("River") to construct a drainage project on Rama VI Road of the Bureau of Drainage, Bangkok ("BKK") has been working and encountered obstacles in underground construction. As a result, the construction work was stopped. River is in the process of making documents requesting an extension of the contract period with the BMA. As for the work that Telebiz has built and delivered to River, it appears that the payment has not yet been received from River. Allowance for doubtful accounts amounting to 13 million baht for Rama VI Road Project. The negotiation with River and River has been negotiated for Telebiz to offset the debt for the already operated segment, and the money received in advance and the security deposit

As of December 31, 2021, there are still works on Telebiz's part that have been completed but cannot be billed because other contractors' work has not been completed as follows:

a) Construction of a drainage pipe on Rama 6 Road The Metropolitan Waterworks Authority is unable to close the water distribution system that overlaps with the pipe construction, therefore unable to proceed with the construction

b) Due to the COVID-19 situation The 11th Inspector General's Battalion Entry is not permitted until the order changes.

Telebiz has an allowance for doubtful accounts of 12 million baht according to the accounting policy. And have made the second installment of the work worth 10 million baht with RICOH on January 7, 2021, which RICOH received the payment on April 2, 2021, the reason for the late payment, caused by the delay of the verification process However, the delayed payment period is still within 90 days, which is normal for construction companies in general. TELEBIZ considers reversing the amount of doubtful debts set at 10 million baht in the first quarter of 2021, as of 31 Dec. 2021 Telebiz has set up accumulated bad debts totaling 9.20 million baht according to the accounting policy.

for payment of future installments The Executive Committee will closely monitor the receipt of payment from all employers in every meeting in order to determine a timely solution to the problem.

2 work pending submission will not include space procurement projects. And lease use of WIFI systems to provide public Internet services (Google Station project) that is still waiting for a conclusion from CAT because Google has stopped providing CAT BUZZ has changed its service model by using Net work and Google project equipment. Originally in service To be able to continue the project and have continual income according to the project contract, which has a duration of 5 years, under the new project name is BUZZ Privilege WIFI by NTiBUZZ under the National Telecommunications Company Limited (Public) or NT, in the part of PROEN It is in the process of negotiating to modify the contract format in accordance with the project to provide a new service.

1.2.6 Telecommunication Networking Service Projects

PROEN and its subsidiaries have projects for continuous growth in the future as follows:

Projects	Value	Project Period	Note
<u>The Company's Future Projects</u>			
1.) A 115 kV Transmission Line Construction between Kamphaeng Saen Power Station - Tha Maka 2 Power Station (temporary), Nakhon Pathom Province Project	36,931,562.53 THB	2022-2023	In the process of making contract in April 2022
<u>Future Projects of Subsidiaries, Joint Ventures and Consortium</u>			
1) A 115 KV Transmission Line Construction between Tha Sae Power Station - Pathio Power Station, Chumphon Province Project	185,770,000 THB	2022-2023	On behalf of the joint venture STN & PROEN In the process of making contract in March 2022
2) The Space Aerial Cable system to Underground cable Replacement to Support the ASEAN Metropolis in Din Daeng Road (Soi Ruammit - Khlong Samsen) Project	22,113,474.93 THB	2022-2023	On behalf of the joint venture PROEN TELEBIZ In the process of making contract March 2022
3) The Space Aerial Cable System to Underground Cable Replacement to support the ASEAN Metropolis in Thanon Thahan (Samsen Road - Rama 6 Road) Project	21,999,579.85 THB	2022-2023	On behalf of the joint venture PROEN TELEBIZ In the process of making contract March 2022
4) The Space Aerial Cable System to Underground Cable Replacement to support the ASEAN Metropolis in	16,570,884.56 THB	2022-2023	On behalf of the joint venture PROEN TELEBIZ

Samsen Road (Nakhon Chaisi Road - Luk Luang Road) Project			Signed on March 1, 2022
5) The Space Aerial Cable System to Underground Cable Replacement to support the ASEAN Metropolis in Arun Amarin Road (Khlung Mon - Prachathipok Road) Project	21,999,579.85 THB	2022-2023	On behalf of the joint venture PROEN TELEBIZ Signed on March 1, 2022



1.2.7. Business Assets

Assets used in the Company's business as of December 31, 2021, 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, 2021, details are as follows:

No.	Lists	Ownership Characteristics	Book value (Million baht)	Obligation*
1.	Lands and lands improvement	Owner	75.86	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	11.88	
3.	Network device	Owner	32.13	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	14.96	None
5.	Vehicle	Owner	3.16	There are obligations under financial lease agreement in full amount (see details in 5.5 Summary of Hire Purchase)
6.	Assets under construction	Owner	-	
	Total		137.99	47.46

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, 2021, details are as follows:

No.	Lists	Ownership Characteristics	Book value (Million baht)	Obligation*
1.	Right-of-use – rental fee	Rental space	7.70	None
2.	Right-of-use –dismantling cost	N/A	1.02	None

Note: * Obligation means guarantee obligation

1.3 Intangible assets

No.	Lists	Ownership Characteristics	Book value (Million baht)	Obligation*
1.	Computer program	Owner	0.51	None
2.	Right-of-use – IP address	Owner	2.28	None

2. Investment in subsidiaries

As of December 31, 2021, the Company has investments in 3 subsidiaries, 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. PROEN FIT Joint Venture ¹	Providing internet service	11 Jan 2019	-	-	97
Total				12.00	

¹ PROEN 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

3. Trademarks and Service Marks

As of December 31, 2021, 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
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. SNOG Trademark and Service Marks 	SNOG	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 	SNOG	Installation and maintenance service for computer network	161104120/Thailand	10 years starting from 19 Mar 2015 to 18 Mar 2025

Trademarks and Service Marks	Registration Applicant	Type of Service	Registration Number/Registered Country	Coverage Period
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	112,300,000.0 baht consists of 1. Network device, 111,000,000.0 baht 2. Furniture – installed/built-in fixtures, 1,300,000.0 baht
Location of Property Insured	CAT Tower, Floor 4 and 18, address no. 72, Room 403 - 405, Hall 3 and Room 1801, 1802, 1803, 1804 and 1806, Charoenkrung Road, Bangrak Subdistrict, Bangrak District, Bangkok 10500
Period of Insurance	June 5, 2021 to June 5, 2022
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	CAT Tower, Floor 4 and 18, address no. 72, Room 403 - 405, Hall 3 and Room 1801, 1802, 1803, and 1806, Charoenkrung Road, Bangrak Subdistrict, Bangrak District, Bangkok 10500
Period of Insurance	June 5, 2021 to June 5, 2022
Beneficiary	PROEN Corp Public Company Limited
Special Conditions	<ul style="list-style-type: none"> Car Park Liability, liability is limited to 1,000,000 baht/time and throughout the insurance period

	<ul style="list-style-type: none"> ● Premised Medical Payment, liability is limited to 3,000 baht/person and 300,000 baht/ each accident and throughout the insurance period ● Water Damage Liability, liability is limited to 500,000 baht/time and throughout the insurance period
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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 network 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 CAT Telecom Building and Parking Building, Bang Rak, which are the location of the head office and the Data Center

Rental Location	CAT Telecom Building, Bang Rak District, Bangkok, floor 4 and 18, total area of 2,079 square meters, consists of <ol style="list-style-type: none"> 1. Data Center rental space, floor 4 and 18, total area of 2,022 square meters² 2. Storage room on the 4th floor, area of 57 square meters
Rental Objective	To operate a data center service
Counterparty	Lessor: CAT Telecom Public Company Limited Lessee: PROEN Corp Public Company Limited
Contract Period	3 years
Rate of rental and service/month	Divided into 2 cases <ol style="list-style-type: none"> 1. A 24-hour common room³ has a rental and service rate of 800-880 baht per square meters. 2. A common room operating during business hours 8:00 a.m. – 5:00 p.m. has a rental and service rate 550-605 baht per square meters.
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.

² 1 Data Center rental room, area of 240 square meters is currently in the process of arranging a lease agreement with CAT Telecom.

³ Central services include air conditioning and lighting systems, normal service areas in the building, telephone systems, cleaning services and others.

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.
Other conditions	<ul style="list-style-type: none"> - The lessee is the person who pays the property and land tax or any other tax arising from the lease under the contract. (The property and land tax are already included in the rent.) - If the lessee is unable to pay the rent in time, the lessee agrees to be charged 15 percent of interest rate from the day following the due date until the payment is complete. - The lessee will not transfer his tenancy to another person.

5.2 Network and WiFi equipment installation contract (Google Station)

Date of Contract	January 8, 2019
Counterparty	Lessor: PROEN Corp Public Company Limited Lessee: Cat Buzz TV Company Limited (CAT Buzz), a joint venture company with CAT Telecom Plc., is a major shareholder and is a business operator in telecommunication network installation.
Contract details	The property is rented out with the use of network system services and WiFi equipment and all related devices are available to repair, maintain all network systems and equipment in good working condition.
Compensation	<ol style="list-style-type: none"> 1. Compensation for using network system services and devices depends on the number of devices actually activated each month. 2. Compensation for finding a place with permission to install – between 12,750 - 15,000 baht per location. 3. Compensation for relocation fee – 10,000 baht/device
Contract Period	5 years and requires mutual agreement to extend the contract for another 5 years.
Renter Insurance Policy	The lessor agrees to be responsible for compensation to the lessee in the case that the network system is damaged and cannot be used normally.
Termination of Contract	<ul style="list-style-type: none"> - In the case that either party fails to comply with any of the contracts causing damage to the other party and there is no remedy within 30 days or there is a delay in the procurement and delivery of the rental property - Either party is sent for receivership or bankruptcy by the court. - However, the contract may not be canceled and revoked by either party in all cases for 3 years from the date the system has been successfully installed. If the contract is terminated by the lessee before 3 years, the lessee agrees to be responsible for the expenses related to the purchase and installation of WiFi equipment for the Company according to the actual damage in full amount.

Note	- The Company has made joint venture to provide network system and WiFi equipment installation services with Smart ICT International Company Limited (Smart ICT). Smart ICT is responsible for procuring installing/maintaining/repairing/maintaining network systems and related equipment, as well as arranging staff to support service failures. In this regard, the Company will pay 90 percent of compensation to Smart ICT that the Company receives from CAT Buzz.
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5.3 Summary of the contract for construction project

- 1) A Sale contract and a project of the installation of materials for the mass transit system (M&E), dated August 24, 2021

Counterparty	Employer: Alpha Electric Engineering Company Limited Contractor: PROEN Corp Public Company Limited
Scope of Service	A project of contract for the installation of materials and equipment of the electric railway system (M&E: Mechanical system and Electrical system) for Station, namely the MRT Yellow Line Project.
Contract Value	54,545,682.56 baht (excluding VAT)
Contract Period	The period of time to complete the work is within 6 months starting from the date of signing the contract.

- 2) 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 November 3, 2021

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	420,969,406.72 baht (excluding VAT)
Contract Period	within July 13, 2022

- 3) A Contract for the construction of drainage system to solve flooding problems on Sri Ayutthaya Road and Rama 6 Road project, dated April 30, 2018 and the memorandum of agreement attached to the contract, No. 1, dated June 26, 2020 and the memorandum attached to the contract, No. 2, dated July 31, 2020

Counterparty	<p>Employer: River Engineering Company Limited (River), later changed the sub-employer to Ricoh (Thailand) Limited (RC)</p> <p>Contractor: PROEN Telebiz Company Limited (TELEBIZ) later changed to NTRC PROEN Joint Venture consisting of PROEN, Ntree Infinity Holding Company Limited (NT), and Ricoh (Thailand) Limited (RC)</p>												
Scope of Service	<p>A construction of water pipes, sewage pipes, pumping wells, pressure wells, manhole, dams, and repairing road surfaces caused by road drilling for sewer construction</p> <p>Under the contract 1. A Contract for the construction of drainage system to solve flooding problems on Sri Ayutthaya Road and Rama 6 Road and the memorandum of agreement attached to the contract, No. 1</p> <ol style="list-style-type: none"> 1. A construction of REP⁴ and sewage pipes 2. A construction of pumping wells, pressure wells, manhole 3. A construction of RCD (Reinforced-Concrete Dam) 4. A construction of repairing road surfaces caused by road drilling for sewer construction 												
Contract Value	<p>In the amount of 243,822,232.15 baht (excluding VAT), TELEBIZ has operated and has already drawn up to 57,801,536.54 baht, the remaining contract value received by NTRC PROEN is 186,020,695.61 baht, with the proportion of work value at TELEBIZ, NT and RC being responsible is accounted for 0.01 percent, 50.0 percent, and 50.0 percent, respectively.</p> <p>As of July 31, 2020, NTRC PROEN Joint Venture and the employer have entered into a memorandum of agreement attached to the contract to determine the settlement agreement as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;"></th> <th style="text-align: center;"><i>River Account Receivable Lists</i></th> <th style="text-align: center;"><i>Amount (baht)</i></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1.</td> <td><i>River account receivable</i></td> <td style="text-align: right;"><i>20,714,602.7</i></td> </tr> <tr> <td style="text-align: center;">2.</td> <td><i>Deduct the advance payment Telebiz received from River</i></td> <td style="text-align: right;"><i>20,274,800.2</i></td> </tr> <tr> <td></td> <td style="text-align: center;"><i>River Account Receivable as of July 31, 2020</i></td> <td style="text-align: right;"><i>439,802.4</i></td> </tr> </tbody> </table> <p>Note: Other receivable River of 1,084,917.7 baht, which is not used to set off the debt, is the performance guarantee under the contract, which TELEBIZ receiving such money will be refunded after the retention period, which RC subcontracted for TELEBIZ to continue operating (details in 1.1). Subcontracting contract between RC and TELEBIZ has the amount of 161,956,816.54 baht (excluding VAT), totaling 219,542,686.89 baht for the construction of a drainage system to solve flooding problems on Sri Ayutthaya Road and Rama 6 Road. (excluding VAT).</p>		<i>River Account Receivable Lists</i>	<i>Amount (baht)</i>	1.	<i>River account receivable</i>	<i>20,714,602.7</i>	2.	<i>Deduct the advance payment Telebiz received from River</i>	<i>20,274,800.2</i>		<i>River Account Receivable as of July 31, 2020</i>	<i>439,802.4</i>
	<i>River Account Receivable Lists</i>	<i>Amount (baht)</i>											
1.	<i>River account receivable</i>	<i>20,714,602.7</i>											
2.	<i>Deduct the advance payment Telebiz received from River</i>	<i>20,274,800.2</i>											
	<i>River Account Receivable as of July 31, 2020</i>	<i>439,802.4</i>											

⁴ REP refers to Reinforced Concrete Pipe

Contract Period	The main contract period is 209 days from the date on which the contractor receives the notice to start the work and the project owner delivers the area. (From July 3, 2018 to January 28, 2019). Due to obstacles in the operation, the contract period has been extended to December 31, 2020. However, the company cannot specify the termination date of the contract since it is in the process of considering extending the main contract period of the project by Bangkok.
Performance Bond	Letter of guarantee by a commercial bank is worth 5.0% of the contract value.
Termination of Contract by the Employer	If the contractor is unable to complete the work within the specified time, the employer has the right to hire a new contractor to complete the work. In the case that the employer terminates the contract, the employer may do the work itself or hire others to continue the work until it is completed with the right to use tools and equipment for such work. Materials and equipment are reserved for the employment under the contract as reasonable.
Event of Default	If the contractor is unable to complete the work within the specified time, the contractor shall pay a daily fine of 0.2 percent of the contract value. As for the subcontracting contract between RC and TELEBIZ, if the contractor is unable to complete the work within the specified time, the contractor shall pay a daily fine of 0.1% of the contract value.

- 4) A contract of improving the efficiency of the power station to standardized as IEC 61850 (14 stations), dated on June 12, 2019

Counterparty	Employer: Provincial Electricity Authority Contractor: Joint venture between PROEN Corp Public Company Limited and Timpano Electrical Company Limited (Timpano)
Scope of Service	<ul style="list-style-type: none"> - A contract to improve the efficiency of the power station to standardize as IEC 61850 according to the project to increase the efficiency of the power distribution center system. - Group A, 4 stations, consisting of Muak Lek Power Station in Saraburi Province, Thammasat Power Station in Pathum Thani Province, Aranyaprathet Power Station in Sa Kaeo Province, and Prachantakham Power Station in Prachinburi Province. - Group B, 4 stations, consisting of Ban Chang Power Station in Rayong Province, Chachoengsao Power Station in Chachoengsao Province, Na Yai Am Power Station in Chanthaburi Province, and Chanthaburi Power Station in Chanthaburi Province. - Group C, 6 stations, consisting of Aom Yai Power Station 2 in Nakhon Pathom Province, Sampran Power Station 1 in Nakhon Pathom Province, and Don Chedi Power Station in Suphan Buri Province, Ban Phaeng Electricity Station in Samut Sakhon Province, Tha Sae Electricity Station in Chumphon Province, and Bang Saphan Power Station 1 in Prachuap Khiri Khan Province.

Contract Value	with a value of 193,568,350.0 baht (excluding VAT), with a proportion of the work value that PROEN and Timpano are responsible, is accounted for 50.0% (responsibility for financing or collateral and other actions other than the scope of Timpano's work) and 50.0% (responsible for bidding, administration and coordination with the project owner), respectively, representing the value of the Company's work in the amount of 91,260,000 baht (not yet including VAT).
Contract Period	400 days counting from the date the contractor receives the notice to start the work and the project owner delivers the area (From July 1, 2019 to August 5, 2020) The contractor must complete the demolition, installation and testing. Due to the Covid-19 epidemic, a ban/ limitation to get into the country has been announced since April 4, 2020, resulting to the project equipment specialist being unable to produce and deliver the product on schedule. The contractor therefore reserves the right to extend the period from April 4, 2020 onwards until it returns to normal.
Performance Bond	5.0 percent of the work value
Retention	5.0 percent of the work value
Work Guarantee	3 years
Termination of Contract by the Employer	In the case that the employer terminates the contract, the employer may work on its own or hire others to continue the work until it is completed.
Event of Default	Daily fine at 0.1% of the contract value

5) A subcontract for improving the distribution system to underground cable, dated November 13, 2019

Counterparty	Employer: Provincial Electricity Authority Contractor: Joint venture between PROEN Corp Public Company Limited and Sricholthorn Company Limited (Sichonlathorn)
Scope of Service	- A contract for improving the distribution system to underground cables according to the electrical system development project in major cities, Phase 1 (Lot 4), Prajak Road, Chainarong Road, Ratchanikul Road (partly), Ratchadamnoen Road (partly), Phon Saen Road (partly)) Yommarat Road (partly), Atsadang Road (partly), Chomphon Road (partly), Mahadthai Roads (partly), and Sapphasit Roads (partly), Nakhon Ratchasima Municipality, Nakhon Ratchasima Province
Contract Value	With the value of 314,000,000.0 baht (including VAT), with a proportion of the work value that PROEN and Sichonlathorn are responsible, is accounted for 33.1 percent (responsible for the area of Prajak Road, Phon Saen Road, Yommarat Road, Asadang Road, Chomphon Road, Mahadthai Road, a total distance of 2.1 km.) and 66.9 percent (responsible for Chainarong Road, Sanpasit Road, Ratchadamnoen Road, and Ratchanikul Road, a total distance of

	approximately 2.7 km and all electric transformer related to works), respectively, representing the value of the Company's work in the amount of 124,663,427.20 baht (excluding 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 March 2, 2020 to February 25, 2021). Due to the COVID-19 situation, it results in equipment vendors from abroad are unable to deliver products on scheduled. Therefore, the period of operation has been extended for an additional of 184 days).
Performance Bond	10.0% of the work value
Retention	10.0% of the work value
Work Guarantee	2 years
Termination of Contract by the Employer	In the case that the employer terminates the contract, the employer may work on its own or hire others to continue the work until it is completed.
Event of Default	Daily fine at 0.3% of the contract value

- 6) A contract for the construction of a 69 KV underground power transmission line project, a mass transit system under the Golden Line on Charoen Nakhon Road, Somdet Chao Phraya Road, and Ladya Road, Khlong San Sub-district, Khlong San District, Bangkok, dated August 31, 2021

Counterparty	Employer: Metropolitan Electricity Authority Contractor: PROEN-WRC Joint Venture (between PROEN Corp Public Company Limited and W.R.C. Electric and Communication Company Limited)
Scope of Service	A project of contracting and procuring materials, equipment, labor and tools, machinery used for the construction of a 69 KV underground power transmission line project, a mass transit system under the Golden Line on Charoen Nakhon Road, Somdet Chao Phraya Road, and Ladya Road, Khlong San Subdistrict, Khlong San District, Bangkok
Contract Value	3,696,260.00 baht (excluding VAT)
Contract Period	within February 27, 2022

5.4 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, 2021	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)	5.80	30.00	MLR – 1.5% Fixed 4%	<ul style="list-style-type: none"> - Land mortgage (title deeds 4810, 97756) with buildings owned by PROEN in the amount of 10.63 million baht - Mr. Kittiphon Sribuaiam 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



Borrower	Lender	Loan Type	Contract Date	Installment amount and number of installments (million baht/month)	Overdue Loans (million baht) As of December 31, 2021	Total Credit Limit (million baht)	Interest Rate (%)	Collateral	Important Financial Terms
		Loan (Electrical adjustment work, building system for data center room at CAT Telecom Building)	27 Mar 2017	0.29 (60-month installments)	1.13	15.00	MLR – 1.0%	<ul style="list-style-type: none"> - A second land mortgage (title deeds 4810, 97756) with buildings owned by PROEN in the amount of 10 million baht - Mr. Kitiphan Sribuaiam 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 	
		Loan (Working capital and investment in business)	22 May 2020	0.38 (60-month installments)	19.56	20.00	<ul style="list-style-type: none"> 1st – 24th installment: MLR – 0.5% 25th installment onwards: MLR 	<ul style="list-style-type: none"> - Mr. Kitiphan Sribuaiam 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

Borrower	Lender	Loan Type	Contract Date	Installment amount and number of installments (million baht/month)	Overdue Loans (million baht) As of December 31, 2021	Total Credit Limit (million baht)	Interest Rate (%)	Collateral	Important Financial Terms
		Loan (pay for life insurance)	22 May 2020	0.01 (60-month installments)	0.33	0.43	MLR	- Mr. Kitiphan Sribuaiam is a guarantor for the full amount.	None
		Loan (pay for life insurance)	19 Nov 2019	0.04 (60-month installments)	2.05	2.05	MLR	- Mr. Kitiphan Sribuaiam is a guarantor for the full amount.	None
		OD	27 Jan 2010	Revolving limit	0.93	2.60	MRR + 1.0%	- A second land mortgage (title deeds 59966) with buildings owned by Mr. Kitiphan Sribuaiam in the amount of 2.6 million baht - Mr. Kitiphan Sribuaiam 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, 2021	Total Credit Limit (million baht)	Interest Rate (%)	Collateral	Important Financial Terms
			23 Dec 2010	Revolving limit		1.70	MRR + 1.0%	<ul style="list-style-type: none"> - Land mortgage (title deeds 46389) with buildings owned by Mr. Kittiphan Sribuaiaam in the amount of 1.7 million baht - Mr. Kittiphan Sribuaiaam is a guarantor for the full amount. 	None
			29 Aug 2010	Revolving limit		8.00	Fixed deposit interest + 2.0%	<ul style="list-style-type: none"> - Fixed deposit account of PROEN in the amount of 8.0 million baht - 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, 2021	Total Credit Limit (million baht)	Interest Rate (%)	Collateral	Important Financial Terms
		Short-term loan	29 Oct 2019	Revolving limit	-	64.00	MLR	<ul style="list-style-type: none"> - 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 Sribuaiaim 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. 	

Borrower	Lender	Loan Type	Contract Date	Installment amount and number of installments (million baht/month)	Overdue Loans (million baht) As of December 31, 2021	Total Credit Limit (million baht)	Interest Rate (%)	Collateral	Important Financial Terms
		Short-term loan	29 May 2017	Revolving limit	-	15.00	MLR	<ul style="list-style-type: none"> - 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 Sribuaiam in the amount of 3.9 million baht - A third land mortgage (title deeds 59966) with buildings owned by Mr. Kittiphan Sribuaiam in the amount of 4.9 million baht - Mr. Kittiphan Sribuaiam 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, 2021	Total Credit Limit (million baht)	Interest Rate (%)	Collateral	Important Financial Terms
		Long-term loan (Working capital to invest in business expansion)	19 Oct 2017	0.32 (60-month installments)	3.00	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
	BBL	Long-term loan (Working capital to invest in business expansion)	25 May 2020	0.08 (12-month installments)	0.41	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, 2021	Total Credit Limit (million baht)	Interest Rate (%)	Collateral	Important Financial Terms
	TMB	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)	<ul style="list-style-type: none"> - 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. Kitiphan Sribuaiam 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)	1.11	2.00	MLR - 1.5%	<ul style="list-style-type: none"> - Land mortgage (title deeds 90992 and 90993) with buildings owned by PROEN in the amount of 454.403 million baht 	

Borrower	Lender	Loan Type	Contract Date	Installment amount and number of installments (million baht/month)	Overdue Loans (million baht) As of December 31, 2021	Total Credit Limit (million baht)	Interest Rate (%)	Collateral	Important Financial Terms
		Long-term loan (to pay for the land and an office building construction)	16 Dec 2019	0.23 (72-month installments)	10.74	16.00	MLR – 1.25%	- A second land mortgage (title deeds 5716) with buildings owned by Mr. Kittiphan Sribuaiaim - Mr. Kittiphan Sribuaiaim and WWH guaranteed credit line in the amount of 218 million baht - SNOC and TELEBIZ guaranteed credit line in the amount of 200 million baht	-D/E ¹ not more than twice of loan -DSCR ² 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%		

¹ As of December 31, 2020, the Company has received a waiver from the bank in terms of both D/E and DSCR for Q4/2020, and the Company will submit a quarterly advance letter requesting a waiver from the bank.

² Debt 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, 2021	Total Credit Limit (million baht)	Interest Rate (%)	Collateral	Important Financial Terms
		OD / LC / TR / LG / AVAL / export credit / Export Guarantee / Export Bill Purchase	21 Oct 2015	Revolving limit	-	25.00	MOR+0.0% (for OD)	<ul style="list-style-type: none"> - Land mortgage (title deeds 5716) with buildings owned by Mr. Kittiphan Sribuaiam 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 Sribuaiam is a guarantor for the full amount. 	None
		OD	15 Nov 2018	Revolving limit	-	10.00	MOR	<ul style="list-style-type: none"> - The burden of guarantee has been relieved 	
	SCB	TR	15 Nov 2018	Revolving limit	-	10.00	N/A	<ul style="list-style-type: none"> - Land mortgage (title deeds 75936) with buildings owned by Mr. Kittiphan Sribuaiam in the amount of 20 million baht 	None

Borrower	Lender	Loan Type	Contract Date	Installment amount and number of installments (million baht/month)	Overdue Loans (million baht) As of December 31, 2021	Total Credit Limit (million baht)	Interest Rate (%)	Collateral	Important Financial Terms
	EXIM	Revolving loan	5 Nov 2018	Revolving limit	25.00	25.00	Prime Rate – 1%	<ul style="list-style-type: none"> - Mr. Kittiphan Sribuaiam is a guarantor for the full amount. - Land mortgage (title deeds 67087) with buildings owned by Mr. Kittiphan Sribuaiam 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



Borrower	Lender	Loan Type	Contract Date	Installment amount and number of installments (million baht/month)	Overdue Loans (million baht) As of December 31, 2021	Total Credit Limit (million baht)	Interest Rate (%)	Collateral	Important Financial Terms
		Loan (Working capital for Takua Pa project)	29 Aug 2019	Revolving limit	-	34.00	Prime Rate – 1%	<ul style="list-style-type: none"> - Mr. Kittiphan Sribuaitiam is a guarantor for the full amount. - Register a business collateral in the PROEN's savings account in the amount of 94.76 million baht - Register a business collateral in the PROEN's savings account in the amount of 6.4 million baht - Transfer the right to receive money under the employment contract 	None
	MUFG ³	Sale & Lease back contract ⁴	2 Jun 2020	0.06 (60-month installments)	2.49	3.40	N/A	<ul style="list-style-type: none"> - Mr. Kittiphan Sribuaitiam is a guarantor for the full amount. 	None

³ Bangkok Mitsubishi UFI Lease Company Limited

⁴ The 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.

Borrower	Lender	Loan Type	Contract Date	Installment amount and number of installments (million baht/month)	Overdue Loans (million baht) As of December 31, 2021	Total Credit Limit (million baht)	Interest Rate (%)	Collateral	Important Financial Terms
			2 Jul 2020	0.05 (60-month installments)	1.85	2.50	N/A	- Mr. Kitiphan Sribuaiam is a guarantor for the full amount.	None
			27 Aug 2020	0.19 (60-month installments)	7.51	9.80	N/A	- Mr. Kitiphan Sribuaiam 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)	5.40	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. Kitiphan Sribuaiam 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, 2021	Total Credit Limit (million baht)	Interest Rate (%)	Collateral	Important Financial Terms
	TMB	OD	16 Dec 2019	Revolving limit	3.00	5.00	MOR – 0.5%	<ul style="list-style-type: none"> - Mr. Kittiphan Sribuaiam, WWH, PROEN are guarantors for the full amount. - A second land mortgage (title deeds 90992 and 90993) with buildings owned by Mr. Kittiphan Sribuaiam in the amount of 5 million baht - A second and third land mortgage (title deeds 5716) with buildings owned by Mr. Kittiphan Sribuaiam 	None
Total					90.31	723.08			

5.5 Summary of Lease Agreement

Lessee	Lessor	Loan Type	Contract Date	Rental Fee ⁵	Unpaid Rent (million baht) As of December 31, 2021	Collateral	Other Conditions
PROEN	FEKBANK ⁶	Leasing of communication network equipment	6 Jul 2017	48-month installment, 203,296 baht/month	0.00	Mr. Kittiphan Sribuaiaam guaranteed in the amount of 9.8 million baht	The right to purchase the land lease when the lease is terminated has a price of 0.9 million baht.
			22 Sep 2017	48-month installment, 199,597 baht/month	0.00	Mr. Kittiphan Sribuaiaam guaranteed in the amount of 9.6 million baht	The right to purchase the land lease when the lease is terminated has a price of 0.9 million baht.
			1 Aug 2019	36-month installment 576,337 baht/month	4.32	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.
	TISCO ⁷	Leasing of communication	25 Jun 2018	36-month installment 30,355 baht/month	0.00	Mr. Kittiphan Sribuaiaam guaranteed in the amount of 1.2 million baht	The right to purchase the land lease when the lease is terminated has a price of 0.1 million baht.

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

⁶ FEKBANK refers to Kasikorn Factory and Equipment Company Limited

⁷ TISCO refers to TISCO Tokyo Leasing Company Limited

Lessee	Lessor	Loan Type	Contract Date	Rental Fee ⁵	Unpaid Rent (million baht) As of December 31, 2021	Collateral	Other Conditions
		network equipment	18 Sep 2018	36-month installment 27,047 baht/month	0.00	Mr. Kittiphan Sribuaiaam guaranteed in the amount of 1.1 million baht	The right to purchase the land lease when the lease is terminated has a price of 0.1 million baht.
	BMW ⁸	Car leasing	26 Jan 2017	60-month installment 35,595 baht/month	0.00	Mr. Kittiphan Sribuaiaam guaranteed in the amount of 2.1 million baht	None
PROEN	BENZ ⁹	2 car leasing	27 Aug 2019	61-month installment 45,736 baht/car	4.12	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	Car leasing	18 Jan 2017	60-month installment 36,000 baht/car	0.04	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	18 Jun 2019	None	14.46	None	None

⁸ BMW refers to BMW Leasing (Thailand) Company Limited

⁹ BENZ refers to Mercedes-Benz Leasing (Thailand) Company Limited

Lessee	Lessor	Loan Type	Contract Date	Rental Fee ⁵	Unpaid Rent (million baht) As of December 31, 2021	Collateral	Other Conditions
		Google Station project ¹⁰					
Total					22.94		

¹⁰ The 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	<p>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:</p> <ol style="list-style-type: none"> 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 telecommunication 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 <p>Note: PROEN provides services in items 4, 5 and 8.</p>
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.

<p>License Terms</p>	<ul style="list-style-type: none"> ● 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.
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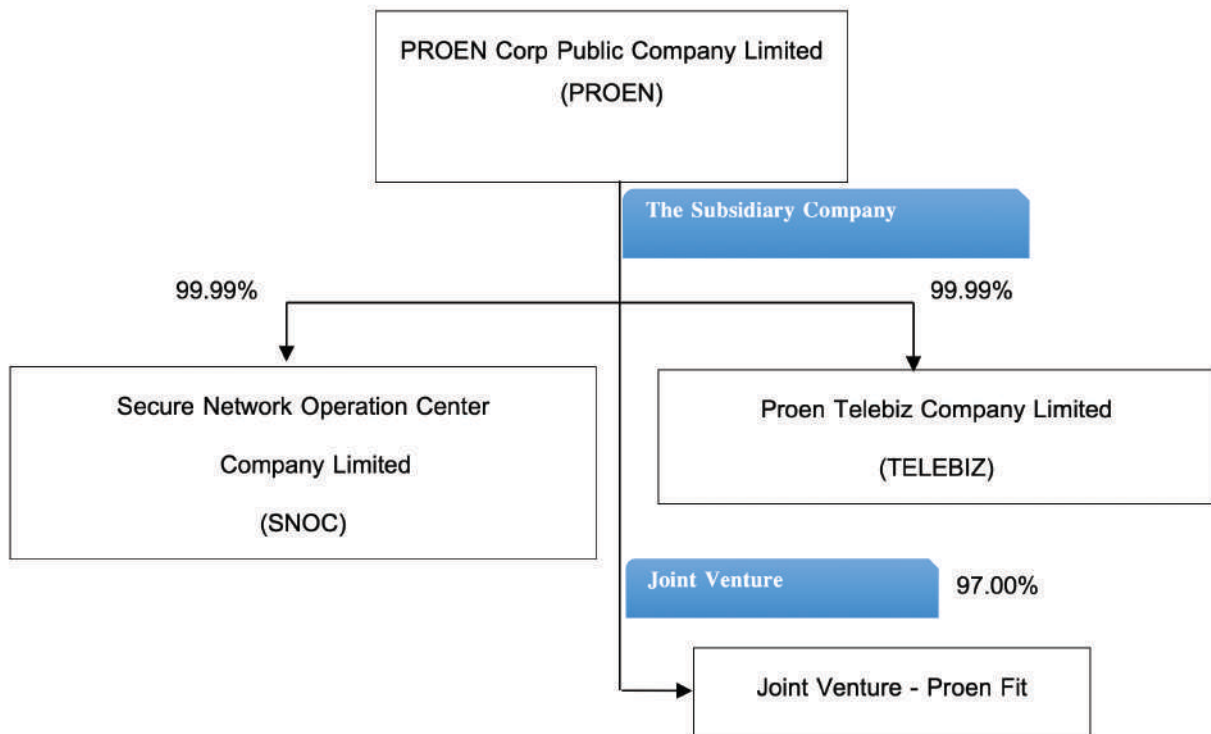
7. Investment Policy in Subsidiaries and Associated Companies

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, 2021 are as follows:



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

1) PROEN Corp Public Company Limited

Conducting business in providing service of the Internet Data Center (IDC), distributing information technology devices, and providing other supplementary services that support IDC including the internet service provider (ISP) at the organizational level, DDoS Protection, Cloud service, Web hosting service, and domain registration service, as well as the basic telecommunication construction work contract. Currently, it has paid capital of 115 million baht. It was established in 3 October, 1997.

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

Registered capital and paid-up capital : 2,000,000 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 : Million Baht	consolidated financial statements			Separate financial statements		
	31 Dec.	31 Dec.	31 Dec.	31 Dec. 20	31 Dec.	31 Dec.
	2021	2020	2019	2021	2020	2019
total assets	-	-	-	10,602,085	9,991,527	13,295,868
total liabilities	-	-	-	1,770,117	1,318,967	6,007,382
Equity	-	-	-	8,831,968	8,672,560	7,288,486
total income	-	-	-	7,079,587	10,377,601	14,925,183
net profit	-	-	-	159,408	1,384,074	3,423,966
Earnings per share (Baht)	-	-	-	7.97	69.20	171.19
Debt to Equity Ratio (times)	-	-	-	0.20	0.15	0.82

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 and : 10,000,000 baht

paid-up capital

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 : Million Baht	consolidated financial statements			Separate financial statements		
	31 Dec.	31 Dec.	31 Dec.	31 Dec. 20	31 Dec.	31 Dec.
	2021	2020	2019	2021	2020	2019
total assets	-	-	-	52,651,478	66,206,937	89,386,198
total liabilities	-	-	-	94,009,476	99,467,662	109,908,055
Equity	-	-	-	(41,357,998)	(33,260,725)	(20,521,857)
total income	-	-	-	6,483,840	21,669,062	73,831,891
net profit	-	-	-	(8,097,273)	(20,238,868)	(20,115,525)
Earnings per share (Baht)	-	-	-	(80.97)	(215.88)	(804.62)
Debt to Equity Ratio (times)	-	-	-	(2.27)	(2.99)	(5.36)

4) Joint Venture - Proen Fit

Date of establishment : 11 January, 2019

Location : 72 CAT Telecom Building, 4th Floor, 18 Charoenkrung Road Bangrak Subdistrict, Bangrak District, Bangkok 10500

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 : Million Baht	consolidated financial statements			Separate financial statements		
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2019	31 Dec. 2021	31 Dec. 2020	31 Dec. 2019
total assets	-	-	-	5,728,856	4,176,093	3,992,148
total liabilities	-	-	-	5,251,432	3,872,648	3,863,366
Equity	-	-	-	477,424	303,445	128,782
total income	-	-	-	7,965,734	7,965,938	5,974,843
net profit	-	-	-	173,979	174,663	128,782
Earnings per share (Baht)	-	-	-	N/A	N/A	N/A
Debt to Equity Ratio (times)	-	-	-	10.99	12.76	29.99

5) Proen Mode Solution Joint Venture

Date of establishment : 29 September, 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 Online Learning Platform System Development
 Project with the Southern Private School Association

Ratio of shareholding : PROEN Corp Public Company Limited holds responsibility of 80.00%
 : Mode Solution Company Limited holds responsibility of 20.00 %

Important financial information : -None-

6) Proen WRC Joint Venture

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 -

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, 2021, the Company's registered up capital are as follows and paid:-

- Registered capital 158,000,000 baht divided into 316,000,000 shares with a par value of 0.5 baht.
- Paid-up capital 158,000,000 baht divided into 316,000,000 shares with a par value of 0.5 baht.

1.2 Preferred shares

-None-

2 Outstanding debt, bills of exchange and bond

As of December 31, 2021, the Company has no outstanding balance of bills of exchange and bond.

3. Shareholders

3.1 List of Major Shareholders

The list of the top 10 shareholders of the Company as of December 31, 2021 as follows:

	Name/group of shareholders	Shares	% Shares
1	Mr. Kittipan Sri-bua-iam	120,371,800	38.092
	Wealth Water House Co., Ltd. ^{a)}	84,000,000	26.582
	Total kittipan group	204,371,800	64.674
2	Mr. Suwat Jaikham	3,000,000	0.949
3	MR. Kiat Techapongtada	2,000,000	0.633
4	Mr. Anusorn Asiralertsiri	2,000,000	0.633
5	Mr. William Ellwood Heinecke	2,000,000	0.633
6	Miss Hathaichanok Wachirapong	1,845,400	0.584
7	Mr. Phol Sribuaaiam	1,750,200	0.554
8	Mrs. Phenthip Sri-bua-lam	1,750,000	0.554
9	Thai NVDR Company Limited ^{b)}	1,724,164	0.546
10	Mr. Visrut Manunpon	1,338,700	0.424
	Total shares	221,780,264	70.184

Minor shareholders, 6,931 shareholders, representing 29.816%, 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-

1.3.3 The issuance of other securities

1 Convertible securities such as warrant convertible bonds

-None-

2 Securities that are debt instruments such as bond, bill of exchange

-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 is as follows:

	Name	IPO		As at 31 Dec 2021		Changing Remarks
		As of 29 Apr 2021		As at 31 Dec 2021		
		Shares	%	Shares	%	
Committees						
1	Mr. Sathit Puttachaiyong	159,200	0.050	159,200	0.050	
	Spouses and immature child	--	--	--	--	
2	Mr. Nopparat Phutaviriya	--	--	--	--	
	Spouses and immature child	--	--	--	--	
3	Mrs. Panarat Panmanee	158,700	0.050	158,700	0.050	
	Spouses and immature child	--	--	--	--	
4	Mr. Kittipan Sri-bua-iam	145,371,800	46.000	120,371,800	0.381	sell 25,000,000 shares
	Wealth Water House Co., Ltd. ^{a)}	84,000,000	26.582	84,000,000	26.582	--
	Spouses and immature child	--	--	--	--	--
5	Mr. Naris Ratyiam	393,200	0.124	272,300	0.086	buy and sell
	Spouses and immature child	--	--	--	--	--
6	Mr. Somkiat Yubanphaeo	314,200	0.099	250,000	0.079	buy and sell
	Spouses and immature child	--	--	--	--	--
7	Mr. Parnai Kungwalrut	153,700	0.049	153,700	0.049	
	Spouses and immature child	--	--	--	--	--
8	Mrs. Punsaya Paprakompisit	361,000	0.114	246,500	0.078	buy and sell
	Spouses and immature child	--	--	--	--	--
Executive Director and Executive						
9	Mr. Nititorn Deeumpai	140,000	0.044	1,000	0.0003	sell 139,000 shares
	Spouses and immature child	--	--	--	--	--
10	Mr. Visrut Manunpon	378,700	0.120	1,338,700	0.424	buy
	Spouses and immature child	--	--	--	--	--
11	Mrs. Sasirada Mututanon	144,900	0.046	--	--	sell
	Spouses and immature child	--	--	--	--	--

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

1.3.5 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.

History of dividend payment compared with the net profit (Only of the Company) 2017 - 2021

Particulars	2017	2018	2019	2020	2021 (Interim)
Net profit per share (Baht)	118.10	28.78	0.18	0.19	0.09
Dividend per share (Baht per share)	139.76	57.14	0.36	0.03	0.10
Dividend payout ratio net profit (%)	118.34%	90.69%	219.03%	16.83%	114.76%

Note : Year 2021 it is the data of interim dividend payment, operating period from 1 January, 2020 to 31 March, 2021, and retained earnings.

2. Risk Management

Recognizing the importance of risk management in affecting the business operation, the Company thus formulates policies, controls activities, follows up, and analyzes the risk factors by taking into consideration different factors, both externally and internally. 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. In the addition, the Company gives importance to educating employees in order for them to have an understanding in performing the task of risk management, to recognize involvement in the risk management as the duty, as well as to manage risk to be at an acceptable level. These different risk factors may have significant impact on the future performance of the Company. The risks and risk protection approach of the Company are summarized as follows:

2.1 Business Risks

(1) 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.

Risk Reduction Approach

The Company plans to purchase common stocks of the Wireless Innovation Co., Ltd. ("TWI") from the former shareholders in the proportion of 99.996% of the total stocks. TWI Co., Ltd. operates a Platform SMART Logistic business, which is a GPS system under the name of "Thai Tracking," as well as operating the sale distribution and installation of CCTV. This purchase entry will bring in recurring income for the Company as TWI has a customer base from its service contract and equipment lease contract for the GPS Thai Tracking system and the AI CCTV. Furthermore, the said purchase entry would strengthen the income structure of the Company's Internet Data Center. In the future, the Company will have an increase of its income from the former income base as well as an opportunity to expand its income from the new income base, which will enable the Company to achieve long-term sustainable growth.

(2) Risk from Reliance on a Major Customer

The Garena company group is a major customer of the Company. During 2019–2021, income from the said customer group accounted for 53%, 30%, and 41% 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, and internet security service (DDoS). The Company has signed a contract with Garena Online (Thailand) Co., Ltd. to provide the Data Center service for a period of 3 years, which will expire in August 2022.

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, 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. By the end of 2021, the Company started to receive more work from construction projects. In addition, the Company has contracts of the construction project business waiting to be signed within 2023, which can reduce the risk of the Internet Data Center service, and other related services, as well as reducing the risk of being reliant on the major customer.

(3) Risk from the case that CAT does not renew the lease contract of IDC center area at the CAT Telecom Bang Rak Tower

The Company has signed a short-term lease contract with the Communication Authority of Thailand Telecom (PCL) (CAT) in leasing the area of the 4th floor and 18th floor of the CAT Telecom Bang Rak Tower, totaling 2,086 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 the 3rd quarter of 2021 accounts for 15.31% 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 plans to build a new IDC center in order to reduce the aforementioned risk. On January 30, 2022, the Company conducted a groundbreaking ceremony 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 2023. There is very low probability of risk that CAT 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.

(4) Risk from Changes in Rules and Regulations of NBTC or Government Policy

The telecommunication business is under the supervision of National Broadcasting and Telecommunication Commission (“NBTC”), which is an independent organization. Therefore, any new policy issued or changes in the rules and regulations by NBTC 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.

(5) 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 2020, the internet service income of the Company accounted for 6.90% of the total income. In the income structure of 2021, the internet service income of the Company accounted for 5.77% 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.

(6) 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 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 CAT BUZZ. 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, causing the Company to have outstanding accounts receivable of 17 million baht. In 2019, PROEN set up an allowance for doubtful accounts in the value of 4 million baht. As of 30 September 2020, the Company has set up an

additional allowance for doubtful accounts in the value of 13 million baht. After having deducted the said allowances, this results in zero outstanding account receivable. The Company is in the process of taking legal action against SMART ICT. Meanwhile, as of 30 September 2021, the Company has an outstanding debt from rental and service fees that needs to be paid to SMART ICT in the amount of 12 million baht, (accounting for 2% of the total income of the 3rd quarter of 2021). 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 30 December 2021, the Company has set up an allowance for expected credit loss for account receivable of CAT BUZZ in the value of 7 million baht which is in accordance with the accounting policy. This is because CAT BUZZ has maintained outstanding account receivable for a long period of time. PROEN has always closely followed up on debt collection; however, CAT BUZZ 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 CAT BUZZ continues with the project – the Company will continue with this project by negotiating to amend a new contract with CAT BUZZ
2. In the case that CAT BUZZ cancels the project – the Company will apply for compensation from CAT BUZZ. 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 CAT BUZZ 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.

(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. TELEBIZ and River had negotiated and agreed to amend the contract and the work plan. During the 2nd and 3rd quarters of 2020, TELEBIZ and River had agreed to offset the outstanding account receivable between an advance payment received by TELEBIZ and the work guarantee payment which TELEBIZ provided to River. River will pay TELEBIZ for the difference after the said offset has been carried out in the amount of 0.6 million baht. As of 30 September 2020, River still has not paid off the said debt. Thus, TELEBIZ considered setting up an allowance for doubtful account in the full amount of debt in the value of 0.6 million baht.

After the offsetting of the said debt, TELEBIZ will be the operator of the Soi Sukhumvit 39 project. 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 first payment installment in the amount of 16 million baht (payment due date is 15 days starting from the receipt of the invoice on 22 September 2020). TELEBIZ thus considered setting up an allowance for doubtful account in the full

amount for a period of 9 months of 2020. Later, on 17 December 2020, RICOH requested for negotiation to amend the contract in order to extend the payment period. Afterward, RICOH provided payment in the amount of 16 million baht on 31 December 2020. As a result, the said allowance of doubtful account was reversed in the 4th quarter of 2020.

As of 31 December 2020, works which have been completed but billing had still not been issued are found to be in the amount of 26 million baht. TELEBIZ had set up an allowance for doubtful account in the amount of 15 million baht for the said uncollected account receivables which is in accordance with the accounting policy. Furthermore, on 7 January 2021 TELEBIZ issued a bill to RICOH for the 2nd installment payment for work at the value of 10 million baht for which RICOH had already received payment from the customer on 2 April 2021. The reason for this delayed payment is due to the delay of inspection procedure. However, the period of delayed payment is still within 90 days, which is a common norm for the construction business. TELEBIZ may consider reversing the allowance for the doubtful account item which was set up in the amount of 10 million baht in the 1st quarter of 2021. Presently, TELEBIZ still continues to operate the project. River is in the process of extending the period of the contract with Bangkok, which is expected to be completed within 2022. As of 31 December 2021, TELEBIZ has set up an allowance for doubtful account for RICOH in the amount of 9.20 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.

(7) 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.

(8) 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.

(9) 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.

(10) 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.

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

As of 30 December 2021, the group of Mr. Kittipan Sri-bua-iam holds 204,371,800 shares of the Company, accounting for 64.674% 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.

(12) 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 2021, income from the ICT business had an increased growth from 2020. However, income from the construction business has been greatly reduced as a result of the negative impact from the COVID-19 pandemic situation in which the Company was not able to operate construction due to the announcement temporarily prohibiting entrance to construction sites. However, 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 some employees of the Huay Kwang office building and the CAT building work from home so as to reduce the risk of spreading COVID-19, as well as conducting meetings through Zoom. The information technology department enables employees to be able to use the work system through assigned computers and able to work from home without any problems. The employees will come to the Huay Kwang office building and the CAT building only when it is necessary or to attend important meetings. This will be done by making appointments in advance. In addition, the office and the CAT building have enforced strict control of sanitary safety, such as social distancing at the workplace, temperature check before entering work, 14-day quarantine for employees at risk, 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.

2.2 Risk from Lending to Major Company of the Company group

As of 31 December 2021, the Company has provided a short-term loan to the subsidiary of the Company group, which is the company, in the amount of 54.06 million baht, accounting for 4.86% 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 2021, TELEBIZ has cash and cash equivalents in the amount of 3.09 million baht, and the liquidity ratio of 0.59. 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.

2.3 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 2021, the Company has a liquidity ratio equal to 1.42, which is an increase from the liquidity ratio of 1.01 at the end of 2020. This is due to an increase in current assets in the amount of 407.95 million baht, and a decrease in current liabilities in the amount of 42.85 million baht.

The increase in current assets was due to an increase in financial assets measured at fair value through profit or loss of Baht 149.37 million, which were investments in fixed income funds. Trade accounts receivable increased 126.93 million baht, increasing from third-party account receivables after deducting expected credit losses of 68.23 million baht, net unbilled construction receivables increased 43.49 million baht. There was also an increase in cash of 41.72 million baht. The company received cash from the sale of common shares. in the amount of 262.74 million baht and paid investment in debt instruments of 150 million baht and repaid short-term loans from financial institutions in the amount of 126.66 million baht.

Current liability also increased in the amount of 169.73 million baht, increased from Trade and other payables of 179.69 million baht, trade and other payables increased of 23.21 million baht. The increase in trade and other payables was mainly due to external payables of 118.60 million baht due to an increase in accrued construction costs. 82.97 million baht

(2) Solvency Risk

At the end of 2019, 2020, and 2021, the Company had leverage ratios of 0.32, 0.63 and 0.64, respectively, all of which are less than 1, indicating low solvency. At the end of 2021, the Company has earnings before interest, income tax, depreciation, and amortization, in the amount of 80.21 million baht, which is a decrease from the amount of 82.33 million baht at the end of 2020. At the end of 2021, there is an interest bearing debt due within one year in the amount of 125.67 million baht, which is a decrease from the amount of 130.97 million baht in 2020.

However, if considering the liability entries used in the calculation of the aforementioned ratios as of 31 December 2021 and 31 December 2020, these liability entries include liability from the lease contract which have been adjusted according to the financial reporting standard no.16 in the amount of 29.57 million baht and 22.17 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 108.24 million baht, which consists of short-term loans and long-term loans from financial institutions. The calculated solvency ratio, without including debt from the lease contract, is found to have the value of 0.75, which indicates an increase in the Company's solvency.

However, at the end of 2019, 2020, and 2021, the Company had interest bearing debts in the amount of 192.72 million baht, 215.86 million baht, and 179.89 million baht, respectively. The interest bearing debt at the end of 2021 is reduced by 35.97 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 2.24, which is a decrease from the value of 2.62 at the end of 2020.

At the end of 2019, 2020, and 2021, the Company had the solvency ratios of 5.28, 4.89, and 8.21, respectively, all of which are higher than 1. However, at the end of 2021, the Company has paid interest equal to 9.77 million baht, which is a decrease from the interest paid of 16.84 million baht at the end of 2020. At the end of 2021, the Company had interest-bearing liabilities of 179.89 million baht, decreased from the end of 2020, which had interest-bearing liabilities of 215.86 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 32.50 million baht per year. However, at the end of 2021, the Company has earnings before interest, income tax, depreciation, and amortization in the amount of 80.21 million baht, which is a decrease from the amount of 82.33 million baht at the end of 2020.

At the end of 2021, the Company has interest bearing debt in the amount of 179.89 million baht, and has shareholder's equity in the amount of 419.78 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 financial instrument has 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 2021, the Company has undelivered work of construction projects in the amount of 544.47 million baht, of which income will be recognized in 2022.

(3) Risk from Financial Structure with High Debt Ratio

As of 31 December 2021, and 31 December 2020 the Company has debt-to-equity ratios equal to 1.57 and 3.43, respectively, which is a decrease from the ratio of 4.59 as of 31 December 2019. This is mainly because the Company relies on sources of funds that come from liability more than equity. 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 2021, the Company relies on the source of funds from equity in the amount of 419.78 million baht and the source of funds from liability in the amount of 658.83 million baht. The Company has total assets of 1,078.61 million baht. By issuing the financial instrument, 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 2.00.

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, 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 of 2.5:1.

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 2021, the Company has loans from the financial institution in the amount of 11.85 million baht, in which the debt-to-equity ratio must be maintained.

At the end of 2019, 2020, and 2021, the Company had interest bearing debt-to-equity ratios equal to 1.62, 1.43, and 0.43, respectively.

2.4 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

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 2022-2024" to drive the business in the way that achieve the goal sustainably. And in 2021, 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.

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>

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

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>

Economic operations

The Company provides the rental service of the Data Center space, which is the service for renting the space for the organization to place the server. The server may be determined to function in more various ways depending on the service user's requirements such as, to back up data, to process data, to link to the network system, web hosting, super computer, etc. The property of a good data center is that it must be able to provide data quickly and constantly in the whole 24 hours. Therefore, the Company emphasizes the design when building the Data Center, the arrangement of equipment and devices concerned inside the Data Center, and the function control of the system, as well as the expertise of the engineers whose duty is to solve the immediate problem.

The Company has disclosed the policy and operation in its Sustainability Report 2021 that reflects the business drive for sustainability. In the report, contents are selected under the 56-1 criteria (One Report), describing the policy and goal of managing the sustainability, managing the impact on stakeholders in the business value chain, managing the sustainability in the dimensions of environment, society, and good corporate governance (Environmental, Social, and Corporate Governance: ESG). Also, the Company published the report on the Sustainability Report 2021 on the website of the Company at www.proen.co.th



4. Management Discussion and Analysis

4.1. Overview of Operations, Financial Position and Significant Changes

During the past 3 years (2019 - 2021), the Group consist of (1) Sale of equipment and providing service in Information Communication and Technology: ICT, which was the main revenue, accounting of 74.42% (2) Telecommunication and Infrastructure Service), which the Group began to recognize revenue in 2018, accounting of 25.28% and (3) Other Revenues was 0.30%.

In 2019- 2021, the Compound Annual Growth Rate (CAGR) of the Company Group was 14.03%, mainly from the growth of revenue in Information Communication and Technology (ICT), which the Compound Annual Growth Rate (CAGR) of 14.97% due to the main group of customers are expanding the e-commerce business continually. As a result, the Company's revenue from the rental of data center and selling of equipment are increased and the growth of revenue from the construction business, which recognized revenue in 2018, the Compound Annual Growth Rate (CAGR) of 10.88%. The gross profit margin of the Group during 2020-2021 was quite stable, the average gross profit margin was 15.07%.

4.2. Operating Result

4.2.1. Revenue

In 2020-2021, the Compound Annual Growth Rate (CAGR) of the Company Group was 9.51%, mainly from the growth of revenue in Telecommunication and Infrastructure Service provided to Government Authority and Private sector. While the IDC service, ISP service, sales of Telecom equipment, and other service, such as Cloud Service, DDoS, Web Hosting, and Branch Connect, trended to expand as a result of the COVID-19 pandemic situation. The Company Group's customers, including online media, online gaming, and E-Commerce business, had expanded their business at a high rate as a result of the change in customer behavior and daily lifestyle. The customer behavior and their daily lifestyle trended to be made through online channels, such as purchasing of computer and electronic product, office stationary, food and drink, healthy food, as well as online media consumption.

Other revenue decreased, due to an interest receivable and financial cost, which was highly decreased due to a large number of short-term loans from financial institutions were made during the years. The gross profit ratio during 2020-2021 decreased from 15.99% in 2020 to 13.80% respectively. While the net profit ratio increased slightly from 2.52% in 2020 to 2.76% in 2021.

Operating Result	2020		2021		Increase (Decrease)	% Increase (Decrease)
	MB.	%	MB.	%		
Total revenue from sales and services	1,001.11	100.00%	1,058.48	100.00%	57.37	5.73%
Total cost of sales and services	841.05	84.01%	912.46	86.20%	71.41	8.49%
Gross profit	160.06	15.99%	146.02	13.80%	(14.04)	(8.77%)
Other revenue	4.40	0.44%	3.08	0.29%	(1.32)	(29.99%)

Operating Result	2020		2021		Increase (Decrease)	% Increase (Decrease)
	MB.	%	MB.	%		
Selling expenses	18.22	1.82%	20.43	1.93%	2.21	12.14%
Administrative expenses	94.19	9.41%	81.72	7.72%	(12.47)	(13.23%)
Profit (loss) before finance costs and income tax expenses	52.05	5.20%	46.95	4.44%	(5.10)	(9.81%)
Financial costs	16.85	1.68%	9.77	0.92%	(7.08)	(42.01%)
Profit (loss) before income tax expenses	35.20	3.52%	37.18	3.52%	1.98	5.59%
Corporate income tax expenses	9.93	1.00%	8.02	0.76%	(1.91)	(19.32%)
Net profit	25.27	2.52%	29.16	2.76%	3.89	15.38%

Revenue, Cost and Gross Profit

In 2020-2021, the main revenue of the Company Group was from ICT business. The revenue proportion of ICT business per sales and services trended to rise as the construction business impacted from the COVID-19 pandemic in 2021, as a result of the lower revenue recognition from construction contracts. The revenue proportion of ICT business highly increased from 59.39% in 2020 to 78.09% in 2021, details can be described as follows.

Type of Revenue	2020		2021		Increase (Decrease)	% Increase (Decrease)
	MB.	%	MB.	%		
Revenue from sale	336.81	33.50%	528.37	49.77%	191.56	56.88%
Revenue from service	260.37	25.89%	300.56	28.31%	40.19	15.44%
Revenue from construction contracts	403.93	40.17%	229.55	21.63%	(174.38)	(43.17%)
Total revenue from sales and services	1,001.11	99.56%	1,058.48	99.71%	57.37	5.73%
Other revenue	4.40	0.44%	3.08	0.29%	(1.32)	(29.99%)
Total revenue	1,005.51	100.00%	1,061.56	100.00%	56.05	5.57%

Business	Operated by	2019		2020		2021	
		Revenue ⁽²⁾	%	Revenue ⁽²⁾	%	Revenue ⁽²⁾	%
ICT Business							
Revenue from sale of telecommunication network equipment	PROEN, SNOC	408.36	46.18	336.81	33.50	528.37	49.77
Revenue from telecommunication service business	PROEN, SNOC,	350.05	39.59	260.37	25.89	300.56	28.31

Business	Operated by	2019		2020		2021	
		Revenue ⁽²⁾	%	Revenue ⁽²⁾	%	Revenue ⁽²⁾	%
Total revenue from ICT business		758.40	85.77	597.18	59.39	828.93	78.08
Telecom and Infrastructure Service							
Revenue from construction business	PROEN, TELEBIZ	124.23	14.05	403.93	40.17	229.55	21.63
Total revenue from construction business		124.23	14.05	403.93	40.17	229.55	21.63
Total revenue from sales and services		882.64	99.82	1,001.11	99.56	1,058.48	99.71
Other revenue		1.56	0.18	4.40	0.44	3.08	0.29
Total revenue		884.19	100.00	1,005.51	100.00	1,061.56	100.00

ICT Business consisted of Telecom equipment sales and Telecom network service

- **Sale of Telecommunication Network Equipment**

The revenue and cost structure of sale of telecommunication network equipment are as follows.

	For the fiscal year ended December 31					
	2019		2020		2021	
	MB.	%	MB.	%	MB.	%
Revenue from sale of telecommunication network equipment	408.36	100.00	336.81	100.00	528.37	100.00
Cost of telecommunication network equipment	365.98	89.62	315.66	93.72	484.63	91.72
Gross profit from sale of telecommunication network equipment (<i>Gross profit compared with the revenue from sale of telecommunication network equipment</i>)	42.37	10.38	21.15	6.28	43.74	8.28

Revenue from the sale of Telecom equipment during 2020-2021, mainly was from the sale of Server Computer and Computer Equipment to Garena Group, who is an online gaming provider and an online merchant. In 2021, the Company Group gained revenue of 191.56 million Baht, or increased by 56.88%, due to the high demand in Server Computer equipment, and other computer equipment. Also, there was a delivery of Telecom equipment with installation to a Government Authority in the Quarter 2/2021.

Cost of products is a cost of purchasing network equipment, such as server computer, and computer equipment from technology equipment's sales representatives in Thailand, according to customer orders. In 2021, the gross profit was

8.28%, rose from 6.28% in 2021. As the products regarding Government Agency project mostly were special products, so the gross profit of the project was quite high.

- **Telecommunication Service Business**

The revenue and cost structure of sale of telecommunication network equipment are as follows.

Telecommunication Service Business	For the fiscal year ended December 31					
	2019		2020		2021	
	MB.	%	MB.	%	MB.	%
Revenue from telecommunication service business						
1. Revenue from Internet Data Center (IDC) service	124.17	35.47	129.53	49.75	147.80	49.17
2. Revenue from Internet Service Provider (ISP) service	61.61	17.60	69.36	26.64	61.22	20.37
3. Revenue from project service	122.96	35.13	44.30	17.01	48.86	16.26
4. Revenue from other services ¹	41.31	11.80	17.18	6.60	42.68	14.20
Total revenue of telecommunication business	350.05	100.00	260.37	100.00	300.56	100.00
Cost of telecommunication network service						
Variable costs are internet and network service fee and electrical fees of IDC center	145.54	41.58	111.49	42.82	127.49	42.42
Fixed costs are rental expenses, depreciation and amortization, employee benefits expenses, subcontract cost and other expenses ²	120.10	34.31	65.17	25.03	92.35	30.72
Total cost of telecommunication network service	265.64	75.89	176.66	67.85	219.84	73.14
Gross profit of telecommunication network service <i>(Gross profit compared with the revenue from service)</i>	84.41	24.11	83.71	32.15	80.72	26.86

In 2021, the Company Group generated more revenue from Telecom business when comparing with 2020, amounting to 40.19 million Baht, or increased by 15.44%. The increase was from IDC service, increased by 18.27 million Baht, or 14.10%, and an increase of network system installation installed and delivered to a Government Authority in the Quarter 2/2021. A decrease in revenue from ISP service of 8.14 million Baht, or 11.74% was due to the termination of service contract with a Government Agency.

Cost of Telecom network service and other service consisted of:

¹ Revenue from other services consist of DDoS, Web Hosting, Domain, Cloud Service, Branch Connect, additional service and other services such as installation fee, maintenance fee, system administration fee, etc.

² Other expenses consist of transportation expense, consumable cost, maintenance cost and part time wage

1) **Variable Cost:** Internet and network fees, and electrical fees in providing IDC service. In 2020-2021, the Company Group had a variable cost per revenue from service by 42.82% and 42.42% respectively. A variable cost per gross revenue from service in 2020 was close to the cost in 2021, varies with the revenue from services incurred.

2) **Fixed Cost:** labor cost of contractor, rental cost, depreciation and amortization cost, employee expenses, and other related cost. In 2020-2021, the Company Group had a fixed cost per revenue from service by 25.03% and 30.72% respectively. The increased fixed cost was mainly due to an increase of area rental cost for IDC service, which the Company paid for the area owner with higher rental cost, and there was an expansion of the area according to the IDC service area expansion plan. There was an increase of employee expenses in order to support the expanded customers in ICT business.

In 2020-2021, the gross profit was 32.15% and 26.86% respectively. The reason of the decreased gross profit in 2021 was mainly from an increase of cost during an expansion of the IDC service area. Moreover, the Company Group had reduced IDC service charge in order to maintain customer base as a result of high business competition.

- **Telecom and Infrastructure Service**

	For the fiscal year ended December 31					
	2019		2020		2021	
	MB.	%	MB.	%	MB.	%
Revenue from construction business	124.23	100.00	403.93	100.00	229.55	100.00
Cost of projects under construction business	114.75	92.37	348.73	86.33	207.99	90.61
Gross profit from construction contract	9.48	7.63	55.20	13.67	21.56	9.39

In 2021, the Company Group has completed the construction of 10 projects, mostly were electric power transmission line construction, and sewage system improvement in Bangkok, and Data Center construction for a financial institution.

The revenue recognition was from construction contracts, according to the stage of completion of the construction work completed based on the actual cost incurred.

In 2021, the gross profit decreased comparing with 2020, due to the construction business affected by the COVID-19 pandemic, resulted in a considerable decrease of revenue recognition of construction contracts. While there was a cost of project management during the construction interruption or postponement in various projects, resulted in a decrease of gross profit of 13.67% in 2020 to 9.39% in 2021.

Other Revenues

In 2020-2021, other revenues were interest receivable earned from financial institutions and interest receivable from a lease agreement (Google Station project), and a profit from disposal of assets. In 2021, other revenues decreased by 1.32 million Baht from 2021 due to a decrease in interest receivable and profit from disposal of assets.

4.2.2. Expenses

a. Selling Expenses

Selling Expenses	For the fiscal year ended December 31					
	2019		2020		2021	
	MB.	%	MB.	%	MB.	%
Salary, labor cost, and expenses related to employee	16.17	85.64	14.80	81.22	16.55	80.97
Brokerage fee	0.60	3.16	0.69	3.77	0.70	3.44
Cost of advertising and PR	1.58	8.36	2.00	10.96	1.98	9.67
Other expenses ¹	0.54	2.84	0.74	4.05	1.20	5.92
Total selling expenses	18.88	100.00	18.22	100.00	20.43	100.00
<i>Proportion compared with Net Sales² (%)</i>		<i>2.14</i>		<i>1.82</i>		<i>1.93</i>

In 2020-2021, selling expenses were salary, labor cost, and expenses related to sale representative. An increase of selling expenses in 2021 was due to an increase of employees in order to support the business expansion for both Telecom business and Construction business. Selling Expenses in 2021 were close to 2020, slightly increased due to an increase of salary, labor cost, employee expenses and other expenses.

b. Administrative Expenses

Structure of Administrative Expenses	For the fiscal year ended December 31					
	2019		2020		2021	
	MB.	%	MB.	%	MB.	%
Expenses related to employees	32.75	39.97	34.98	37.14	39.90	48.82
Allowance for doubtful accounts	14.30	17.45	22.32	23.70	4.13	5.06
Advisor and auditor fees	12.59	15.37	11.37	12.08	12.87	15.75
Depreciation and amortization	7.99	9.76	8.61	9.15	7.05	8.62
Bank fee	8.15	9.94	8.03	8.53	6.14	7.51
Rental, public utility, and maintenance cost	2.14	2.62	2.71	2.87	2.55	3.11
Insurance premium	1.86	2.27	2.59	2.75	2.23	2.72
Other expenses ¹	2.15	2.62	3.57	3.79	6.86	8.40
Total of Administrative Expenses	81.93	100.00	94.19	100.00	81.72	100.00

In 2021, administrative expenses decreased by 12.46 million Baht, or decreased from the previous year by 13.23%. The decrease was mainly due to 1) a decrease of doubtful account, amounting to 18.19 million Baht earned from

billing and collection of payment from construction work customers, and 2) an increase of employee expenses, amounting to 4.92 million Baht, and 3) an increase of other expenses, amounting to 3.29 million Baht such as expenses for listed company operation.

4.2.3. Financial Cost

In 2021, financial cost decreased by 7.08 million Baht, or decreased 42.01% from the previous year. The decrease was mainly due to the repayment of loans from financial institutions used for project management, and spending funds from IPO for the repayment of overdraft and short-term loans applied from financial institutions.

4.2.4. Net Profit and Net Profit Margin

Items	For the fiscal year ended December 31					
	2019		2020		2021	
	MB.	% ¹	MB.	% ¹	MB.	% ¹
Net Profit	16.61	1.88	25.27	2.51	29.16	2.76

In 2021, the net profit increased by 3.89 million Baht from 2020 or increased by 15.38% from the previous year. The reason were from the business operation gained profit from Telecom equipment business, when Garena group customer had a high demand for Telecom equipment, Telecom service business, especially in IDC service having high growth rate, the reversal of allowance for doubtful account receivables collected from account receivable in the fiscal year 2020, as well as a decrease in the construction business with lower revenue recognition and profitable performance as many projects have been delivered for 100%, and the impacts from COVID-19 pandemic.

4.3. Financial position

Statement of Financial Position

4.3.1. Assets

As at December 31, 2021, total assets increased mainly from 1.) An increase in cash received from the sale of ordinary shares and investments in debt securities, amounting to 149.57 million Baht 2.) An increase of account payable for project service works that have been delivered for 100% and waiting for payments from customers 3.) An increase of inventory which was products waiting for delivery to customers at the beginning of 2022. As at December 31, 2021, the Company Group had total assets of 1,078.61 million Baht, increased by 411.67 million Baht, or increased by 61.73%.

Changing of core assets in 2019-2021 can be summarized as follows.

a. Trade Accounts Receivable

There are trade accounts receivable from ICT business and trade accounts receivable from construction business, which the Group has determined the policy and procedure of providing a credit term by limiting the amount of

credit transactions, mainly considering from types of transactions and the payment history of each customer. The details are follows.

- a) The customer of ICT business will receive a credit term of 0-30 days, depending on the type of transaction, which in case they are new customers in purchasing of products, will not receive a credit term.
- b) The customer of construction business will receive a credit term of 30 days.

The details for aging of accounts receivable are as follows.

- Trade Accounts Receivable from ICT business

	As at December 31					
	2019		2020		2021	
	MB.	%	MB.	%	MB.	%
Not yet due	50.53	49.12	22.03	36.05	78.52	58.53
Overdue						
Less than 3 months	47.92	46.58	12.72	20.81	19.20	14.32
3-6 months	0.78	0.76	2.80	4.58	3.54	2.64
6-12 months	-	-	2.38	3.89	5.60	4.17
More than 12 months	3.64	3.54	21.19	34.67	27.29	20.34
Total	102.88	100.00	61.11	100.00	134.14	100.00
Less Allowance for Doubtful Accounts	(8.31)	(8.08)	(23.38)	(38.26)	(32.44)	(24.19)
Total Trade Accounts Receivable - ICT	94.56	91.92	37.73	61.74	101.70	75.81
Average Collection Period (Day)	35		46		37	

For the year 2021, the Group's trade accounts receivable from ICT business increased by 63.97 million baht due to the delivery of goods close to the end of the period. As a result, the number of the outstanding receivables at the end of the year is higher from billing and not yet due for payment.

The Group's trade accounts receivable from ICT business increased in 2019 and decreased in 2020, which the average collection period was longer due to the Group having more in ICT service projects, most of the owner's projects are government authorities whose have the repayment process quite delayed, the average is 30-60 days. However, such an average collection period is still in the framework of the Group's debt collection policy that determines to repay within 3 months. As at December 31, 2021, the account receivables that are overdue for more than 3 months are SMART ICT, amounting of 17.51 million baht, CAT Buzz amounting of 12.58 million baht and Family amounting of 3.58 million baht.

The Group has the policy of determining the allowance for doubtful accounts for trade accounts receivable from ICT business, which consider from the ability of repayment and the expected amount of payments for each receivable and overdue period of trade accounts receivable. The details are follows.

Overdue Period	ICT service business	Sale of ICT business
Not yet due	0%	0%
Overdue		
Less than 3 months	0%	0%
3-6 months	30%	20%
6-9 months	50%	30%
9-12 months	70%	60%
More than 12 months	100%	100%

In this regard, account receivables that overdue for more than 3 months have already been set up for doubtful accounts according to the accounting policy. As of December 31, 2021, there is an allowance for doubtful accounts in the amount of 32.44 million baht, which is an allowance of 1) Trade accounts receivable - SMART ICT, amounting to 17.51 million baht, which SMART ICT is the operator of the installation of Access Point devices in the Google Station project where the Group has sold the Access Point devices. In 2020, SMART ICT has returned some of the products that were not installed to the Company, causing the Company to set full of the allowance for doubtful accounts from the amount after deducting the value of the returned products, the Group is in the process of taking legal action. 2) Trade accounts receivable from selling products to the Family, amounting to 3.58 million baht due to the financial problem, at present, the Group is in the process of taking legal action. 3) Trade accounts receivable from service - CAT BUZZ for the project of Google Station, amounting to 9.29 million baht.

- **Trade Accounts Receivable from Construction business**

	As at December 31					
	2019		2020		2021	
	MB.	%	MB.	%	MB.	%
Not yet due	-	-	17.27	96.90	17.59	56.38
Overdue						
Less than 3 months	12.59	49.09	-	-	-	-
3-6 months	8.70	33.92	-	-	-	-
6-12 months	1.04	4.04	-	-	13.15	42.14
More than 12 months	3.32	12.95	0.55	3.10	0.46	1.48
Total	25.64	100.00	17.82	100.00	31.20	100.00
<u>Less Allowance for Doubtful Accounts</u>	<u>(9.07)</u>	<u>(35.37)</u>	<u>(0.55)</u>	<u>(3.10)</u>	<u>(9.67)</u>	<u>(30.98)</u>

	As at December 31					
	2019		2020		2021	
	MB.	%	MB.	%	MB.	%
Total Trade Accounts Receivable - Construction business	16.57	64.63	17.27	96.90	21.53	69.02
Average Collection Period (Day)	166		75		191	

In 2021, there were trade account receivables that were overdue for more than 3 months, amounting to 13.61 million baht. Mainly in 2021, the Group had receivables that were overdue for more than 6-12 months, amounting to 13.61 million baht, which the main receivable was Ricoh, amounting to 13.15 million baht.

In 2019 - 2020, there were trade accounts receivable that were overdue for more than 3 months, amounting to 13.05 million baht and 0.55 million baht, respectively. Mainly in 2019, receivables that were overdue for more than 3 months are the receivables related to the construction of drainage system project which the Group is a subcontractor from River. For the year 2020, the receivables that were overdue for more than 3 months is River, amounting to 0.55 million baht, which is the outstanding balance after offsetting the debt with advance received and retention money, which the Group set the allowance in the full amount.

The Group has the policy of setting the allowance for doubtful accounts for trade accounts receivable from construction business, which consider from the ability of repayment and the expected amount of payments for each receivable and overdue period of trade accounts receivable. The details are follows.

Overdue Period	Construction Business
Not yet due	0%
Overdue	
Up to 3 months	0%
3-6 months	20%
6-9 months	30%
9-12 months	60%
Over 12 months	100%

In this regard, account receivables that overdue for more than 3 months have already been set up for doubtful accounts according to the accounting policy. As of December 31, 2021, there is an allowance for doubtful accounts in the amount of 9.67 million baht, which is an allowance for doubtful accounts of River, amounting to 0.46 million baht and Ricoh, amounting to 9.21 million baht.

In this regard, account receivables that overdue for more than 3 months have already been set up for doubtful accounts according to the accounting policy. As of December 31, 2021, there is an allowance for doubtful accounts in the amount of

0.55 million baht, which is an allowance for doubtful accounts of River, amounting to 0.55 million baht. This amount is the outstanding balance after offsetting the debt between River and the Company.

b. Other Receivable

	As at December 31					
	2019		2020		2021	
	MB.	%	MB.	MB.	%	MB.
Unbilled construction receivables	53.10	25.38	95.02	36.90	123.83	41.07
Retention receivables according to construction contracts	5.10	2.44	40.73	15.82	40.60	13.46
Advance payment for construction	99.67	47.63	76.63	29.76	91.34	30.29
Advance payments for products and services	21.20	10.13	18.85	7.32	5.41	1.79
Accrued income	13.85	6.62	6.75	2.62	23.20	7.70
Prepaid expense	14.42	6.89	11.72	4.55	16.14	5.35
Accrued interest	0.21	0.10	0.06	0.02	0.03	0.01
Other receivable	1.14	0.54	7.61	2.96	0.87	0.29
Advance payment	0.57	0.27	0.14	0.05	0.10	0.03
Total	209.26	100.00	257.51	100.0	301.52	100.00
Less Allowance for Doubtful Accounts	-	-	(14.68)	(5.70)	-	-
Total Other Receivable	209.26	100.00	242.83	94.30	301.52	100.00

Most of the other receivables are receivables related to the construction business, such as unbilled construction receivables. (This is because the Group has done the construction for more than the installments paid by the customers, partly as a result of the part that other contractors have not yet completed, as a result, this part was not completed and was unable to deliver of work for billing.) retention money of the construction work which has an expiration period of approximately 2 years and advance payments to subcontractors, etc.

The unbilled construction receivables have the details for aging of accounts receivable are as follows.

	As at December 31					
	2019		2020		2021	
	MB.	%	MB.	%	MB.	%
Overdue						
Less than 3 months	45.10	84.93	57.99	61.03	109.19	88.18
3-6 months	-	-	21.12	22.23	7.79	6.29
6-12 months	3.01	5.67	6.58	6.92	6.85	5.53
More than 12 months	4.99	9.40	9.33	9.82	-	-
Total Unbilled Construction Receivables	53.10	100.00	95.02	100.00	123.83	100.00

	As at December 31					
	2019		2020		2021	
	MB.	%	MB.	%	MB.	%
Impairment loss	-	-	(14.68)	(15.45)	-	-
Total Unbilled Construction Receivables	53.10	100.00	80.34	84.55	123.83	100.00

For the year 2021, other receivables increased by 58.69 million baht, mainly due to an increasing of unbilled construction receivables, amounting to 43.49 million baht and increased from the accrued income, amounting to 16.45 million baht from the end of 2020. This because the ICT projects have been completed and are in the process of collecting document for use in the billing process. As a result, the amount of accrued income awaiting billing in the next year is higher.

For the year 2021, the unbilled construction cost increased by 43.49 million baht from the construction projects that were completed according to the work period of the year-end 2021, pending billing from the employer in the next month.

As at December 31, 2021, there were the unbilled construction receivables that were overdue for more than 3 months, amounting to 14.64 million baht, which were the unbilled construction receivables from the overhead-to-underground cable conversion project - Nakhon Ratchasima (UG – Korat).

In 2019 - 2021, other receivables have increased continually according to the growth of revenue from the construction business. In principle, from the increase of, 1) unbilled construction receivables, 2) retention money under construction contracts, and 3) advance payments for construction.

As at December 31, 2020, there were the unbilled construction receivables that were overdue for more than 3 months, amounting to 37.00 million baht, mainly are the unbilled construction receivables that related to the construction of drainage system project which the Group is a subcontractor from River, amounting to 15.90 million baht and the unbilled construction receivables from the overhead-to-underground cable conversion project - Nakhon Ratchasima (UG – Korat), amounting to 20.90 million baht.

The Group has the policy of setting the allowance for doubtful accounts for the unbilled construction receivables, which consider from the ability of repayment and the expected amount of payments for each receivable, overdue period of unbilled construction receivables and the progress of the project is as follows.

Overdue Period	Unbilled Construction Receivables
Not yet due	0%
Unbilled	
Less than 3 months	10%
3-6 months	30%
6-9 months	50%
9-12 months	70%
More than 12 months	100%

As of 2021, the Group did not set for allowance for doubtful accounts of the unbilled construction receivables because it is the overhead-to-underground cable conversion project - Nakhon Ratchasima (UG – Korat) that is able to bill.

In 2020, the Group has set an allowance for doubtful accounts in the unbilled construction receivables, amounting to 14.68 million baht in the unbilled construction receivables that are long outstanding payment for the construction of drainage system project at Soi Sukhumvit 39, Rama VI Road and Si Ayutthaya Road according to the above accounting policy.

a. Restricted cash

As at December 31, 2019 - 2020 and December 31, 2021, the Group has savings and fixed deposits with the domestic commercial banks, amounting to 109.97 million baht, 70.85 million baht and 80.85 million baht, respectively. Such deposits are a burden of guarantee of the overdraft, Credit lines from financial institutions, and the issuance of letters of guarantee to third parties in order to implement under the construction contracts and bid for the construction projects.

b. Property, Plant and Equipment and Right of Use Assets

	As at December 31					
	2019		2020		2021	
	MB.	%	MB.	%	MB.	%
Land and land improvements	12.94	17.44	75.90	51.28	75.86	51.71
Building and buildings improvements	14.68	19.79	12.94	8.75	11.88	8.10
Network equipment	26.61	35.87	25.58	17.28	32.13	21.90
Furniture fixture and office equipment	12.15	16.38	14.86	10.04	14.96	10.20
Vehicle	7.80	10.51	5.31	3.59	3.16	2.15
Work in process	-	-	1.45	0.98	-	-
Property, Plant and Equipment, Net	74.17	100.00	136.04	91.92	137.99	94.06
Right of Use Assets	-	-	11.95	8.08	8.72	5.94
Total Property, Plant and Equipment, Net and Right of Use Assets	74.17	100.00	148.00	100.00	146.71	100.00

In 2021, property, plant and equipment haven't changed so much, the purchase of network equipment increased by 6.55 million baht, and the decorations and office equipment increased by 0.10 million baht and decreased mainly from the depreciation of buildings and equipment.

In 2018 – 2019, property, plant and equipment – net was decreased continuously, mainly due to depreciation of buildings and equipment, which have the number more than the increasing of network equipment in order to support the expansion of the IDC Center. But in 2020, the property, plant and equipment - net was increased due to the Company had purchased the land for the construction of a new office building and IDC center. In addition, the rental fee for the IDC

center in CAT building was recorded as a right of use asset due to the announcement of Financial Reporting Standard 16, Lease (IFRS 16).

4.3.2. Liabilities

Total liabilities	As at December 31					
	2019		2020		2021	
	MB.	%	MB.	%	MB.	%
Trade and other current payables	234.94	46.50	268.99	52.08	448.67	68.10
Loan from financial institutions	192.72	38.14	168.14	32.56	150.32	22.82
Liabilities under leasing agreements	50.81	10.06	47.71	9.24	29.57	4.49
Other liabilities	26.82	5.31	31.61	6.12	30.27	4.59
Total liabilities	505.28	100.00	516.46	100.00	658.83	100.00

As of December 31, 2021, total liabilities increased mainly was from 1.) an increase of account payable and other account payable other than project management and construction work 2.) a decrease in loans from financial institutions due to the use of IPO fund to repay loan borrowed from financial institutions. As of December 31, 2021, the Company Group had total liabilities of 658.83 million Baht, increased by 142.37 million Baht, or 27.57%.

a. Trade Account Payable and Other Accounts Payables

	As at December 31					
	2019		2020		2021	
	MB.	%	MB.	%	MB.	%
Trade Account Payable - ICT business	39.67	69.28	86.45	78.87	189.83	83.18
Trade Account Payable - Construction business	17.59	30.72	23.17	21.13	38.39	16.82
Total Trade Account Payable	57.26	100.00	109.62	100.00	228.22	100.00
Average Payment Period – ICT business	33		60		80	
Average Payment Period – Construction business ³	92		70		240	

In 2021, trade accounts payable increased by 118.60 million baht due to the increasing of trade accounts payable from ICT business that has received a large number of products at the end of 2021 and has not yet due from such account payable.

³ The construction business has started an operation in 2018, therefore it is not appropriate to use the average of 2017-2018 in the calculations.

In 2019, trade accounts payable increased by 5.40 million baht due to the increasing of trade accounts payable from the construction business from the implementation of the construction of the power transmission line project.

In 2020, trade accounts payable increased by 52.36 million baht due to an increase in purchasing of goods and services from trading partners in ICT business of 46.78 million baht, while trade accounts payable from construction business were similar to in year 2019.

During 2019, the average payment period for ICT businesses was decreased because the partners have decreased the Group's payment periods as result the increasing of account payable turnover ratio, as a result the repayment period is decreased. But in 2020, the group has an account payable - SMART ICT, which is a long outstanding payment due to the Google Station project, the payment period has been increased from 2019.

while the repayment period of the construction business has decreased in 2020 because in 2019 has the account payable that related to the construction of drainage system project which has a long outstanding payment, due to TELEBIZ has not received the payment from the customer, so unable to pay the construction cost to the sub-contractor according to the condition of the contract is back-to-back. In this regard, in 2020, there is no late payment similar to in 2019

b. Other Receivables

Other Receivables, mainly are the accrued expenses, which are employee's salary and bonuses, electricity costs, internet and media fees, audit fees and advisor fees, etc. and other receivables related to the construction business such as the cost of services and accrued construction costs, advance received for a service job, Advance received under the construction contracts, accrued retention money which the Group has deducted from subcontractors as a guarantee, etc.

In 2019, other payables increased by 109.28 million baht due to an increase in other payables related to construction business, due to the increase in the operation of construction projects, mainly from an increase in 1) advance received from construction contract customers, amounting to 39.26 million baht 2) cost of services and accrued construction costs, totaling 56.95 million baht.

In 2020, other payables decreased from in 2019 by 18.32 million baht, mainly due to 1) a decrease in advance received from construction contract customers, amounting to 63.57 million baht 2) an increase in the cost of accrued services, amounting to 22.60 million baht 3) an increase in deferred incomes of ICT business, amounting to 27.51 million baht.

In 2021, other payables increased from the end of 2020, amounting to 61.08 million baht, mainly due to 1) an increase in accrued construction costs, amounting to 82.97 million baht 2) a decrease in deferred incomes of ICT business, amounting to 31.60 million baht 3) a decrease in deferred incomes from customers under construction contracts, amounting to 13.98 million baht 4) an increase in the cost of accrued services, amounting to 15.02 million baht.

c. Loans and Lease liabilities

The Group has both short-term and long-term loans and Lease liabilities from financial institutions and others. As of December 31, 2021, was 179.89 million baht or accounted for 16.68% of borrowings to total assets.

The borrowing for 2021 was decreased, due to the use of money that received from the IPO to repay loans and Lease liabilities from financial institutions. In 2020, total borrowings decrease, mainly from the repayment of loans and Lease liabilities from financial institutions, amounting to 35.97 million baht.

The Group has both short-term and long-term loans and Lease liabilities from financial institutions and others. As of December 31, 2018-2020, in the amount of 151.49 million baht, 243.52 million baht and 215.86 million baht, or accounted for the proportion of borrowings to total assets were 36.75%, 39.57% and 32.37%, respectively.

The increase of borrowings in 2019 was due to the Group's need for funds to support the expansion of construction business and run the operation of the IDC service center business that increases the area of the IDC service center by the purchase of fixed assets used in the IDC service center business such as network equipment, uninterruptible power supply, refrigeration, and the purchase of land and Lease liabilities to prepare for the construction of a new office building and IDC center. In 2020, total loans decreased, mainly from repayment of loans from financial institutions, amounting to 24.6 million baht. The details of borrowings are as follows.

	As at December 31					
	2019		2020		2021	
	MB.	%	MB.	%	MB.	%
Current						
Bank overdraft	36.42	14.96	12.72	5.89	3.93	2.19
Short-term loans from financial institutions	121.94	50.07	78.15	36.21	85.00	47.25
Current portion of long-term loans from financial institutions	13.21	5.42	17.93	8.31	19.30	10.73
Current portion of financial lease liabilities	16.07	6.60	-	-	-	-
Current portion of lease liabilities	-	-	22.17	10.27	17.44	9.69
Total Current Liabilities and Lease liabilities	187.64	77.05	130.97	60.68	125.67	69.86
Non-Current						
Long-term loans from financial institutions	21.15	8.69	59.34	27.49	42.08	23.39
Financial lease liabilities	34.73	14.26	-	-	-	-
Lease liabilities	-	-	25.54	11.83	12.13	6.75
Total Non-Current Liabilities and Lease liabilities	55.89	22.95	84.88	39.32	54.22	30.14
Total Loans and Lease liabilities	243.52	100.00	215.86	100.00	179.89	100.00
<i>Proportion once compared to total assets (%)</i>		39.57		32.37		16.68

4.3.3. Shareholders' Equity

	As at December 31					
	2019		2020		2021	
	MB.	%	MB.	%	MB.	%
Paid-up capital	100.00	90.86	115.00	76.42	158.00	37.64
Ordinary share premium	-	-	-	-	228.73	54.49
Surplus (deficits) from business combinations under common control	1.18	1.07	1.18	0.78	1.18	0.28
Cumulative Profit						
Appropriated - Legal reserve	4.60	4.18	7.00	4.65	8.85	2.11
Unappropriated	4.29	3.89	27.30	18.14	23.01	5.48
Other components of shareholders' equity	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Equity Attribute to Owners of the Parent	110.06	100.00	150.47	100.00	419.77	100.00
Non-controlling interests	0.00	0.00	0.01	0.00	0.01	0.00
Total Shareholders' Equity	110.06	100.00	150.48	100.00	419.78	100.00
<i>Proportio once compared to total assets (%)</i>		<i>17.89</i>		<i>22.56</i>		<i>38.92</i>

As of December 31, 2021, shareholders' equity highly increased mainly from 1.) an increase of ordinary shares and reserve fund causing from ordinary share premium arising from the IPO, amounting to 271.73 million Baht 2.) an increase of legal reserve, amounting to 1.85 million Baht and 3.) a decrease of cumulative profit from the dividend paid to shareholders, amounting to 31.60 million Baht, resulted in a decrease of 4.28 million Baht in net profit. As of December 31, 2021, the Company Group had equity of 419.78 million Baht, increased by 269.30 million Baht, or 178.96%.

4.4. Cash Flow

Statement of Cash Flows (Unit : Million Baht)	For the fiscal year ended December 31		
	2019	2020	2021
Cash and cash equivalents at beginning of periods	26.82	8.83	72.68
Net cash from (used in) operating activities	(9.17)	123.37	26.63
Net cash used in investing activities	(27.91)	(43.10)	(181.59)
Net cash from (used in) financing activities	19.09	(16.43)	205.47
Net increase (decrease) in cash and cash equivalents	(17.99)	63.84	50.51
Cash and cash equivalents at end of periods^{1/}	8.83	72.68	123.19

^{1/}Cash and cash equivalents at end of periods shall not equal to the cash and cash equivalents presented in the statement of financial position because there is offset against the overdraft balance according to Thai Accounting Standard 7, Re: Statement of Cash Flows (TAS 7) Clause 8, which states that overdrafts are a component of cash and cash equivalents.

For the year ended December 31, 2021, there were cash flows from activities as follows.

- Net cash from operating activities amounted to 26.63 million baht, mainly due to the increase in trade accounts receivable, amounting to 132.23 million baht, increase in trade accounts payable, amounting to 136.97 million baht, which has the cash from operating activities plus with the depreciation and amortization, amounting to 24.11 million baht.
- Net cash (used in) investing activities amounted to 181.59 million baht, most of them were paid for investments in fixed income funds, amounting to 150 million baht and paid for the purchase of land and equipment, amounting to 24.52 million baht.
- Net cash from (used in) financing activities amounted to 205.47 million baht, which came from the cash received from issuing ordinary shares, amounting to 279.50 million baht and repayment of short-term and long-term loans from financial institutions, amounting to 108.52 million baht and 18.15 million baht, respectively, including the repayment of lease liabilities, amounting to 23.47 million baht.

4.5. Liquidity, The Suitability of Capital Structure and Key Financial Ratio

Key Financial Ratio Analysis

Financial Ratio	Unit	For the fiscal year ended December 31		
		2019	2020	2022
Liquidity ratio	Times	0.92	1.01	1.42
Quick ratio	Times	0.85	0.93	0.95
ICT Business				
Average Collection Period	Days	35	46	37
Average Inventory Period	Days	1	1	0
Average Payment Period	Days	33	60	80
Cash Cycle - ICT Business	Days	3	(13)	(39)
Construction Business				
Average Collection Period	Days	166	75	191

Financial Ratio	Unit	For the fiscal year ended December 31		
		2019	2020	2022
Average Inventory Period	Days	N/A	1	25
Average Payment Period	Days	92	70	240
Cash Cycle - Construction Business	Days	74	4	(49)

- **Liquidity Ratio and Quick Ratio**

As of December 31, 2021, the liquidity ratio and quick ratio have a significantly higher ratio, resulted in high liquidity as an increase of cash received from ordinary shares offering and a decrease in overdraft and short-term loans from financial institutions.

- **Cash Cycle**

As of December 31, 2019, 2020 and 2021, the Group's cash cycle for ICT business was 3 days (13) days and (39) days, respectively, which the negative cash cycle represents the number of days of surplus cash from operations that the Group can use to run its business, this was because the Group has a longer period of time to pay the trading partners than the period that the Group collects payments from customers, including the period of sales of goods and services. In 2019, the Company's cash flow cycle was 3-day, due to the increase in the customer that has a long outstanding payment because the company hasn't received payment from SMART ICT (product cost) and CAT BUZZ TV (service fee), which are trade accounts receivable related to Google Station project. The Company's management has closely monitored payments. Moreover, the increase in the account payable turnover ratio results in decrease in the Company's credit term. For the year 2020, the Company has set an allowance for service receivables (CAT BUZZ TV) and merchandise receivables (SMART ICT) which are related to the Google Station project that has long outstanding payment, as a result, the cash cycle in 2020 was decreased to (13) days, and in 2021, the Company's cash cycle was decreased to (39) days due to the extension of credit term from the major accounts payable.

As for the construction business, which the Group began to recognize revenue in 2018, the Group's cash cycle as at December 31, 2019 and 2020 was 74 days and 4 days, respectively. The cash cycle decreased, due to the decrease in the collection period, this was because there is no outstanding payment of River project customers as in 2019. In addition, the major account receivable (PEA) has payment according to the normal period. The Group's cash cycle as at December 31, 2021 has been decreased to (49) days, due to due to the extension of credit term from the major accounts payable and construction contractors.

● **Profitability Ratio**

Financial Ratio	Unit	For the fiscal year ended December 31		
		2019	2020	2021
Gross profit margin	%	15.44	15.99	13.80
Gross profit margin from sale	%	10.38	6.28	8.28
Gross profit margin from service	%	24.11	32.15	26.86
Gross profit margin from construction contracts	%	7.63	13.67	9.39
Net Profit Margin	%	1.88	2.51	2.76

● **Gross Profit Margin and Net Profit Margin**

As of December 31, 2021, the Company had a decrease gross profit ratio from 15.99% to 13.80%. This was due to a decrease of gross profit from service as there was higher rental cost, service fee and electrical charge. There was a project in providing service to a Government Authority, resulted in a decrease of gross profit. The gross profit ratio of construction project decreased due to the impact from COVID-19 situation made the company to delay construction and some projects had been delivered for 100% of in 2021.

● **Operating Efficiency Ratio**

Financial Ratio	Unit	For the fiscal year ended December 31		
		2019	2020	2021
Return on Asset (ROA)	%	3.23	3.94	3.34
Return on Fixed Asset (ROFA)	%	50.02	52.85	45.57
Assets Turnover Ratio	Times	1.72	1.57	1.22

From the above operating efficiency ratio information, in 2021, the Group's return on assets and the return on fixed assets are decreased, because of the decrease in net profit, this was due to an increase in the cost of ICT services and construction projects, also including administrative expenses. In 2019-2021, the Group's asset turnover ratio is at the level of 1.22-1.72 times.

● **Financial Policy Ratio**

Financial Ratio	Unit	For the fiscal year ended December 31		
		2019	2020	2021
Debt to Equity ratio (D/E)	Times	4.59	3.43	1.57
Interest Coverage Ratio	Times	5.28	4.89	8.21
Commitment Coverage Ratio (Cash Basis)	Times	(0.02)	(0.27)	0.12

Financial Ratio	Unit	For the fiscal year ended December 31		
		2019	2020	2021
Dividend Payout Ratio ^{1/}	%	437.15	29.28	108.34
Debt Service Coverage Ratio (DSCR) ^{2/}	Times	0.68	0.54	2.18
Debt Service Coverage Ratio (DSCR) ^{3/}	Times	0.32	0.63	0.64
Return on Equity (ROE)	%	14.61	19.40	10.23
Interest Bearing Debt to Equity Ratio	Times	1.62	1.43	0.43

Remark: 1/ Dividend Payout Ratio is calculated by dividend paid in such financial period/ previous year's net profit.

2/ Debt Service Coverage Ratio (DSCR) is the ratio that the bank calculated according to the terms of the loan agreement. It is calculated by earnings before interest, taxes, depreciation, amortization, and deferred expense/ (principal due in one year of the previous fiscal year + interest expense).

3/ Debt Service Coverage Ratio (DSCR) is calculated by earnings before interest, taxes, depreciation, and amortization/ short term liability with interest + long term liability repayment in a year.

- **Debt to Equity Ratio (D/E)**

In 2020, the debt to equity ratio (D/E) was decreased to 3.43 times from in 2019, which had the debt to equity ratio (D/E) at 4.59 times due to the increase in net profit in 2020 and the payment of borrowing. As at December 31, 2021, debt to equity ratio (D/E) was decreased to 1.57, due to an increase in shareholders' equity from the first security offering to the general public, as a result, the company's shareholder equity increased by 269.30 million baht from the end of 2020.

- **Debt Service Coverage Ratio (DSCR)**

Debt service coverage ratio (DSCR) decreased due to an increase in borrowings from financial institutions to support the expansion of the ICT and construction business.

At the end of 2019, 2020 and 2021, the Company's debt service coverage ratio was 0.32, 0.63 and 0.64, which was less than 1, which showed that low debt service coverage ratio. At the end of 2021, the Company had earnings before interest, taxes, depreciation, and amortization, amounting to 80.21 million baht, which decreased from the end of 2020, which had 82.33 million baht. While at the end of 2021, the Company had interest bearing debt matured in 1 year, amounting to 125.67 million baht, which decreased from at the end of 2020, which had interest bearing debt matured in 1 year, amounting to 130.97 million baht, because in 2021, the Company's gross profit margin of telecommunication service business, decreased from 32.15% to 26.86% due to the cost of providing services that increased more than the proportion of the increase in revenue from having a higher cost of electricity for providing services of the Company.

- **Interest Coverage Ratio**

At the end of 2019, 2020 and 2021, the Company's interest coverage ratio was 5.28, 4.89, and 8.21, which was more than 1. However, at the end of 2021, the Company's interest expense was 9.77 million baht, which decreased from the end of 2020, which had interest expense, amounting to 16.84 million baht. At the end of 2021, the Company had interest-bearing liabilities of 179.89 million baht, decreased from the end of 2020, which had interest-bearing liabilities of 215.86 million baht.

- **Interest-Bearing Debt to EBITDA Ratio**

At the end of the year 2019, 2020 and 2021, the Company's interest coverage ratio was 4.04, 2.62, and 2.24 , which tended to be lower, because at the end of 2021, the Company had interest bearing debt, amounting to 179.89 million baht, which decreased from the end of 2020, which had interest bearing debt, amounting to 215.86 million baht. And at the end of 2021, the Company had earnings before interest, taxes, depreciation, and amortization, amounting to 80.21 million baht, which decreased from the end of 2020, which had 82.33 million baht.

- **Interest Bearing Debt matured in 1 year to Interest Bearing Debt Ratio**

At the end of 2019, 2020 and 2021, the Company's interest bearing debt matured in 1 year to interest bearing debt ratio was 77.05%, 60.68% and 69.86%, respectively due to at the end of 2021, the Company had interest bearing debt matured in 1 year, amounting to 125.67 million baht, which decreased from at the end of 2020, which had interest bearing debt matured in 1 year, amounting to 130.97 million baht. And at the end of 2021, the Company had interest bearing debt, amounting to 179.89 million baht, which decreased from at the end of 2020, which had interest bearing debt, amounting to 215.86 million baht.

- **Borrowings from Financial Institutions to Interest Bearing Debt Ratio**

At the end of 2019, 2020 and 2021, the Company's interest bearing debt matured in 1 year to interest bearing debt ratio was 79.14%, 77.90% and 83.56%, respectively due to at the end of 2021, the Company had borrowings from financial institutions, amounting to 150.32 million baht, which decreased from at the end of 2020, which had borrowings from financial institutions, amounting to 168.14 million baht, and at the end of 2021, the Company had interest bearing debt, amounting to 179.89. million baht, which decreased from the end of 2020, which has interest bearing debt, amounting to 215.86 million baht.

- **Interest Bearing Debt to Equity Ratio (IBD/E)**

As at December 31, 2021, the Group's interest-bearing debt to equity ratio was 0.43 times, which decreased from the end of 2020, which was 1.43 due to an increase in shareholders' equity from the first security offering to the general public.

4.6. Events that may Affect the Financial Position and Operating Results in the Future

- a) **Guarantees**

As at 31 December 2021, the Company has obligation to secure overdraft facilities of subsidiary Baht of 5 million.

b) Bank guarantees

As at 31 December 2021, The Group has an obligation from guarantees by the bank such as a bank guarantee of 159.46 million Baht, increased from the end of 2020, which is 173.06 million Baht.

4.7. Financial Highlights

4.7.1 Financial Statement

4.7.1.1 The Audit Summary Report

Financial Statement	Certified Public Accountant (CPA)
Financial Statement of the Company for the year ended December 31, 2019	Mr. Pisit Thangtanagul, Certified Public Account No. 4095 from PricewaterhouseCoopers ABAS Limited
Financial Statement of the Company for the year ended December 31, 2020	
Financial Statement of the Company for the year ended December 31, 2021	

Financial Statements	Opinions of the Certified Public Accountants
Financial Statement of the Company for the year ended December 31, 2019	Auditor's opinion, the consolidated and separate financial statements which show the consolidated and separate statements of financial position as at December 31, 2019 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).
Financial Statement of the Company for the year ended December 31, 2020	Auditor's opinion, the consolidated and separate financial statements which show the consolidated and separate statements of financial position as at December 31, 2019 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).
Financial Statement of the Company for the year ended December 31, 2021	Auditor's opinion, the consolidated and separate financial statements which show the consolidated and separate statements of financial position as at December 31, 2019 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).

4.7.1.2 Submission of the Company's financial statements

The accounting period of the Company begins on January 1 and ends on December 31, the Company as a public limited company has responsible for submitting the financial statements to the Department of Business Development,

which must send the financial statements to the General Meeting of Shareholders within 4 months from the end of the fiscal year and submit the financial statements within 1 month from the date that approved by the General Meeting of Shareholders to the Department of Business Development, Ministry of Commerce and the Company as the debenture issuer that has a duty to submit the annual financial statements (audited) to SEC within 3 months from the end of the accounting period.

4.7.2 Summary of Financial Statements and Key Financial Ratios for the years 2019-2021

Statement of Financial Position of PROEN Corp Public Company Limited as at December 31, 2019-2021

Statement of Financial Position	December 31, 2019		December 31, 2020		December 31, 2021	
	MB.	%	MB.	%	MB.	%
Current Assets						
Cash and cash equivalents	45.25	7.35%	85.40	12.81%	127.12	11.79%
Short-term investment	2.14	0.35%	-	-	-	-
Financial assets measured at fair value through profit or loss	-	-	-	-	149.57	13.87%
Trade and other receivables	320.39	52.07%	297.83	44.66%	424.76	39.38%
Current portion of financial lease receivables	4.07	0.66%	4.94	0.74%	5.30	0.49%
Short-term loans to person or related parties	-	-	-	-	-	-
Financial assets measured at amortized cost	-	-	2.26	0.34%	2.27	0.21%
Inventories	21.30	3.46%	20.41	3.06%	103.72	9.62%
Other current assets	6.36	1.03%	6.69	1.00%	12.75	1.18%
Total Current Assets	399.51	64.92%	417.54	62.61%	825.49	76.53%
Non-Current Assets						
Restricted cash	109.97	17.87%	70.85	10.62%	80.85	7.50%
Lease receivables	16.98	2.76%	14.64	2.19%	9.33	0.87%
Property, plant, and equipment	74.17	12.05%	136.04	20.40%	137.99	12.79%
Right-of-use assets	-	-	11.95	1.79%	8.72	0.81%
Intangible assets	4.90	0.80%	3.62	0.54%	2.78	0.26%
Deferred tax assets	7.66	1.24%	10.14	1.52%	11.28	1.05%
Other non-current assets	2.15	0.35%	2.15	0.32%	2.16	0.20%
Total Non-Current Assets	215.83	35.08%	249.40	37.39%	253.12	23.47%
Total Assets	615.35	100.00%	666.94	100.00%	1,078.61	100.00%
Current Liabilities						
Bank overdrafts and short-term and borrowings from financial institutions	158.36	25.73%	90.88	13.63%	88.93	8.25%
Trade and other payables	234.94	38.18%	268.99	40.33%	448.67	41.60%
Current portion of long-term loans from financial	13.21	2.15%	17.93	2.69%	19.30	1.79%

Statement of Financial Position	December 31, 2019		December 31, 2020		December 31, 2021	
	MB.	%	MB.	%	MB.	%
institutions						
Current portion of financial lease liabilities	16.07	2.61%	-	-	-	-
Current portion of lease liabilities	-	-	22.17	3.32%	17.44	1.62%
Accrued income tax	2.93	0.48%	0.02	0.00%	-	-
Other current liabilities	9.07	1.47%	11.60	1.74%	6.97	0.65%
Total Current Liabilities	434.59	70.62%	411.58	61.71%	581.31	53.89%
Non-Current Liabilities						
Long-term borrowings from financial institutions	21.15	3.44%	59.34	8.90%	42.08	3.90%
Long-term financial lease	34.73	5.64%	-	-	-	-
Lease liabilities	-	-	25.54	3.83%	12.13	1.13%
Employee benefit obligations	9.04	1.47%	12.01	1.80%	14.67	1.36%
Provision for decommissioning	5.77	0.94%	7.98	1.20%	8.63	0.80%
Total Non-Current Liabilities	70.69	11.49%	104.88	15.72%	77.51	7.19%
Total Liabilities	505.28	82.11%	516.46	77.44%	658.83	61.08%
Shareholder's Equity						
Authorized share capital	100.00	16.25%	158.00	23.69%	158.00	14.65%
Issued and paid-up share capital	100.00	16.25%	115.00	17.24%	158.00	14.65%
Share premium	-	-	-	-	228.73	21.21%
Share surplus from business combination under common control	1.18	0.19%	1.18	0.18%	1.18	0.11%
Retained earnings - legal reserve	4.60	0.75%	7.00	1.05%	8.85	0.82%
Retained earnings - unappropriated	4.29	0.70%	27.30	4.09%	23.01	2.13%
Other components of shareholder's equity	(0.00)	(0.00%)	(0.00)	(0.00%)	(0.00)	(0.00%)
Equity attribute to owners of the parent	110.06	17.89%	150.47	22.56%	419.77	38.92%
Non-controlling interests	0.00	0.00%	0.01	0.00%	0.01	0.00%
Total Shareholder's Equity	110.06	17.89%	150.48	22.56%	419.78	38.92%
Total Liabilities and Shareholder's Equity	615.35	100.00%	666.94	100.00%	1,078.61	100.00%

Statements of Comprehensive Income of PROEN Corp Public Company Limited for the year ended December 31, 2019-2021

Statements of Comprehensive Income	For the year ended					
	December 31, 2019		December 31, 2020		December 31, 2021	
	MB.	%	MB.	MB.	%	MB.
Revenues from sales of goods	408.36	46.18%	336.81	33.50%	528.37	49.77%
Revenues from rendering services	350.05	39.59%	260.37	25.89%	300.57	28.31%
Revenues from construction contracts	124.23	14.05%	403.93	40.17%	229.55	21.62%
Other income	1.56	0.18%	4.40	0.44%	3.08	0.29%
Total Revenues	884.19	100.00%	1,005.51	100.00%	1,061.56	100.00%
- Cost of sales	365.98	41.39%	315.66	31.39%	484.63	45.65%
- Cost of services	265.64	30.04%	176.66	17.57%	219.84	20.71%
- Cost of construction contract	114.75	12.98%	348.73	34.68%	207.99	19.59%
Total Costs	746.37	84.41%	841.05	83.64%	912.46	85.95%
Gross profit	136.26	15.41%	160.06	15.92%	146.02	13.76%
Selling expenses	18.88	2.14%	18.22	1.81%	20.43	1.92%
Administrative expenses	81.93	9.27%	94.19	9.37%	81.72	7.70%
Total Expenses	100.81	11.40%	112.41	11.18%	102.16	9.62%
Profit (Loss) Before Finance Costs and Income Tax Expense	37.01	4.19%	52.05	5.18%	46.95	4.42%
Finance costs	11.42	1.29%	16.84	1.68%	9.77	0.92%
Profit (Loss) Before Income Tax	25.59	2.89%	35.21	3.50%	37.18	3.50%
Income Tax	8.98	1.02%	9.93	0.99%	8.01	0.75%
Net Profit (Loss)	16.61	1.88%	25.27	2.51%	29.16	2.75%

Other Comprehensive Income

Items that will not be reclassified
subsequently to profit or loss

- Remeasurement of defined post employment benefit obligations	-	-	-	-	-	-
- Income tax relating to items that will not be reclassified subsequently to profit or loss	-	-	-	-	-	-

Total Comprehensive Income for the year **16.61** **1.88%** **25.27** **2.51%** **29.16** **2.75%**

Profit Attributable to:

Owners of the parent	16.61	1.88%	25.27	2.51%	29.16	2.75%
Non-controlling interests	0.00	0.00%	0.00	0.00%	0.00	0.00%

Total Comprehensive Income

Attributable to:

Owners of the parent	16.61	1.88%	25.27	2.51%	29.16	2.75%
Non-controlling interests	0.00	0.00%	0.00	0.00%	0.00	0.00%

Basic Earnings per Share (Baht/share)* **0.09** **0.11** **0.10**

Statement of Cash Flows of PROEN Corp Public Company Limited for the year ended as at December 31, 2019-2021

Items (Unit : Million Baht)	For the year ended as at December 31		
	2019	2020	2021
Cash Flows from Operating Activities			
Profit before income tax	25.59	35.21	37.18
Adjustments for:			
Cash Flows from Operating Activities			
Depreciation	21.50	21.02	23.10
Amortization	1.73	1.73	1.01
Amortization of right-of-use assets	-	7.53	9.16
Loss on write-off of equipment	-	0.16	0.00
Gain on disposal of assets	(0.02)	(1.84)	(0.93)
Doubtful accounts / Impairment loss on trade receivables	13.78	21.41	4.13
Reversal of allowance loss on diminution	(0.10)	(0.06)	(0.11)
Losses from the amortization of withholding income tax	-	-	-
Losses from changes in fair value	-	-	0.43
Employee benefit obligations	3.66	2.97	3.22
Interest income	(1.46)	(1.95)	(1.53)
Interest expense	11.42	16.84	9.77
Operating Profit Before Changes in Operating Assets and Liabilities	76.09	103.02	85.42
(Increase) Decrease In Operating Assets			
Trade and other receivables	(193.92)	1.13	(131.10)
Lease receivable	(21.05)	1.47	4.94
Inventories	8.17	0.95	(83.19)
Other current assets	(4.52)	0.52	(4.01)
Other non-current assets	1.14	(0.00)	(0.00)
Increase (Decrease) In Operating Liabilities			
Trade and other payables	100.68	41.41	178.37
Lease payable	39.19	2.82	0.00
Other current liabilities	4.25	2.53	(4.63)
Employee benefit obligations	-	-	(0.56)
Cash From (Used In) Operating Activities	10.05	153.83	45.25
Interest paid	(11.01)	(14.30)	(9.33)
Income tax paid	(8.21)	(16.16)	(9.29)
Net Cash From Operating Activities	(9.17)	123.37	26.63

Items (Unit : Million Baht)	For the year ended as at December 31		
	2019	2020	2021
Cash Flow from Investment			
Payment for financial assets measured at amortized cost	-	(0.13)	(0.01)
Financial assets measured at fair value through profit or loss	-	-	(150.00)
Payment for short-term investment	(21.77)	-	-
Proceeds from short-term investment	24.24	-	-
Purchase of plant and equipment	(4.45)	(85.59)	(24.52)
Purchase of intangible assets	(2.42)	(0.44)	(0.09)
Increase in restricted cash	(27.02)	39.12	(10.00)
Payment for short-term loans to person or related parties	-	-	-
Repayment for short-term loans to person or related parties	2.00	-	-
Proceeds from disposal of assets	0.07	1.85	1.46
Interest received	1.45	2.09	1.57
Net Cash From (Used In) Investing Activities	(27.91)	(43.10)	(181.59)
Cash Flows From Financing Activities			
Proceeds from the issuance of newly issued ordinary shares	56.25	15.00	279.50
Payment for transaction costs directly attributable to the issue of new shares	-	-	(9.71)
Proceeds from short-term borrowings from financial institution	429.03	275.27	115.36
Proceeds from long-term borrowings from financial institution	2.00	60.18	2.05
Repayments of short-term borrowings from financial institution	(373.83)	(319.05)	(108.52)
Repayment of debentures	-	-	-
Repayments of long-term borrowings from financial institution	(10.91)	(16.90)	(18.15)
Payment for transaction costs of borrowings	-	(0.60)	0.00
Repayments of lease liabilities	(10.03)	(22.93)	(23.47)
Payment for investment in subsidiaries	(0.82)	-	-
Proceeds from non-controlling interests from the issuance of shares by subsidiary	-	0.00	-
Dividends payment by the Company	(72.60)	(7.40)	(31.60)
Dividends payment by the Subsidiary	-	-	-
Net Cash From (Used In) Financing Activities	19.09	(16.43)	205.47
Net Increase (Decrease) In Cash and Cash Equivalent	(17.99)	63.84	50.51
Opening Balance of Cash and Cash Equivalents	26.82	8.83	72.68
Closing Balance of Cash and Cash Equivalents	8.83	72.68	123.19
Significant Non-Cash Transactions			
Payable arising from a finance lease agreement of assets under finance lease	45.10	19.83	5.33

Items (Unit : Million Baht)	For the year ended as at December 31		
	2019	2020	2021
Payable arising from purchase of property, plant, and equipment	0.27	0.20	1.25
Payable arising from purchase of intangible assets	-	-	0.09
Payable arising from purchase of investment in subsidiaries	-	-	-
Payable arising from dividend distribution	7.40	-	-

Key Financial Ratio for Financial Statements of PROEN Corp Public Company Limited as at December 31, 2019-2021

Financial Ratio	Unit	2019	2020	2021
Liquidity ratio				
Liquidity Ratio	Times	0.92	1.01	1.42
Quick Ratio	Times	0.85	0.93	0.95
Operating Cash Flow to Current Liabilities	Times	(0.03)	0.29	0.05
<i>Sales and service of telecommunication and other services</i>				
Receivable Turnover (sales and services)	Times	10.27	7.81	36.78
Collection Period (sales and services)	Days	35.06	46.09	25.51
Inventory Turnover (sales and services)	Times	278.16	249.90	85.36
Average Inventory Period (sales and services)	Days	1.29	1.44	4.22
Accounts Payable Turnover (sales and services)	Times	10.76	5.96	4.53
Average Payment Period (sales and services)	Days	33.45	60.40	79.54
Cash Conversion Cycle (sales and services)	Days	2.90	(12.87)	(38.54)
<i>Construction Business</i>				
Receivable Turnover (construction)	Times	2.17	4.83	1.89
Collection Period (construction)	Days	165.93	74.55	190.53
Inventory Turnover (construction)	Times	N/A	6,598.76	14.27
Average Inventory Period (construction)	Days	N/A	0.05	25.23
Accounts Payable Turnover (construction)	Times	3.93	5.12	1.50
Average Payment Period (construction)	Days	91.64	70.25	239.85
Cash Conversion Cycle (construction)	Days	74.29	4.35	(29.04)
Profitability Ratio				
Gross Profit Margin	%	15.44	15.99	13.80
Gross Profit Margin from sale	%	10.38	6.28	8.28
Gross Profit Margin from service	%	24.11	32.15	26.86
Gross Profit Margin from construction contracts	%	7.63	13.67	9.39

Financial Ratio	Unit	2019	2020	2021
Operating Profit Margin	%	4.19	5.20	4.44
Other Profit Margin	%	0.18	0.44	0.29
Cash to Profit Margin	%	(24.77)	237.02	56.72
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) ¹⁾	%	6.81	8.19	7.56
Net Profit Margin	%	1.88	2.51	2.76
Return on Equity (ROE)	%	14.61	19.40	10.23
Return on Equity (ROE) – Fully Diluted ²⁾	%	10.60	14.59	10.23
Efficiency Ratio				
Return on Asset (ROA)	%	3.23	3.94	3.34
Return on Fixed Asset (ROFA)	%	50.02	52.85	45.57
Asset Turnover (ATO)	Times	1.72	1.57	1.22
Financial Policy Ratio				
Interest Bearing Debt to EBITDA Ratio ³⁾	Times	4.04	2.62	2.24
Interest Coverage Ratio (ICR) ⁴⁾	Times	5.28	4.89	8.21
Debt Service Coverage Ratio (DSCR) ⁵⁾	Times	0.68	0.54	2.18
Debt Service Coverage Ratio (DSCR) ⁶⁾	Times	0.32	0.63	0.64
Current Portion of Interest Bearing Debt to Total Interest Bearing Debt Ratio	%	77.05	60.68	69.86
Borrowings from Financial Institutions to Interest Bearing Debt Ratio	%	79.14	77.90	83.56
Financial Ratio	Unit	2019	2020	2021
Other interest-bearing debt to interest-bearing debt	%	20.86	22.10	16.44
Debt to Equity Ratio (D/E)	Times	4.59	3.43	1.57
Interest Bearing Debt to Equity Ratio (IBD/E) ⁷⁾	Times	1.62	1.43	0.43
Debenture Issuance to Interest Bearing Debt Ratio	%	N/A	N/A	N/A
Dividend Payout Ratio	%	437.15	29.28	108.34

Remark

- ¹⁾ Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) is calculated by operating income before depreciation and amortization/ total revenue.
- ²⁾ Return on Equity (ROE) – Fully Diluted is calculated by net profit/ (shareholders' equity + paid-up capital that increased from this IPO).
- ³⁾ Interest Bearing Debt to EBITDA Ratio is calculated by interest bearing debt / (earnings before interest expense and income tax + depreciation and amortization).
- ⁴⁾ Interest Coverage Ratio (ICR) is calculated by net cash from (used in) operating activities before interest and tax/ interest expense.

- ⁵⁾ Debt Service Coverage Ratio (DSCR) is the ratio that the bank calculated according to the terms of the loan agreement. It is calculated by earnings before interest, taxes, depreciation, amortization, and deferred expense / (principal due in one year of the previous fiscal year + interest expense), which included lease liabilities after deducting adjustments from TFRS 16.
- ⁶⁾ Debt Service Coverage Ratio (DSCR) is calculated by earnings before interest, taxes, depreciation, amortization / Short-term interest-bearing debt + interest-bearing long-term debt due within 1 year
- ⁷⁾ Interest Bearing Debt to Equity Ratio (IBD/E) is calculated by interest bearing debt/equity, which interest bearing debt included lease liabilities.



5. General Information and Other Key Information

5.1. Company General Information

Company name	PROEN Corp Public Company Limited
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	7 2 CAT Telecom Tower 4 th , 1 8 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 and Paid-up Capital	158,000,000 Baht (as of 31 December 2021)
Listed Share and Paid-up Stock	316,000,000 Shares (as of 31 December 2021)

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
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	: Mr. Phisit Thangthanakul Certified Public Accountant No. 4095
	: 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
legal advisor	: CMT COUNSELLOR COMPANY LIMITED
Location of the office	: 75 Phueng Mi 11 Alley, Bang Chak, Phra Khanong, Bangkok 10260
Telephone	: +668 1836 7236
Internal Auditor	: UNIQUE ADVISOR COMPANY LIMITED (Unique)
Location of the office	: 253, 25th Floor, Sukhumvit 21 Road (Asoke) Khlong Toei Nuea, Watthana, Bangkok 10110
Telephone	: +66 (2) 261 9699

The subsidiary company

1. Proen Telebiz Company Limited (formerly Proen Corporation Company Limited)

Head Office	:	11/80 Pracha Uthit 8 Pracha Uthit Rd. Huai Khwang Bangkok 10310
Business	:	Construction contract for telecommunication and utilities
The company's registration number	:	0105561057404
Authorized Capital	:	10,000,000 Baht
Paid-up Capital	:	10,000,000 Baht
Par Value	:	100 Baht

2. Secure Network Operation Center Company Limited (formerly Proen Communication Company Limited)

Head Office	:	11/80 Pracha Uthit 8 Pracha Uthit Rd. Huai Khwang Bangkok 10310
Business	:	Provide internet services and sell related equipment
The company's registration number	:	0105556056217
Telephone	:	+66 (2) 690 3999
Fax	:	+66 (2) 690 3999
Website	:	www.snoc.co.th
Authorized Capital	:	2,000,000 Baht
Paid-up Capital	:	2,000,000 Baht
Par Value	:	100 Baht

5.2. Project in the future

1. The Board of Directors' Meeting No. 7/2022 on December 21, 2021, had resolution to approve the Company to purchase ordinary shares of The Wireless Innovation Co., Ltd. ("TWI") with a share proportion of 99.996% of total shares from the previous shareholders and notify the SET immediately upon approval and send a circular letter to shareholders on January 10, 2022 with details of the project as follows:

Type of Business	:	Platform business smart logistics circuit design Providing transportation business, GPS system under the Thai Tacking brand, installing and selling CCTV that uses AI systems to help monitor driver behavior. Sale and rental of GPS and AI CCTV equipment
Date of establishment	:	November 18th, 2003
Office Address	:	1409 Ladprao 94 (Panchamit), Phlabphla, Wang Thonglang, Bangkok 10310
Registered capital and Paid-up capital	:	5,000,000 Baht
Par value	:	100 Baht/share
Value of investment	:	100,000,000 Baht
Source of fund	:	Applying working capital of the Company and /or loan from financial institutions and/or debentures issuance for the investment and to be used as working capital.
Operation period	:	Expected to be completed in the second Quarter 2 of 2022

2. 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. 1/2565 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 details of the Project are as follows:

3.

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	<ol style="list-style-type: none"> 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 2023, and will be ready for service within 2023.

5.3. Legal dispute

5.3.1 On part of the Company

Currently, 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 case, Black Case No. Aor. 4386/2563, and civil case, Black Case No. Por. 2945/2563

PROEN Corp Public Company Limited was a plaintiff suing against the Smart ICT International Company Limited, Defendant 1 and another 2 persons (Defendants). The suit was concerned with WiFi equipment and network system installation in order to provide public wireless internet service (Google Station CAT-WiFi) with the total amount and damage value (According to the Suit) of 33.43 million baht. This the in-process case and might cause damage against the property of the Company and its subsidiaries of more than 5 percent of the shareholders' equity. The criminal case is under the process of trial and an appointment for a hearing is scheduled to be on 1 March, 2022. And the civil case is under the process of trial and an appointment for a hearing is scheduled to be on 21 March, 2022.

In case of the suit against the Smart Company Limited as the criminal case, Black Case No. Aor. 4386/2563; the Smart Company Limited (Defendant) had issued 3 cheques to pay debt arising from buying

equipment used in the WiFi equipment and network system installation in order to provide public wireless internet service (Google Station CAT-WiFi). When the Company took such cheques to the bank for money under the bank's procedure but the bank refused to pay by giving the reason that "Insufficient Fund"; therefore, this is criminal case under the Act on Offences arising from the Use of Cheque B.E. 2534 (1991). Then the Company brought the case before the Nonthaburi District Court. The Court of First Instance deemed that such case was Prima Facie case thus accepting the charge for trial under the Report on the Case Trial of the Nonthaburi District Court on 19 January, 2022.

The Legal Department deemed that the defendant was guilty under the suit and the case proceeding was under the case trial procedure which was sure to win; however, the defendant might negotiate to pay for such debt to the Company so that the Company could withdraw the case.

The case of suit against Smart Company Limited was a civil case, Black Case No. Por. 2945/ 2563; the Smart Company Limited (Defendant) had issued 3 cheques to pay debt arising from buying equipment used in the WiFi equipment and network system installation in order to provide public wireless internet service (Google Station CAT-WiFi). When the Company took such cheques to the bank for money under the bank's procedure but the bank refused to pay by giving the reason that "Insufficient Fund"; therefore, this is the civil offences concerned with bill of exchange, violation against the Contract by failing to pay for the debt, and there was a claim for damage under the Civil and Commercial Code. Then the Company brought the case before the Nonthaburi District Court. The Court of First Instance deemed that such case was Prima Facie case thus accepting the charge for trial. The case is under the process of an appointment to take witnesses (Due to the epidemic situation of Covid-19, so there have been postponements for trial). The Company has followed up and asked from the officer about the date for trial of the case, and the date was finally determined to be on 21 March, 2022.

*Note: Since the Court did not send the Letter informing of the appointment for trial to the Company, therefore, there is no reference document related to the date of appointment)

The Legal Department deemed that the defendant was guilty under the suit and the case proceeding was under the case trial procedure which was sure to win; however, the defendant might negotiate to pay for such debt to the Company so that the Company could withdraw the case.

However, the value of such case was 7.96 percent of the shareholders' equity under the Company's consolidated financial statement at the end of the accounting period, as of 31st December, 2021.

5.3.2 On part of the subsidiaries

As of 30 December, 2021, the subsidiaries has no legal dispute that might cause damage against the property of the Company and the subsidiaries for more than 5 percent of the shareholders' equity, and there is no other legal disputes that might affect the business operation of the Company and the subsidiaries significantly.

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 : Define 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 advice 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., CAT Telecom Tower 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
- Transferal 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 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.1/2022 held on February 25, 2022, 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 2021

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 2022
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

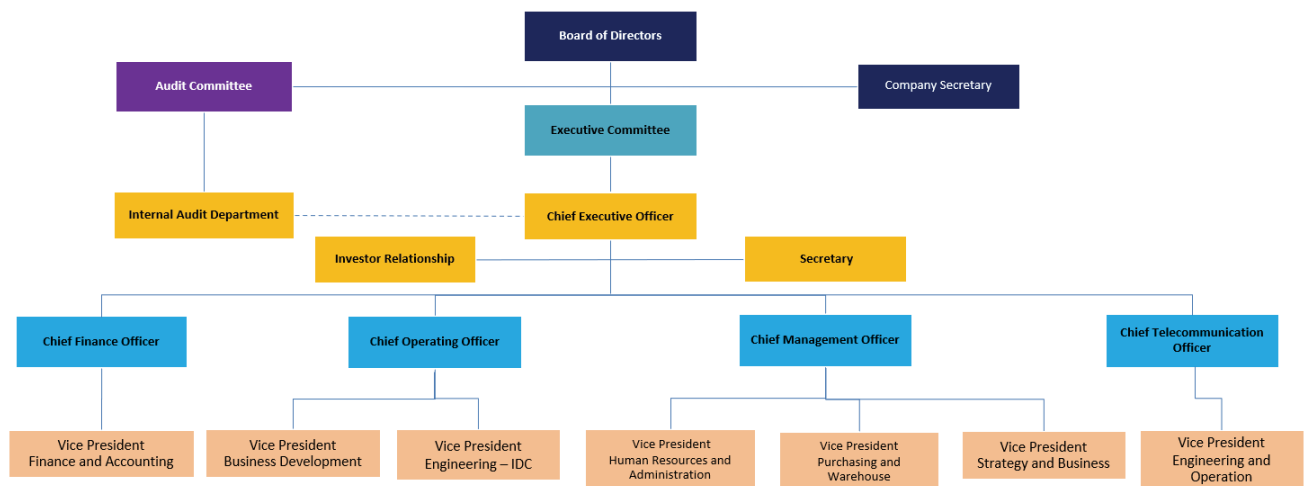
3. The Directors held more than 25% of the company's share because The company's needs of experienced Management to lead the business succeed.
4. The company had not determined the 'Cumulative Voting' for the Director election method, but it had selected the '1 Share : 1 Vote' method that to the company's policy compliance.
5. 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 January 31, 2022



7.2. The Board of Directors

As of December 31, 2021 the Board of Directors consists of 8 persons are three (3) 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. Mr. Kittipan Sri-bua-iam	Director
5. Mr. Naris Ratyiam	Director
6. Mr. Somkiat Yubanphaeo	Director
7. Mrs. Punsaya Paprakornpisit	Director
8. Dr. Parnai Kungwalrut	Director

Remark :

- The Company's directors no. 1 – 6 were appointed by the Extraordinary General Meeting of Shareholders No. 2/2018 held on April 18, 2018 and Dr. Parnai Kungwalrut was appointed by the Extraordinary General Meeting of Shareholders No. 3/2020 held on December 18, 2020.
- Mr. Ronarong Dejburana was the Company's Director who retire from the position during the year 2021 since June 18, 2021 and the Board of Directors Meeting No. 5/21 held on August 10, 2021 has appointed Mrs. Punsaya Paprakornpisit to serve as the Company's Director instead.

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 a 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, 2021, 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 Mr. Phuwadon Muangsue served as the Secretary of the Audit Committee was appointed by the Audit Committee's Meeting No. 1/2020 on February 26, 2020.

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, 2021 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

Remark : Mr. Ronarong Dejburana resigned from the position as Executive Director during year 2021 since June,18 2021.

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 : Data Center)				
1.1 Determining the selling price of goods and services, Approve the conditions of brokerage payment and approve the conditions and scope of the discount to the customer.	√	-	-	-
1.2 Approval of Sale Order	Not more than 20,000,000 baht	Not more than 50,000,000 baht	More than 50,000,000 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	$X < 15\%$	$15\% < X < 50\%$	$X \geq 50\%$
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 5,000,000 baht	Not more than 20,000,000 baht	More than 20,000,000 baht	-
3.2 Approval of Cash Advance	Not more than 100,000 baht	Not more than 200,000 baht	More than 200,000 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	-

Types of Transactions	Chief Executive Officer	Executive Committee	Board of Directors	Shareholder's Meeting
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. 5/21

- 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 Operating Officer
3. Mr. Somkiat Yubanphaeo	Chief Telecommunication Officer
4. Mr. Nititorn Deeumpai	Chief Financial Officer / Vice President - Strategy and Business Development
5. Mr. Visrut Manunpon	Vice President - Business Development
6. Mrs. Punsaya Paprakornpisit	Vice President – Human Resources and Administration
7. Mrs. Sasirada Mututanon	Vice President – Purchasing and Warehouse
8. Mr. Narong Juekert	Vice President – Finance and Accounting Department

Remark : - The Executive Committees' Meeting No. 7/2021 held on July 30, 2021 resolved to appoint Mr. Nititorn Deeumpai to served as Vice President of Chief Financial Officer.

- 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 Officer

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 2021 on April 27, 2021 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 2020	Year 2021
	Meeting Allowance (Baht/time)	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, 2020 and December 31, 2021. The details are follows.

Name	Meeting allowance (Baht)			
	Year 2020		Year 2021	
	The Company's Director	Audit Committee	The Company's Director	Audit Committee
1. Dr. Sathit Puttachaiyong	90,000	48,000	108,000	60,000
2. Mr. Nopparat Phutaviriya	60,000	68,000	72,000	85,000
3. Assoc. Prof. Dr. Panarat Panmanee	60,000	48,000	72,000	60,000
4. Mr. Kittipan Sri-bua-iam	-	-	-	-
5. Mr. Naris Ratyiam	-	-	-	-
6. Mr. Somkiat Yubanphaeo	-	-	-	-
7. Mrs. Punsaya Paprakornpisit	-	-	-	-
8. Dr. Parnai Kungwalrut	-	-	72,000	-
Total	210,000	164,000	324,000	205,000

Remark :

1. In 2020, the Board of Directors has resolved to not receive the meeting allowances for meeting no. 1, 3, 4 and 8 to reduce the Company's expense during the situation of the coronavirus (COVID-19) pandemic.
2. In 2020, the Audit Committee has resolved to not receive the meeting allowances for meeting no. 2 to reduce the Company's expense during the situation of the coronavirus (COVID-19) pandemic.
3. Dr. Parnai Kungwalrut has appointed by the Extraordinary General Meeting of Shareholders No. 3/2020 on December 18, 2020. However, there is no Board Meeting during 18 December – 31 December 2020.
4. Mrs. Punsaya Paprakornpisit has appointed by the Board of Directors Meeting No. 5/21 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, 2020 and December 31, 2021. The details are follows.

Name	Director's Pension (Baht)	
	2020	2021
1. Dr. Sathit Puttachaiyong	150,000	150,000
2. Mr. Nopparat Phutaviriya	100,000	100,000
3. Assoc. Prof. Dr. Panarat Panmanee	100,000	100,000
4. Mr. Kittipan Sri-bua-iam	-	-
5. Mr. Naris Ratyiam	-	-
6. Mr. Somkiat Yubanphaeo	-	-
7. Mrs. Punsaya Paprakornpisit	-	-
8. Dr. Parnai Kungwalrut	-	-
Total	350,000	350,000

Remark : Directors' Pension will be calculated at the end of accounting period and Dr. Parnai Kungwalrut appointed by the Extraordinary General Meeting of Shareholders No. 3/2020 on December 18, 2020

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	2020		2021	
	Number (person)	value (million baht)	Number (person)	value (million baht)
Salary	8	20.1	8	20.2
Bonus	8	1.4	8	1.6
Other remuneration	8	3.4	8	4.3
Total		24.9		26.1

Remark : 1. 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

The Company will allocate the new ordinary shares that will offer to sale in this time to the Directors and Executives in the amount not more than 2,000,000 shares at the same price as the offering price of new ordinary shares to common people.

7.7. Personnel

As of December 31, 2021, the total number of employees (excludes executives) of the Company was 88 persons. The detail as follows.

Department	Number of employees		
	Dec 31, 2019 (person)	31 Dec. 2020 (person)	31 Dec. 2021 (person)
1. Accounting and Finance	8	9	9
2. HR and Admin	2	2	2
3. Purchasing	5	4	4
4. Sales and Marketing	25	27	26
5. Data Center	37	40	39
6. Information Technology	1	2	3
7. Internal Audit	1	-	1
8. Legal	1	1	1
9. Engineering and Operations (Construction contract)	-	1	-
10. Other (Secretary, Company Secretary, Driver and Investor Relations)	2	3	3
Total	82	89	88

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
Number of persons	90	88
Salary	27.5	31.5

Remuneration type	Year 2020	Year 2021
Bonus	1.8	2.3
Provident Fund Contribution	0.4	0.5
Welfare and others	2.9	2.1
Overtime payment	1.3	1.0
Total	33.9	37.4

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 2019, the number of employees increased by 5 persons, most of them are purchasing staff to increase the efficiency in the purchasing process to support the Business's expansion.

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.

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.

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, in 2021 has an internal auditor that hired from outside is Unique Advisor Company Limited.

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

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

*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 financial 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 2021, 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	Board of Directors meeting	Audit Committee meeting	Executive Committee Meeting
1. Mr. Sathit Puttachaiyong	1/1	7/7	5/5	--
2. Mr. Nopparat Phutaviriya	1/1	7/7	5/5	--
3. Mrs. Panarat Panmanee	1/1	7/7	5/5	--
4. Mr. Kittipan Sri-bua-iam	1/1	7/7	--	12/12
5. Mr. Naris Ratyiam	1/1	7/7	--	12/12
6. Mr. Somkiat Yubanphaeo	1/1	7/7	--	12/12
7. Mrs. Punsaya Paprakornpisit ^{/1}	--	2/7	--	12/12
8. Mr. Parnai Kungwalrut	1/1	7/7	--	--
9. Mr. Nititorn Deeumpai	1/1	--	--	12/12
10. Mr. Visrut Manunpon	--	--	--	--
11. Mrs. Sasirada Mututanon	--	--	--	--

Note: /1 = Mrs. Punsaya Paprakornpisit was appointed as the director of the Committee No. 5/ 2021 on 10 August, 2021.

Mr. Ronnarong Dejburana was the Company's director who left the position during 2021 as from 18 June, 2021; in 2021, he attended 1 Shareholders Ordinary Meeting, and 3 Board of Directors' Meeting, and 5 Executive Meetings.

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), in order to apply the knowledge and experience to develop the Company. In 2021, the Company held the seminar called Training Seminar Strategic Planning & Review Strategic “PROEN 2022-2024”, which was the annual organizational strategic seminar, in which there were 8 directors and executives out of 11 persons, with the expert from OPTIMA Consulting Co., Ltd.

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 2021, 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: <ul style="list-style-type: none"> • 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 2021, 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)	3.73
Board of Directors (Sub-committee for the whole board)	
Audit Committee	3.83
Executive Committee	3.83
Board of Directors (Individual)	3.77

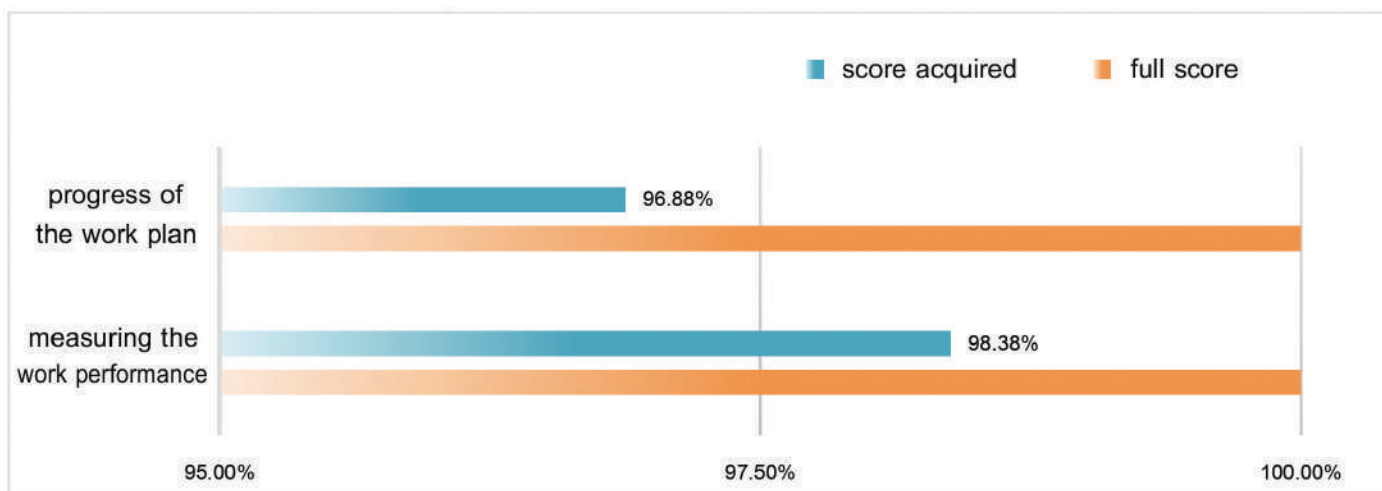
Appraising the performance of the Chief Executive Officer

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 2021 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. 1/2022 on date February 25, 2021 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 2021, the meeting of the Audit Committee no. 1/2021 dated February 25, 2021, considered Unique to be an internal auditor of The Company in order to monitor the internal control assessment for the year 2021. 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. 1/2022 on date February 25, 2022. 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

Unique Advisor Co., Ltd. (Unique), an internal auditor of the Company Group has reviewed and monitored the internal control of the Company Group in 2021 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, 2021, the Company Group remained the low-risk issues, and Unique will audit on December 31, 2021. The issues will be proposed to the meeting as follows.

9. Internal Audit and Related Party Transactions

Detected issues	Suggesions	Results from the internal control improvement
<p>Revenue from sales/services, debtor, and debt repayment</p> <p>1. The preparation of service provision agreement is delaye and inconsistent with the specified procedures. (Risk; low)</p>	<ul style="list-style-type: none"> ● The Company should emphasize those who are concerned to follow up the Agreement sent to the customer to sign, and record the complete results from that follow-up into the form specified in the Operation Manual. ● The Company should review work guidelines concerned with period of time in the procedure to request for a renewal of service to be sooner so that the sale division and the legal division could draft the Agreement for the customer to review its contents and conditions of the service in advance 	<p>In process – The Company would emphasize those concerned to follow up on the Agreement sent to the customer to sign and would record the complete results from that follow-up into the form specified in the Operation Manual, and would review work guidelines concerned with period of time in the procedure to request for a renewal of service to be sooner so that the sale division and the legal division could draft the Agreement for the customer to review its contents and conditions of the service in advance before the due date of service under the Agreement</p>



Detected issues	Suggestions	Results from the internal control improvement
	before the due date of service under the Agreement and thus renewing the Agreement in time.	and thus renewing the Agreement in time.
Fixed asset management		
<p>2. The difference found from counting the assets leads to an attempt to find the cause, and lead to the delay of the adjusted entry (Risk: moderate)</p>	<ul style="list-style-type: none"> The Company should consider timeframe for the operation so that all parties concerned and/ or the person in charge of assets could follow up the difference from asset counting for the benefit in updating the accounting data or repairing or replacing or planning to buy as replacement in time and efficiently. The Company should manage to have some way to report on the progress of the follow-up and present the executive/ the authorized clearly and in writing so that the fixed asset management could be done effectively, and it could be possible to plan on buying for replacement in time and efficiently. 	<p>In process – The Company specifies the period of time in following up the difference from asset counting to be within 1 month as from the day when the conclusion is made on the asset counting. In case when the cause of the difference cannot be found, the occupant of such asset shall be responsible for the lost of asset, and specifies the period of time to request for an approval from CEO to consider on writing off for loss of asset out of the registration within 7 days as from the day when the conclusion is made and do the tax filing in the month when the request for an approval on write-off is made.</p>
<p>3. IDC's procedures for regulating the way in borrowing by bringing asset offsite are not strong enough.</p>	<p>The Company should review and update the IDC' s procedures for borrowing/ returning the asset to be consistent with and in the same direction to those procedures of the Headquarter by:</p> <ol style="list-style-type: none"> Determining the authorized person to consider the approval on borrowing the asset. 	<p>In process – The Company reviews and revise the details in the Form for Borrowing/ Returning Equipment (FM-ADI-004) by requiring to have the following information:</p> <ul style="list-style-type: none"> The person borrowing the equipment, the person lending the equipment, the person who grant an approval

Detected issues	Suggestions	Results from the internal control improvement
	<p>2. Updating the Form for Borrowing/ Returning Equipment (FM-ADI-004) by requiring the evidence that shows the examination and approval granted for the asset to be taken out of the Company, and the evidence confirming the delivery and the acceptance of asset between the person in charge of asset and the person requesting to borrow etc.</p> <p>3. Presenting the updated Form to the authorized to consider the approval and inform the operators.</p>	<p>to lend the equipment</p> <ul style="list-style-type: none"> - The person returning the equipment, the person checking the returned equipment - The person who accepts the return of equipment, the person who grants an approval to accept the return of equipment <p>In order that the operator could sign on the written document clearly related to the operation in each step and update the Operation Manual to be consistent with procedures as mentioned</p>
<p>Account closure and preparing for financial report</p> <p>4. The user in the system for some transaction can add, revise, and delete the chart of account without having to have duties related to such work.</p>	<p>The Company should consider as follows:</p> <ol style="list-style-type: none"> 1. Updating the ways in preparing for documents/ information attached with the additional request form/ change of right to use ERP system, where the information on the current function information (before revising on the right) and the information on the function required to change should be shown so that the IT Department could revise and update the right correctly and completely. 	<p>In process –The Company would modify the right under the Request Form related to IT (FM-ITS-001); the Menu screenshot or Report screenshot requested for right revision should be attached with such Form so that the reviewer or the approval grantor could consider on the accuracy and the appropriateness before sending to the IT Department to take action.</p>



Detected issues	Suggesions	Results from the internal control improvement
	2. Checking for the accuracy of right to access in details carefully for all functions after revision made by the IT Department, by comparing with the right requested for an approval on the change/ revision every time.	

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

In 2021, Unique has audited the company in quarterly and reported to the Audit Committee as following items.

Auditing of Internal control of the Company Group in 2021

Subject	Quarter 1/21	Quarter 2/21	Quarter 3/21	Quarter 4/21
1. Earnings, debtors, and debt repayments	✓		✓	
2. Project Management, and Project Cost	✓		✓	
3. Procurement/Hiring, Creditor and repayments		✓		
4. Inventory and cost of sales	✓			
5. Permanent asset management				✓
6. Human Resource Management		✓		
7. Budget and cash management		✓		
8. Closing entries and financial reporting			✓	
9. General IT system control	✓			
10. General Corporate Governance				✓
11. Organizational Risk Management				✓

9.4 Internal Audit Manager of the Company and its Subsidiaries

The Audit Committee meeting no. 1/2020 dated February 26, 2020, appointed Mr. Phuwadon Muangsue to be the Internal Audit manager of the Company Group. The Audit Committee meeting no. 1/2022 on February 25, 2022 has appointed Miss Siriwan Lueanloi to be the Internal Audit Manager instead of Mr. Phuwadon Muangsue. The Audit Committee has reviewed the qualification and found that she is suite with the position by having independent, qualified educational background, internal audit work experience. The Company hired Unique to be the Internal Auditor of the Company Group for the year 2021, and Unique assigned Mr. Kosol Yamsimul, Managing Directors to be the main coordinator who will coordinate with the Company group regarding Internal Audit.

The Audit Committee considered Unique and Mr. Kosol Yamsimul and found that they are appropriate to the assignment due to having the independence, qualification, educational background internal audit work

experience, and training in courses regarding internal audit i.e. Certified Internal Auditor (CIA), COSO 2013 in theory and practice. Internal Audit course by the Institute of Internal Auditors of Thailand.

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	<ul style="list-style-type: none"> ● Director, Authorized Director, Chairman of the Board of Directors, Chief Executive Officer, ● Major shareholder, holding 204,371,800 shares directly and indirectly, calculated as 64.674% of the paid-up capital as of December 31st, 2021
2 Wealth Water House Co., Ltd. (WWH), a holding company (currently invest in only PROEN, without other business)	<ul style="list-style-type: none"> ● Major shareholders, holding shares of 64.674% directly and indirectly of the paid-up capital as of December 31st, 2021 ● 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, 2021

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	2019 (Thousand Baht)	2020 (Thousand Baht)	2021 (Thousand Baht)	Necessity and reasonability of transactions
1. Mr. Kittipan Sri-bua-iam	Advance land rental cost Pay for land rental	61.40 105.26	61.40 105.26	61.40 105.26	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. <u>Comments from Audit Committee</u> 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.



Person or entities that may have conflict of interest	Transaction type	2019 (Thousand Baht)	2020 (Thousand Baht)	2021 (Thousand Baht)	Necessity and reasonability of transactions
	Purchase assets	2.50	-	-	<p>In 2019, PROEN bought an air conditioning from Mr. Kittipan to be installed in the inventory room. PROEN has compared purchasing/selling price from third party before making transaction, the price of Mr. Kittipan's air conditioning is lower than the comparable price</p> <p><u>Comments from Audit Committee</u></p> <p>The transaction is necessary and reasonable as the purchase of assets was for the Company Group's benefits, and the price was lower than the market price. The purchasing process complied with the purchasing policy.</p>

Person or entities that may have conflict of interest	Transaction type	2019 (Thousand Baht)	2020 (Thousand Baht)	2021 (Thousand Baht)	Necessity and reasonability of transactions
2. Wealth Water House Co., Ltd. (WWH)	<u>Loan</u>				<p>On December 3rd, 2018, PROEN loaned 2.0 million Baht to WWH with an interest rate at 8% p.a. Repayment was scheduled on August 3, 2019. WWH has repaid the loan with interest to PROEN on June 2019.</p> <p><u>Comments from Audit Committee</u></p> <p>The transaction was a Financial aid, and the Company has charged interest at a rate equal to the market rate. In this regard, the Audit Committee will monitor and ensure that such transactions will not occur in the future.</p>
	Beginning period	2,000.00	-	-	
	Between period	(2,000.00)	-	-	
	Ending period	-	-	-	
	Interest	92.05	-	-	
	Outstanding Interest	-	-	-	
	Sale of Assets	20.00	-	-	<p>In 2019, the Company Group sold Server Computer to WWH with the price equal to the market price.</p> <p><u>Comments from Audit Committee</u></p> <p>The transaction is necessary and reasonable by making a transaction at a reasonable price. The sale was in order to reduce the use of assets between the Company Group and WWH. The selling process was complied with the sale policy.</p>

Person or entities that may have conflict of interest	Transaction type	2019 (Thousand Baht)	2020 (Thousand Baht)	2021 (Thousand Baht)	Necessity and reasonability of transactions
	Revenue from Services Accrued Revenues Account Receivable Unearned Revenues	27.60 7.60 - -	31.75 - 5.35 1.25	30.00 1.25 - -	<p>In 2020 and 2021, WWH applied Co-location service of the PROEN with service fees paid at a rate equal to the third party.</p> <p>Comments from Audit Committee The transaction deemed normal price and conditions as same as trading with third parties</p>
3. Pao Group International Co., Ltd. (PAO)	Legal service fee	42.75	-	-	<p>PROEN hired PAO to amend a project contract in June 2019.</p> <p>Comments from Audit Committee The transaction is necessary and reasonable due to the Company Group must apply legal counsel service for the TOR compliance, PAO has a good understanding of the Company's business, moreover, PAO's legal service fee invoiced to the Company Group is comparable to the market rate.</p>

PROEN Telebiz Co., Ltd.

Person or entities that may have conflict of interest	Transaction type	2019 (Thousand Baht)	2020 (Thousand Baht)	2021 (Thousand Baht)	Necessity and reasonability of transactions
1. Mr. Kittipan Sri-bua-iam	Loan from Director	-	-	-	<p>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.</p> <p>Comments from Audit Committee</p> <p>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.</p>
	Beginning period	-	-	-	
	Withdraw	-	490.00	-	
	Repayment	-	(490.00)	-	
	Ending period	-	-	-	
	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 2021

PROEN CORP PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2021



PROEN Corp Public Company Limited

72 CAT Telecom Tower 4th, 18th Fl.,
Charoen Krung Rd. Bang Rak
Bangkok 10500

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Independent Auditor's Report

To the shareholders 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 2021, 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 2021;
- 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 issued by the Federation of Accounting Professions that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. 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. These matters were 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 these matters.

Key audit matter	How my audit addressed the key audit matter
<p><i>Revenue recognition from construction contract</i></p> <p>Refer to Notes to Financial Statements No. 4.18,</p> <p>Recognition of revenue from different types of construction contracts is variety and complex, and the terms of each contract are different for each project undertaken. The Group recognises revenue from construction contracts over time in line with progress and the terms of the contract which is the output method.</p> <p>I focused on the revenue recognition because:</p> <ol style="list-style-type: none"> 1. Revenue recognition over the term of the contract involves the judgements of the management. It is based on a measure of the level of construction progress that has already transferred control to the customer against the amount remaining under contract or the total contract amount and the results of the performance that have been completed to date are explored. 2. The Group has revenue recognition from construction contract for the year ended 31 December 2021 of Baht 229.55 million, representing 21% of total revenue in the consolidated statement of comprehensive income. 	<p>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.</p> <p>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.</p> <p>I tested, on sample basis, the recognition of revenue from construction contracts on which output method were applied as follows:</p> <ul style="list-style-type: none"> - Examining supporting documents for the calculation for the percentage of work completion and transferred to the customer, such as the acceptance document from the customer. - Testing the calculations for the ratio of revenue recognition and revenue recognition amount. <p>I found the method of contract revenue recognition was reasonable and appropriate based on the environment and circumstances.</p>



Key audit matter	How my audit addressed the key audit matter
<p>Allowance for expected credit losses</p> <p>Refer to Note 5.1.2.c regarding impairment of financial assets and Note 10 regarding trade and other receivables.</p> <p>The Group applies a simplified approach under TFRS 9 Financial Instrument to measure expected credit losses. The approach calculates the allowance for expected credit losses over the life of trade accounts receivable and receivables for construction under contract that have not yet been billed.</p> <p>I focused on allowance for expected credit losses for these reasons:</p> <ol style="list-style-type: none"> 1. The estimation of the allowance for expected credit losses involves management's critical judgements on assumptions and the relevant data. In addition, the trade accounts receivable balance is significant amount to the consolidated financial statement, and I determine this area to be a significant risk. 2. The Group recognises allowance for expected credit losses as at 31 December 2021 of Baht 42.11 million, representing 35% of trade accounts receivable in the consolidated financial statement. 	<p>I enquired with management to assess the appropriateness of the Group's accounting policies, including those assumptions related to judgments and related data for estimates.</p> <p>I tested the grouping of debtors by credit risk with common characteristics and by overdue period.</p> <p>I tested the calculation of the expected credit loss from trade accounts receivable that using the Group's simplified approach according to TFRS 9.</p> <p>I gained an understanding of the management's critical judgements about the allowance percentage for expected credit losses and assessed its appropriateness by testing historical data.</p> <p>I considered and examined debt repayment after the end of the accounting period in order to adjust the allowance for expected credit losses as appropriate.</p> <p>I found the model applied for the expected credit losses was reasonable and appropriate based on the environment and circumstances.</p>

Other information

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

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

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

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

Responsibilities of the directors for the 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:

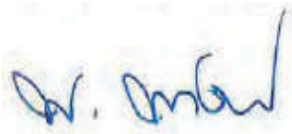
- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. 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.



Pisit Thangtanagul
Certified Public Accountant (Thailand) No. 4095
Bangkok
25 February 2022

PROEN Corp Public Company Limited
Statement of Financial Position
As at 31 December 2021

	Notes	Consolidated financial statements		Separate financial statements	
		2021 Baht	2020 Baht	2021 Baht	2020 Baht
Assets					
Current assets					
Cash and cash equivalents	9	127,119,551	85,401,394	114,934,578	63,533,098
Trade and other receivables	10	424,758,256	297,830,830	411,463,278	272,227,275
Financial assets measured at fair value through profit or loss	11	149,572,705	-	149,572,705	-
Current portion of lease receivables	5.1.1 a	5,301,554	4,944,142	5,301,554	4,944,142
Inventories	13	103,715,855	20,412,896	103,555,560	20,307,201
Short-term loans to related parties	32	-	-	54,058,203	62,477,572
Financial assets measured at amortised cost		2,267,675	2,262,100	2,267,675	2,262,100
Other current assets		12,751,326	6,686,317	7,527,980	1,536,693
Total current assets		825,486,922	417,537,679	848,681,533	427,288,081
Non-current assets					
Restricted cash	14	80,849,700	70,849,700	80,849,700	70,849,700
Lease receivables	5.1.1 a	9,333,900	14,635,455	9,333,900	14,635,455
Investment in subsidiaries	15	-	-	11,999,600	11,999,600
Property, plant and equipment	16	137,990,459	136,042,162	137,133,785	134,274,109
Right-of-use assets	17	8,720,818	11,954,012	8,720,818	11,954,012
Intangible assets	18	2,784,010	3,617,881	2,778,858	3,581,687
Deferred tax assets	19	11,281,383	10,144,594	11,186,077	10,055,514
Other non-current assets		2,158,159	2,154,877	1,958,159	2,154,877
Total non-current assets		253,118,429	249,398,681	263,960,897	259,504,954
Total assets		1,078,605,351	666,936,360	1,112,642,430	686,793,035

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 2021

	Notes	Consolidated financial statements		Separate financial statements	
		2021 Baht	2020 Baht	2021 Baht	2020 Baht
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term borrowings from financial institutions	20	88,933,371	90,875,039	85,930,664	89,002,602
Trade and other payables	21	448,670,517	268,985,481	449,274,820	261,278,289
Current portion of long-term borrowings from financial institutions	20	19,303,920	17,927,421	18,203,630	17,927,421
Current portion of lease liabilities	5.1.1	17,435,864	22,171,270	17,400,129	21,762,402
Accrued income tax		-	21,057	-	21,057
Other current liabilities		6,970,549	11,600,657	5,380,188	10,975,152
Total current liabilities		581,314,221	411,580,925	576,189,431	400,966,923
Non-current liabilities					
Long-term borrowings from financial institutions	20	42,081,949	59,340,348	37,782,239	53,940,348
Lease liabilities	5.1.1	12,134,604	25,543,534	12,134,604	25,507,799
Employee benefit obligations	22	14,669,493	12,011,299	14,042,967	11,633,392
Provision for decommissioning		8,625,266	7,980,367	8,625,266	7,980,367
Total non-current liabilities		77,511,312	104,875,548	72,585,076	99,061,906
Total liabilities		658,825,533	516,456,473	648,774,507	500,028,829

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 2021

	Notes	Consolidated financial statements		Separate financial statements	
		2021 Baht	2020 Baht	2021 Baht	2020 Baht
Liabilities and equity (Cont'd)					
Equity					
Authorised share capital					
Ordinary share 316,000,000 shares of par Baht 0.5 each	23	158,000,000	158,000,000	158,000,000	158,000,000
Issued and paid-up share capital					
Ordinary share 316,000,000 shares of paid-up at Baht 0.5 each (31 December 2020: 230,000,0000 shares of par Baht 0.5 each)	23	158,000,000	115,000,000	158,000,000	115,000,000
Share premium	23	228,732,200	-	228,732,200	-
Share surplus from business combination under common control		1,175,732	1,175,732	-	-
Retained earnings					
Appropriated - legal reserve	24	8,850,000	7,000,000	8,850,000	7,000,000
Unappropriated		23,008,916	27,296,404	68,285,723	64,764,206
Other comprehensive income		(1,502)	(1,502)	-	-
Equity attribute to owners of the parent		419,765,346	150,470,634	463,867,923	186,764,206
Non-controlling interests		14,472	9,253	-	-
Total equity		419,779,818	150,479,887	463,867,923	186,764,206
Total liabilities and equity		1,078,605,351	666,936,360	1,112,642,430	686,793,035

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 2021

	Notes	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Revenues	8				
Revenues from sales of goods		528,366,117	336,805,697	528,351,562	336,805,697
Revenues from rendering services		300,566,082	260,374,659	296,823,997	255,098,168
Revenues from construction contracts		229,551,793	403,927,832	229,551,793	389,766,084
Total revenues		1,058,483,992	1,001,108,188	1,054,727,352	981,669,949
Costs					
Cost of sales		(484,627,940)	(315,656,411)	(484,627,940)	(315,656,411)
Cost of services		(219,842,521)	(176,660,832)	(219,903,570)	(177,037,337)
Cost of construction contract		(207,989,808)	(348,728,175)	(207,989,808)	(334,745,471)
Total costs		(912,460,269)	(841,045,418)	(912,521,318)	(827,439,219)
Gross profit		146,023,723	160,062,770	142,206,034	154,230,730
Other income	27	3,079,539	4,398,707	12,587,829	13,539,701
Selling expenses		(20,434,242)	(18,222,420)	(18,669,888)	(15,582,211)
Administrative expenses		(77,588,903)	(72,780,422)	(72,672,151)	(67,437,978)
Net impairment losses	29	(4,134,468)	(21,406,639)	(9,064,138)	(15,241,043)
Finance costs	28	(9,768,249)	(16,843,699)	(9,443,769)	(15,844,744)
Profit before income tax expense		37,177,400	35,208,297	44,943,917	53,664,455
Income tax expense	30	(8,014,169)	(9,933,338)	(7,976,900)	(9,685,365)
Profit for the year		29,163,231	25,274,959	36,967,017	43,979,090
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		29,163,231	25,274,959	36,967,017	43,979,090

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 2021

	Note	Consolidated financial statements		Separate financial statements	
		2021 Baht	2020 Baht	2021 Baht	2020 Baht
Profit attributable to:					
Owners of the parent		29,158,012	25,270,439	36,967,017	43,979,090
Non-controlling interests		5,219	4,520	-	-
		<u>29,163,231</u>	<u>25,274,959</u>	<u>36,967,017</u>	<u>43,979,090</u>
Total comprehensive income attributable to:					
Owners of the parent		29,158,012	25,270,439	36,967,017	43,979,090
Non-controlling interests		5,219	4,520	-	-
		<u>29,163,231</u>	<u>25,274,959</u>	<u>36,967,017</u>	<u>43,979,090</u>
Earnings per share					
Basic earnings per share	31	<u>0.10</u>	<u>0.11</u>	<u>0.13</u>	<u>0.19</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 2021

Consolidated financial statements

	Attributable to owners of the parent										
	Issued and paid-up share capital	Share premium	Share surplus from business combination under common control		Retained earnings		Other components of equity		Total owner of the parent	Non-controlling interests	Total equity
			Baht	Baht	Baht	Baht	Baht	Baht			
Opening balance 1 January 2020	100,000,000	-	1,175,732	4,600,000	4,425,965	(1,502)	110,200,195	4,583	110,204,778		
Change in equity for the year											
Share increase	15,000,000	-	-	-	-	-	15,000,000	-	15,000,000		
Legal reserve	-	-	-	2,400,000	(2,400,000)	-	-	-	-		
Additional investment in subsidiaries	-	-	-	-	-	-	-	-	150	150	
Total comprehensive income for the year	-	-	-	-	25,270,439	-	25,270,439	4,520	25,274,959		
Closing balance 31 December 2020	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	115,000,000	-	1,175,732	7,000,000	27,296,404	(1,502)	150,470,634	9,253	150,479,887		
Change in equity for the year											
Share increase	43,000,000	228,732,200	-	-	-	-	271,732,200	-	271,732,200		
Legal reserve	-	-	-	1,850,000	(1,850,000)	-	-	-	-		
Dividend payment	-	-	-	-	(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		
Closing balance 31 December 2021	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		

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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 Changes in Equity
For the year ended 31 December 2021

	Separate financial statements						Total equity Baht
	Notes	Issued and paid-up share capital Baht	Share premium Baht	Retained earnings		Unappropriated Baht	
				Appropriated-legal reserve Baht	Unappropriated Baht		
Opening balance 1 January 2020		100,000,000	-	4,600,000	23,185,116	127,785,116	
Change in equity for the year							
Share increase	23	15,000,000	-	-	-	15,000,000	
Legal reserve	24	-	-	2,400,000	(2,400,000)	-	
Total comprehensive income for the year		-	-	-	43,979,090	43,979,090	
Closing balance 31 December 2020		115,000,000	-	7,000,000	64,764,206	186,764,206	
Opening balance at 1 January 2021		115,000,000	-	7,000,000	64,764,206	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	(1,850,000)	-	
Dividend payment	26	-	-	-	(31,595,500)	(31,595,500)	
Total comprehensive income for the year		-	-	-	36,967,017	36,967,017	
Closing balance 31 December 2021		158,000,000	228,732,200	8,850,000	68,285,723	463,867,923	

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 2021

	Notes	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax		37,177,400	35,208,297	44,943,917	53,664,455
Adjustments for:					
Depreciation	16	23,099,205	21,022,075	22,186,206	20,107,044
Amortisation	18	1,013,461	1,728,255	982,419	1,697,213
Amortisation of right-of-use assets	17	9,155,659	7,526,799	9,155,659	7,526,799
Loss on write-off of equipment	16	-	155,705	-	155,705
Gain on disposal of assets	27	(929,177)	(1,839,762)	(929,177)	(1,839,762)
Impairment loss on trade receivables	29	4,134,468	21,406,639	9,064,138	15,241,043
Reversal of allowance loss on diminution in value of inventories	29	(110,102)	(55,384)	(110,102)	(55,384)
Losses from changes in fair value of financial assets	11	427,295	-	427,295	-
Employee benefit obligations	22	3,218,018	2,972,469	2,969,399	2,793,272
Interest income	27	(1,534,647)	(1,950,749)	(5,725,702)	(5,908,195)
Interest expense	28	9,768,249	16,843,699	9,443,769	15,844,744
Changes in operating assets and liabilities					
- trade and other receivables		(131,098,225)	1,129,334	(148,903,939)	(28,418,247)
- lease receivable		4,944,143	1,468,441	4,944,143	1,468,441
- inventories		(83,192,857)	946,443	(83,138,257)	529,717
- other current assets		(4,005,545)	517,416	(3,165,554)	618,083
- other non-current assets		(3,282)	(2,559)	196,718	(161,453)
- trade and other payables		178,372,496	41,405,701	186,829,904	71,518,759
- lease payable		-	2,823,647	-	2,823,647
- other current liabilities		(4,630,107)	2,526,426	(5,594,964)	4,035,696
- employee benefit obligations	22	(559,824)	-	(559,824)	-
Cash generated from operations		45,246,628	153,832,892	43,016,048	161,641,577
<u>Less</u> Interest paid		(9,330,659)	(14,299,349)	(9,152,092)	(13,338,485)
Income tax paid		(9,289,529)	(16,158,815)	(10,012,303)	(14,865,720)
Net cash generated from operating activities		26,626,440	123,374,728	23,851,653	133,437,372

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 2021

	Notes	Consolidated financial statements		Separate financial statements	
		2021 Baht	2020 Baht	2021 Baht	2020 Baht
Cash flow from investing activities					
Payment for financial assets measured at amortised cost		(5,575)	(126,250)	(5,575)	(126,250)
- financial assets measured at fair value through profit or loss		(150,000,000)	-	(150,000,000)	-
Purchase of property, plant and equipment		(24,521,600)	(85,591,530)	(24,519,980)	(85,585,530)
Purchase of intangible assets		(91,208)	(443,097)	(91,208)	(443,097)
Increase in restricted cash		(10,000,000)	39,119,500	(10,000,000)	39,119,500
Payment for investment in subsidiaries	15	-	-	-	(7,499,850)
Payment for short-term loans to related parties	32	-	-	(18,111,000)	(21,735,308)
Repayment from short-term loans to related parties	32	-	-	26,530,369	-
Proceeds from disposal of vehicles and equipment		1,459,320	1,847,122	1,459,320	1,847,122
Interest received		1,570,977	2,093,867	6,329,500	2,067,816
Net cash used in investing activities		(181,588,086)	(43,100,388)	(168,408,574)	(72,355,597)
Cash flows from financing activities					
Proceeds from share increase	23	279,500,000	15,000,000	279,500,000	15,000,000
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		115,363,801	275,266,558	115,363,801	275,266,558
Repayments of short-term borrowings from financial institution		(108,515,516)	(319,052,553)	(108,515,516)	(304,376,002)
Proceeds from long-term borrowings from financial institution	20.3	2,045,510	60,184,333	2,045,510	54,784,333
Repayments of long-term borrowings from financial institution	20.3	(18,146,525)	(16,902,356)	(18,146,525)	(16,902,356)
Payment for transaction costs of borrowings	20.3	-	(600,000)	-	(600,000)
Repayments of lease liabilities	20.4	(23,472,264)	(22,926,403)	(23,063,396)	(22,552,192)
Dividends payment by the Company	26	(31,595,500)	(7,400,000)	(31,595,500)	(7,400,000)
Proceeds from share increased by subsidiary from non-controlling interest		-	150	-	-
Net cash generated from (used in) financing activities		205,469,756	(16,430,271)	205,878,624	(6,779,659)

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 2021

	Note	Consolidated financial statements		Separate financial statements	
		2021 Baht	2020 Baht	2021 Baht	2020 Baht
Net increase in					
cash and cash equivalents		50,508,110	63,844,069	61,321,703	54,302,116
Opening balance of					
cash and cash equivalents	9	72,678,070	8,834,001	52,682,211	(1,619,905)
Closing balance of					
cash and cash equivalents	9	123,186,180	72,678,070	114,003,914	52,682,211
Significant non-cash transactions are as follows:					
Payable arising from a finance lease agreement of assets under finance lease		5,327,928	19,834,388	5,327,928	19,834,388
Payable arising from purchase of property, plant and equipment		1,253,024	196,978	1,253,024	196,978
Payable arising from purchase of intangible assets		88,382	-	88,382	-

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 2021

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 CAT Telecom 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 25 February 2022.

2 Significant events during the current year

Coronavirus Disease 2019 outbreak

The outbreak of Coronavirus Disease 2019 (“COVID-19”) has adverse effects on operating results for the year ended 31 December 2020. Management is therefore focusing on measures to mitigate the effects of the COVID-19 outbreak in order to enable the business to operate normally. Management has assessed the risks that may arise along with managing employees and customers base with consideration of future performance. In addition, the group also has a credit line that can be disbursed. Therefore, the impact of the Coronavirus 2019 outbreak does not have a significant impact on the group.

The Initial Public Offering (IPO)

During 21 - 23 April 2021, the Company initial public offered its ordinary shares of 86,000,000 with a par value of Baht 0.50 per share. The offering price of these shares was Baht 3.25 per share, totaling Baht 279,500,000. The Company’s ordinary shares are traded in the Market for Alternative Investment (mai) on 29 April 2021.

3 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.

PROEN Corp Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2021

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.

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 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.

PROEN Corp Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2021

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).

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, acquires 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.

PROEN Corp Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2021

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.

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.

PROEN Corp Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2021

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.

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

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.



PROEN Corp Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2021

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.

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.

PROEN Corp Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2021

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.

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.

PROEN Corp Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2021

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.

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.

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4.18 Revenue recognition

Revenue include 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.

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.

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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 is 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.

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.

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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, 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 Baht	Over 5 years Baht	Within 1 year Baht	Over 5 years Baht	1 - 5 years Baht	5 years Baht	Total Baht		
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	

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	Consolidated financial statements										Interest rate (% p.a.)	
	Fixed interest rates					Floating interest rates						
	Within 1 year	1 - 5 years	5 years	Over 5 years	Within 1 year	1 - 5 years	5 years	Over 5 years	Total			
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht		
As at 31 December 2020												
Significant financial assets												
Cash and cash equivalents	85,401,394	-	-	-	-	-	-	-	-	-	-	0.125 - 0.375
Financial assets measured at amortised cost	2,262,100	-	-	-	-	-	-	-	-	-	-	0.20 - 0.55
Lease receivables, net	4,944,142	14,635,455	-	-	-	-	-	-	-	-	-	7.00
Restricted bank deposits	-	70,849,700	-	-	-	-	-	-	-	-	-	0.125 - 0.25
	92,607,636	85,485,155	-	-	-	-	-	-	-	-	-	178,092,791
Significant financial liabilities												
Bank overdrafts and short-term loans from financial institutions	45,987,600	-	-	-	44,887,439	-	-	-	-	-	-	2.20 - 11.37
Long-term loans from financial institutions, net	10,533,707	13,972,744	-	-	12,793,714	33,826,114	6,141,490	-	-	-	-	2.00 - 6.75
Lease liabilities, net	22,171,270	25,543,534	-	-	-	-	-	-	-	-	-	4.91 - 9.03
	78,692,577	39,516,278	-	-	57,681,153	33,826,114	6,141,490	-	-	-	-	215,857,612

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	Separate financial statements								Interest rate (% p.a.)
	Fixed interest rates				Floating interest rates				
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Over 1 year Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	
As at 31 December 2021									
Significant financial assets									
Cash and cash equivalents	114,934,578	-	-	-	-	-	-	114,934,578	0.125 - 0.375
Restricted deposits with financial institutions	-	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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	Separate financial statements								Interest rate (% p.a.)
	Fixed interest rates		Floating interest rates				Total Baht		
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht			
As at 31 December 2020									
Significant financial assets									
Cash and cash equivalents	63,533,098	-	-	-	-	-	-	63,533,098	0.125 - 0.375
Financial assets measured at amortised cost	2,262,100	-	-	-	-	-	-	2,262,100	0.20 - 0.55
Lease receivable, net	4,944,142	14,635,455	-	-	-	-	-	19,579,597	7.00
Short term loans to related parties	62,477,572	-	-	-	-	-	-	62,477,572	8.00
Restricted deposits with financial institutions	-	70,849,700	-	-	-	-	-	70,849,700	0.125 - 0.25
	133,216,912	85,485,155	-	-	-	-	-	218,702,067	
Significant financial liabilities									
Bank overdrafts and short-term loans from financial institutions	44,115,163	-	-	44,887,439	-	-	-	89,002,602	2.20 - 11.37
Long-term loans from financial institutions, net	5,133,707	13,972,744	-	12,793,714	33,826,114	6,141,490	-	71,867,769	2.00 - 6.75
Lease liabilities, net	21,762,402	25,507,799	-	-	-	-	-	47,270,201	4.91 - 9.03
	71,011,272	39,480,543	-	57,681,153	33,826,114	6,141,490	-	208,140,572	



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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.

a) 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 measure at amortise cost, restricted deposits at financial institutions, 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	Up to	3 - 6 months	6 - 12 months	Over	Total
		Baht	3 months	Baht	Baht	12 months	Baht
		Baht	Baht	Baht	Baht	Baht	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
		Consolidated financial statements					
		Not yet due	Up to	3 - 6 months	6 - 12 months	Over	Total
		Baht	3 months	Baht	Baht	12 months	Baht
		Baht	Baht	Baht	Baht	Baht	Baht
31 December 2020							
	Gross carrying amount						
	- trade receivables	39,301,360	12,715,323	2,799,969	2,375,692	21,742,328	78,934,672
	Loss allowance	-	-	771,168	1,419,473	21,742,328	23,932,969
		Separate financial statements					
		Not yet due	Up to	3 - 6 months	6 - 12 months	Over	Total
		Baht	3 months	Baht	Baht	12 months	Baht
		Baht	Baht	Baht	Baht	Baht	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
		Separate financial statements					
		Not yet due	Up to	3 - 6 months	6 - 12 months	Over	Total
		Baht	3 months	Baht	Baht	12 months	Baht
		Baht	Baht	Baht	Baht	Baht	Baht
31 December 2020							
	Gross carrying amount						
	- trade receivables	40,342,444	11,695,034	2,585,541	2,375,692	21,189,738	78,188,449
	Loss allowance	-	-	771,168	1,419,473	21,189,738	23,380,379

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	Up to	3 - 6 months	6 - 12 months	Over	Total
		Baht	3 months	Baht	Baht	12 months	Baht
		Baht	Baht	Baht	Baht	Baht	Baht
31 December 2021							
	Gross carrying amount						
	- unbilled contract revenue	-	109,189,440	7,787,374	6,852,788	-	123,829,602
	Loss allowance	-	-	-	-	-	-
		Consolidated financial statements					
		Not yet due	Up to	3 - 6 months	6 - 12 months	Over	Total
		Baht	3 months	Baht	Baht	12 months	Baht
		Baht	Baht	Baht	Baht	Baht	Baht
31 December 2020							
	Gross carrying amount						
	- unbilled contract revenue	-	57,993,441	21,120,595	6,576,684	9,329,961	95,020,681
	Loss allowance	-	1,013,028	-	4,337,490	9,329,961	14,680,479
		Separate financial statements					
		Not yet due	Up to	3 - 6 months	6 - 12 months	Over	Total
		Baht	3 months	Baht	Baht	12 months	Baht
		Baht	Baht	Baht	Baht	Baht	Baht
31 December 2021							
	Gross carrying amount						
	- unbilled contract revenue	-	109,189,440	7,787,374	6,852,788	-	123,829,602
	Loss allowance	-	-	-	-	-	-

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	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	
31 December 2020						
Gross carrying amount						
- unbilled contract revenue	-	47,506,170	20,926,830	-	-	68,433,000
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	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
At 1 January	23,932,969	17,265,231	14,680,479	-
Increase in loss allowance recognised in profit or loss during the year	18,268,344	15,241,043	478,183	14,680,479
Receivable written off during the year as uncollectible	-	(58,422)	(637,712)	-
Unused amount reversed	(91,109)	(8,514,883)	(14,520,950)	-
At 31 December	42,110,204	23,932,969	-	14,680,479

	Separate financial statements			
	Trade receivables		Unbilled contract revenue	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
At 1 January	23,380,379	8,197,758	-	-
Increase in loss allowance recognised in profit or loss during the year	9,064,138	15,241,043	-	-
Receivable written off during the year as uncollectible	-	(58,422)	-	-
Unused amount reversed	-	-	-	-
At 31 December	32,444,517	23,380,379	-	-

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 126,668,562 (2020: Baht 84,971,864) that are expected to readily generate cash inflows for managing liquidity risk.

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	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Floating rate				
Expiring within one year				
- Bank overdrafts	1,997,293	-	-	-
- Bank loans	8,222,969	-	8,222,969	-
- Working capitals	259,000,000	326,609,637	259,000,000	323,480,515
Expiring beyond one year				
- Bank overdrafts	46,169,337	22,880,330	46,169,337	13,509,534
- Bank loans	33,810,684	39,898,544	33,810,684	39,898,544
- Working capitals	-	13,509,534	-	22,880,330
	349,200,283	402,898,045	347,202,990	399,768,923

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 Liability Baht
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	
Maturity of significant financial liabilities					
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, net	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 significant financial liabilities that is not derivatives	357,920,969	57,022,544	1,830,256	416,773,769	408,109,180

	Consolidated financial statements				Book value Liability Baht
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	
Maturity of significant financial liabilities					
As at 31 December 2020					
Bank overdrafts and short-term loans from financial institutions	90,875,039	-	-	90,875,039	90,875,039
Trade payables, net	109,617,180	-	-	109,617,180	109,617,180
Long-term loans from financial institutions, net	26,966,296	53,513,190	6,642,009	87,121,495	77,267,769
Lease liabilities, net	29,307,169	29,505,493	-	58,812,662	47,714,804
Total significant financial liabilities that is not derivatives	256,765,684	83,018,683	6,642,009	346,426,376	325,474,792

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	Separate financial statements				Book value Liability Baht
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	
Maturity of significant financial liabilities					
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, net	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 significant financial liabilities that is not derivatives	344,453,799	52,474,485	1,830,256	398,758,540	390,585,896
	Separate financial statements				Book value Liability Baht
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	
Maturity of significant financial liabilities					
As at 31 December 2020					
Bank overdrafts and short-term loans from financial institutions	89,002,602	-	-	89,002,602	89,002,602
Trade payables, net	99,597,399	-	-	99,597,399	99,597,399
Long-term loans from financial institutions, net	21,312,383	53,269,860	6,393,659	80,975,902	71,867,769
Lease liabilities, net	28,875,169	29,469,493	-	58,344,662	47,270,201
Total significant financial liabilities that is not derivatives	238,787,553	82,739,353	6,393,659	327,920,565	307,737,971

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.

The following table shows fair values of financial asset measured at fair value through profit or loss

	31 December 2021
	Level 1
	Baht
Financial assets measured at fair value through profit or loss	
Fixed Income Fund	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) **Allowance for obsolete, slow-moving and defective inventories**

The Group has made allowance, where necessary, for obsolete, slow moving and defective inventories by estimating the net realisable value was calculated from the selling price in the ordinary course of business, less the cost of completion and selling expenses. Furthermore, the calculation of the net realisable estimation was based on historical experience, management's knowledge of the industry and future market trends.

b) **Employee benefit obligations**

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for retirement include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of retirement obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 22.

c) **Provision for decommissioning**

According to building lease agreement, the Group has obligation to decommission furniture and fixtures at the end of lease term. The provision for decommissioning rely significantly on the exercise of judgment in determining assumptions about decommissioning costs, inflation rates, discount rates and timing of the decommissioning which depending on business plan of the Group. These assumptions are subject to change over time. The Group estimates provision for decommissioning by referencing to actual decommissioning costs in the market, reflect inflation rate, and discounted using market yield of government bonds that are denominated in the currency in which the provision will be paid, and that have terms to maturity approximating the terms of the related liability. Management reviews and adjusts relevant assumptions when those assumptions significantly change.

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d) Construction revenue and costs

Construction revenue and construction costs are recognised by using the percentage of completion method. The stage of completion is measured by reference to the completion of a physical proportion of the contract work performed as assessed by the project engineers and customers. Construction costs are estimated based from management and engineer experience after taking into consideration of work progress and updated budget project costs incurred as part of the budget.

e) 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.

f) 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.

8 Segment information

The Group has three segments report which are comprised of IT equipment distribution, internet data center and related services and construction.

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 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

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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 2020				
Revenue				
Gross segment revenues	336,805,697	274,322,098	403,927,832	1,015,055,627
Revenue from inter - segment	-	(13,947,439)	-	(13,947,439)
Total revenue	336,805,697	260,374,659	403,927,832	1,001,108,188
Segment results	21,149,286	83,713,827	55,199,657	160,062,770
Other income				4,398,707
Unallocated costs				(112,409,481)
Finance costs				(16,843,699)
Profit before income tax expense				35,208,297
Income tax expense				(9,933,338)
Net profit for the year				25,274,959
Timing of revenue recognition				
At a point in time	336,805,697	-	-	336,805,697
Over time	-	260,374,659	403,927,832	664,302,491
Total Revenue	336,805,697	260,374,659	403,927,832	1,001,108,188

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 2021				
Major customer 1	413,161,468	128,107,004	-	541,268,472
Major customer 2	-	-	133,145,058	133,145,058
For the period ended 31 December 2020				
Major customer 1	297,386,024	114,348,980	-	411,735,004
Major customer 2	-	-	387,087,098	387,087,098

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9 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Cash on hand	46,152	29,169	16,600	2,427
Deposits held at call with banks	126,668,562	84,971,864	114,807,063	63,423,667
Fixed deposits less than 3 months	404,837	400,361	110,915	107,004
	127,119,551	85,401,394	114,934,578	63,533,098

Cash, cash equivalents and bank overdrafts include the following for the purposes of the statements of cash flows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Cash and cash equivalent	127,119,551	85,401,394	114,934,578	63,533,098
Bank overdrafts (Note 20)	(3,933,371)	(12,723,324)	(930,664)	(10,850,887)
	123,186,180	72,678,070	114,003,914	52,682,211

10 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Trade receivables				
Trade receivables - third parties	165,343,538	78,929,322	148,539,777	74,458,659
Trade receivables - related parties (Note 32)	-	5,350	5,029,579	3,729,790
Total trade receivables	165,343,538	78,934,672	153,569,356	78,188,449
<u>Less</u> Impairment loss on trade receivable (Note 5.1.2)	(42,110,204)	(23,932,969)	(32,444,517)	(23,380,379)
Trade receivables, net	123,233,334	55,001,703	121,124,839	54,808,070
Other receivables				
Unbilled contract revenue (Note 5.1.2 and 25.1)	123,829,602	95,020,681	123,829,602	68,433,000
<u>Less</u> Impairment loss on other receivables (Note 5.1.2 and 25.1)	-	(14,680,479)	-	-
Retention receivable from construction contract	40,595,069	40,729,866	34,583,769	36,043,618
Advance payment for construction contract	91,344,037	76,628,048	75,761,142	60,074,618
Advance payment for goods and services	5,410,036	18,843,689	5,401,116	18,802,756
Accrued income	23,203,814	6,753,027	29,771,880	10,095,400
Prepayments	16,143,972	11,719,514	15,494,993	11,285,304
Accrued interest income	26,336	62,666	5,431,085	6,034,883
Other receivables	867,155	7,614,552	14,894	6,562,063
Advance payment	104,901	137,563	49,958	87,563
Other receivables, net	301,524,922	242,829,127	290,338,439	217,419,205
Total trade and other receivables, net	424,758,256	297,830,830	411,463,278	272,227,275

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 short-term investments for period ended 31 December 2021 is as follows:

	Consolidated and Separate financial information
	Financial assets measured at fair value through profit or loss
Opening net book value	-
Addition	150,000,000
Change in fair value	(427,295)
Closing net book value	149,572,705

At 31 December 2021, Fixed Income Fund measured at fair value by Net Asset Value (NAV) which announced by the financial institution.

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	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Significant financial assets				
Cash and cash equivalents	-	-	127,119,551	85,401,394
Trade receivables, net	-	-	123,233,334	55,001,703
Financial assets measured at fair value through profit or loss	149,572,705	-	-	-
Lease receivable, net	-	-	14,635,454	19,579,597
Restricted deposits with financial institutions	-	-	80,849,700	70,849,700
	149,572,705	-	345,838,039	230,832,394
Significant financial liabilities				
Bank overdrafts and short-term loans from financial institutions	-	-	88,933,371	90,875,039
Trade payables, net	-	-	228,219,472	109,617,180
Long-term loans from financial institutions, net	-	-	61,385,869	77,267,769
Lease liabilities, net	-	-	29,570,468	47,714,804
	-	-	408,109,180	325,474,792

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	Separated financial statements			
	Fair value through profit or loss (FVPL)		Amortised cost	
	2021	2020	2021	2020
	Baht	Baht	Baht	Baht
Significant financial assets	-	-	114,934,578	63,533,098
Cash and cash equivalents				
Trade receivables, net	-	-	121,124,839	54,808,070
Financial assets measured at fair value through profit or loss	149,572,705	-	-	-
Lease receivable, net	-	-	14,635,454	19,579,597
Loan to related parties	-	-	54,058,203	62,477,572
Restricted deposits with financial institutions	-	-	80,849,700	70,849,700
	149,572,705	-	385,602,774	271,248,037
Significant financial liabilities				
Bank overdrafts and short-term loans from financial institutions	-	-	85,930,664	89,002,602
Trade payables, net	-	-	219,302,647	99,597,399
Long-term loans from financial institutions, net	-	-	55,985,869	71,867,769
Lease liabilities, net	-	-	29,534,733	47,270,201
	-	-	390,753,913	307,737,971

13 Inventories

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	Baht	Baht	Baht	Baht
Raw material	160,295	105,695	-	-
Work in process (Note 25)	59,792,059	18,622,009	59,792,059	18,622,009
Finished goods	14,711,210	1,795,294	14,711,210	1,795,294
Work in process under construction contract (Note 25)	29,052,291	-	29,052,291	-
Total inventories	103,715,855	20,522,998	103,555,560	20,417,303
<u>Less</u> Allowance for diminution in value of inventories	-	(110,102)	-	(110,102)
Inventories, net	103,715,855	20,412,896	103,555,560	20,307,201

The cost of inventories amounted to Baht 83,192,857 and Baht 83,138,257 (2020: Baht 946,443 and Baht 529,717) recognised as expense and included in cost of sales in consolidated comprehensive income and separate comprehensive income, respectively.

In 2021, there is no inventory is carried at net realisable value, this being lower than cost (2020: nil).

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14 Restricted cash

	Consolidated and separate financial statements	
	2021 Baht	2020 Baht
Saving deposits	19,664,500	19,664,500
Fixed deposits	61,185,200	51,185,200
	80,849,700	70,849,700

At 31 December 2021, the Company'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	
	2021 Baht	2020 Baht
1 January	11,999,600	4,499,750
Additions	-	7,499,850
31 December	11,999,600	11,999,600

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As at 31 December 2021, 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.

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	
			31 December 2021 Baht	31 December 2020 Baht	31 December 2021 Baht	31 December 2020 Baht	31 December 2021 %	31 December 2020 %	31 December 2021 Baht	31 December 2020 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
Joint Venture - Proen Fit	Thailand	Provide internet services	-	-	-	-	97	97	-	-

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16 Property, plant and equipment

	Consolidated financial statements							Total Baht
	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 2020								
Cost	12,988,416	20,788,258	76,667,519	33,084,976	14,485,916	-	158,015,085	
Less Accumulated depreciation	(49,765)	(6,111,718)	(50,058,916)	(20,932,250)	(6,688,556)	-	(83,841,205)	
Net book value	12,938,651	14,676,540	26,608,603	12,152,726	7,797,360	-	74,173,880	
For the year ended 31 December 2020								
Opening net book value	12,938,651	14,676,540	26,608,603	12,152,726	7,797,360	-	74,173,880	
Additions	62,991,846	-	8,318,123	1,760,130	-	9,983,323	83,053,422	
Disposals, net	-	-	-	(155,705)	-	-	(155,705)	
Transfer-in (out)	-	-	(7,359)	-	(1)	-	(7,360)	
Depreciation charge	-	-	1,430,000	7,103,413	-	(8,533,413)	-	
	(35,162)	(1,732,658)	(10,769,561)	(5,997,709)	(2,486,985)	-	(21,022,075)	
Closing net book value	75,895,335	12,943,882	25,579,806	14,862,855	5,310,374	1,449,910	136,042,162	
At 31 December 2020								
Cost	75,980,262	20,788,258	86,408,042	38,670,619	11,869,581	1,449,910	235,166,672	
Less Accumulated depreciation	(84,927)	(7,844,376)	(60,828,236)	(23,807,764)	(6,559,207)	-	(99,124,510)	
Closing net book value	75,895,335	12,943,882	25,579,806	14,862,855	5,310,374	1,449,910	136,042,162	

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	Consolidated financial statements							Total Baht
	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		
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	136,042,162	
Additions	-	-	18,159,204	4,992,921	-	2,425,520	25,577,645	
Write-off, net	-	-	-	-	-	-	-	
Disposals, net	-	-	(244,367)	-	(285,776)	-	(530,143)	
Transfer-in (out)	-	762,850	2,145,000	967,580	-	(3,875,430)	-	
Depreciation charge	(35,067)	(1,828,607)	(13,505,285)	(5,861,513)	(1,868,733)	-	(23,099,205)	
Closing net book value	75,860,268	11,878,125	32,134,358	14,961,843	3,155,865	-	137,990,459	
At 31 December 2021								
Cost	75,980,262	21,551,108	106,407,246	44,631,120	8,111,581	-	256,681,317	
Less Accumulated depreciation	(119,994)	(9,672,983)	(74,272,888)	(29,669,277)	(4,955,716)	-	(118,690,858)	
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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		Separate financial statements						
		Buildings and building improvement	Network equipment	Furniture fixtures and office equipment	Vehicles	Work in progress	Total	
		Baht	Baht	Baht	Baht	Baht	Baht	
At 1 January 2020								
Cost		20,788,258	74,597,983	32,760,543	12,285,916	-	153,441,116	
Less: Accumulated depreciation		(6,111,718)	(49,548,155)	(20,845,632)	(5,389,050)	-	(81,944,320)	
Net book value		14,676,540	25,049,828	11,934,911	6,896,866	-	71,496,796	
For the year ended 31 December 2020								
Opening net book value		14,676,540	25,049,828	11,934,911	6,896,866	-	71,496,796	
Additions		-	8,312,123	1,760,130	-	9,983,323	83,047,422	
Disposals, net		-	-	(155,705)	-	-	(155,705)	
Transfer-in (out)		-	(7,359)	-	(1)	-	(7,360)	
Depreciation charge		-	1,430,000	7,103,413	-	(8,533,413)	-	
Closing net book value		(1,732,658)	(10,354,667)	(5,937,572)	(2,046,985)	-	(20,107,044)	
At 31 December 2020								
Cost		20,788,258	84,332,506	38,366,186	9,669,581	1,449,910	230,586,703	
Less: Accumulated depreciation		(7,844,376)	(59,902,581)	(23,661,009)	(4,819,701)	-	(96,312,594)	
Closing net book value		12,943,882	24,429,925	14,705,177	4,849,880	1,449,910	134,274,109	



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	Separate financial statements							Total Baht
	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		
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	1,449,910	134,274,109	
Additions	-	-	18,159,204	4,991,301	-	2,425,520	25,576,025	
Write-off, net	-	-	-	-	-	-	-	
Disposals, net	-	-	(244,367)	-	(285,776)	-	(530,143)	
Transfer-in (out)	-	762,850	2,145,000	967,580	-	(3,875,430)	-	
Depreciation charge	(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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As at 31 December 2021, the land and buildings at net book value of Baht 87.74 million (2020: Baht 25.85 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	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Cost of sales	17,066,769	13,978,853	17,066,769	13,978,853
Administrative expenses	6,032,436	7,043,222	5,119,437	6,128,191
Total	23,099,205	21,022,075	22,186,206	20,107,044

17 Right-of-use assets

Movements of right-of-use assets for the period ended 31 December 2021 are as follows:

	Consolidated and Separate financial information Baht
Balance as at 1 January 2020	13,748,248
Additions	5,732,563
Amortisation	(7,526,799)
Balance as at 31 December 2020	11,954,012
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

The expense relating to leases that not included in the measurement of lease liabilities and right-of-use is as follows:

	Consolidated and Separate financial information	
	2021 Baht	2020 Baht
Expense relating to short-term leases	322,558	442,157
Total cash outflow for lease	322,558	442,157

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18 Intangible assets

	Consolidated financial statements		
	Computer program Baht	IP address Baht	Total Baht
At 1 January 2020			
Cost	5,601,118	2,275,789	7,876,907
<u>Less</u> Accumulated amortisation	(2,973,868)	-	(2,973,868)
Net book value	2,627,250	2,275,789	4,903,039
For the year ended 31 December 2020			
Opening net book value	2,627,250	2,275,789	4,903,039
Addition	443,097	-	443,097
Amortisation charge	(1,728,255)	-	(1,728,255)
Closing net book value	1,342,092	2,275,789	3,617,881
At 31 December 2020			
Cost	6,044,215	2,275,789	8,320,004
<u>Less</u> Accumulated amortisation	(4,702,123)	-	(4,702,123)
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
Amortisation charge	(1,013,461)	-	(1,013,461)
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
Accumulated amortisation	(5,715,584)	-	(5,715,584)
Net book value	508,221	2,275,789	2,784,010

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	Separate financial statements		
	Computer program Baht	IP address Baht	Total Baht
At 1 January 2020			
Cost	5,507,978	2,275,789	7,783,767
<u>Less</u> Accumulated amortisation	(2,947,964)	-	(2,947,964)
Net book value	2,560,014	2,275,789	4,835,803
For the year ended 31 December 2020			
Opening net book value	2,560,014	2,275,789	4,835,803
Addition	443,097	-	443,097
Amortisation charge	(1,697,213)	-	(1,697,213)
Closing net book value	1,305,898	2,275,789	3,581,687
At 31 December 2020			
Cost	5,951,075	2,275,789	8,226,864
<u>Less</u> 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
Accumulated amortisation	(5,627,596)	-	(5,627,596)
Net book value	503,069	2,275,789	2,778,858

Amortisation of Baht 1,013,461 and 982,419 (2020: Baht 1,728,255 and 1,697,213) 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	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Deferred tax assets:	14,955,141	14,711,652	14,859,835	14,622,572
Deferred tax liabilities:	(3,673,758)	(4,567,058)	(3,673,758)	(4,567,058)
Deferred income taxes (net)	11,281,383	10,144,594	11,186,077	10,055,514

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The movement of deferred income tax is as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
1 January	10,144,594	7,656,477	10,055,514	7,580,555
Charged to profit or loss (Note 30)	1,136,789	2,488,117	1,130,563	2,474,959
31 December	11,281,383	10,144,594	11,186,077	10,055,514

The movement in deferred tax assets and liabilities during the year is as follows:

	Consolidated financial statements		
	At 1 January 2021 Baht	Charged to profit or loss 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

	Consolidated financial statements		
	At 1 January 2020 Baht	Charged to profit or loss Baht	At 31 December 2020 Baht
Deferred tax assets			
Impairment loss on financial assets	1,662,889	3,013,188	4,676,077
Allowance for diminution in value of inventories	33,096	(11,077)	22,019
Employee benefit obligations	1,768,024	558,654	2,326,678
Provision for decommissioning	1,091,445	504,629	1,596,074
Liabilities under leases	7,526,785	(1,435,981)	6,090,804
	12,082,239	2,629,413	14,711,652
Deferred tax liabilities			
Right of use assets	(4,425,762)	(141,296)	(4,567,058)
Deferred income taxes (net)	7,656,477	2,488,117	10,144,594

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	Separate financial statements		
	At 1 January 2021 Baht	Charged to profit or loss 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

	Separate financial statements		
	At 1 January 2020 Baht	Charged to profit or loss Baht	At 31 December 2020 Baht
Deferred tax assets			
Impairment loss on financial assets	1,662,889	3,013,188	4,676,077
Allowance for diminution in value of inventories	33,096	(11,077)	22,019
Employee benefit obligations	1,768,024	558,654	2,326,678
Provision for decommissioning	1,091,445	504,629	1,596,074
Liabilities under leases	7,450,863	(1,449,139)	6,001,724
	12,006,317	2,616,255	14,622,572
Deferred tax liabilities			
Right of use assets	(4,425,762)	(141,296)	(4,567,058)
Deferred income taxes (net)	7,580,555	2,474,959	10,055,514

Deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets amounting to Baht 2.55 million (2020: Baht 2.57 million) to carry forward against future taxable income; these tax losses of Baht 12.73 million (2020: Baht 12.84 million) will expire in 2026 and 2025, respectively.

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20 Borrowings

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Current				
Bank overdrafts	3,933,371	12,723,324	930,664	10,850,887
Short-term borrowings from financial institutions	85,000,000	78,151,715	85,000,000	78,151,715
Current portion of long-term borrowings from financial institutions	19,303,920	17,927,421	18,203,630	17,927,421
Total current borrowings	108,237,291	108,802,460	104,134,294	106,930,023
Non-current				
Long-term borrowings from financial institutions	42,081,949	59,340,348	37,782,239	53,940,348
Total non-current borrowings	42,081,949	59,340,348	37,782,239	53,940,348
Total borrowings	150,319,240	168,142,808	141,916,533	160,870,371

20.1 Bank overdraft

As at 31 December 2021, bank overdraft are secured by saving deposits and fixed deposits (Note 14), 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 2021, short-term borrowings represent notes payable from financial institutions denominated in Thai Baht. The short-term borrowings are secured by saving deposits of the Company (Note 14), partial of investment in debt security, 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 Director of the Company's subsidiary.

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	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
1 January	77,267,769	34,357,948	71,867,768	34,357,948
Addition of loan	2,045,510	60,184,333	2,045,510	54,784,334
Repayment of loan	(18,146,525)	(16,902,356)	(18,146,525)	(16,902,356)
Prepayment front end fee	-	(600,000)	-	(600,000)
Amortisation of front end fee	219,115	227,844	219,116	227,844
31 December	61,385,869	77,267,769	55,985,869	71,867,769

As at 31 December 2021 long-term borrowings from financial institutions denominated in Thai Baht. The long-term borrowings are secured by partial of investment in debt security, 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 2021 Baht	31 December 2020 Baht	31 December 2021 Baht	31 December 2020 Baht
Long term loans from financial institutions	61,385,869	77,267,769	61,548,241	77,982,912

	Separated financial statements			
	Total carrying amount		Total fair value amount	
	31 December 2021 Baht	31 December 2020 Baht	31 December 2021 Baht	31 December 2020 Baht
Long term loans from financial institutions	55,985,869	71,867,769	56,088,911	72,523,583

The fair value are 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 Reconciliation of liabilities arising from financing activities

	1 January 2021 Baht	Net cash flow Baht	Non-cash changes		31 December 2021 Baht
			- amortisation of prepaid front end fee Baht	- payable arising from lease agreement 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

	1 January 2020 Baht	Net cash flow Baht	Non-cash changes		31 December 2020 Baht
			- amortisation of prepaid front end fee Baht	- payable arising from lease agreement Baht	
Consolidated financial statements					
Bank overdrafts	36,419,793	(23,696,469)	-	-	12,723,324
Short-term borrowings from financial institutions	121,937,710	(43,785,995)	-	-	78,151,715
Long-term borrowings from financial institutions	34,357,948	42,681,977	227,844	-	77,267,769
Lease liabilities	50,806,819	(22,926,403)	-	19,834,388	47,714,804
Separate financial statements					
Bank overdrafts	36,419,793	(25,568,906)	-	-	10,850,887
Short-term borrowings from financial institutions	107,261,159	(29,109,444)	-	-	78,151,715
Long-term borrowings from financial institutions	34,357,948	37,281,977	227,844	-	71,867,769
Lease liabilities	49,988,005	(22,552,192)	-	19,834,388	47,270,201

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21 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Trade accounts payable				
Trade accounts payable - third parties	228,219,472	109,617,180	219,134,630	99,347,179
Trade accounts payable - related parties (Note 32)	-	-	168,017	250,220
Total trade accounts payable	228,219,472	109,617,180	219,302,647	99,597,399
Other accounts payable				
Accrued expense	25,685,889	19,263,039	42,559,368	29,663,938
Accrued costs of services	25,014,539	9,999,308	25,014,539	9,999,308
Accrued costs of construction	149,277,189	66,311,561	146,976,372	63,127,669
Unearned income (Note 25)	3,396,914	34,996,539	3,160,400	34,914,025
Advance received for services (Note 25)	6,739,066	5,375,534	6,739,066	5,375,534
Advance received for construction contract (Note 25)	3,934,704	17,914,560	3,820,295	17,800,151
Retention payable	3,804,242	3,451,370	-	-
Other payables	2,220,802	1,846,803	1,563,887	684,219
Interest payables	377,700	209,587	138,246	116,046
Total other accounts payable	220,451,045	159,368,301	229,972,173	161,680,890
Total trade and other payables	448,670,517	268,985,481	449,274,820	261,278,289

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	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Statement of financial position				
Liability in the statement of financial position	14,669,493	12,011,299	14,042,967	11,633,392
Profit or loss charge included in operating profit for:	3,218,018	2,972,469	2,969,399	2,793,272

The movement in the defined benefit obligation over the year is as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
At 1 January	12,011,299	9,038,830	11,633,392	8,840,120
Current service cost	2,889,507	2,729,677	2,653,811	2,557,280
Interest cost	328,511	242,792	315,588	235,992
	15,229,317	12,011,299	14,602,791	11,633,392
Payment from plans: Benefit payment	(559,824)	-	(559,824)	-
At 31 December	14,669,493	12,011,299	14,042,967	11,633,392

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The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2021 %	2020 %	2021 %	2020 %
Discount rate	2.85 - 3.42	2.85 - 3.42	2.85	2.85
Salary growth rate	5.00 - 7.00	5.00 - 7.00	5	5
Staff turnover rate	0 - 26	0 - 26	0 - 26	0 - 26

Sensitivity analysis for each significant assumption used is as follows:

	Consolidated financial statements					
	Change in assumption		Impact on defined benefit obligation			
	2021	2020	Increase in assumption		Decrease in assumption	
	2021	2020	2021	2020	2021	2020
Discount rate	1.0%	1.0%	Decrease by 6.20 %	Decrease by 6.87 %	Increase by 6.88 %	Increase by 7.64 %
Salary growth rate	1.0%	1.0%	Increase by 9.39 %	Increase by 9.11 %	Decrease by 8.49 %	Decrease by 8.27 %
Staff turnover rate	1.0%	1.0%	Decrease by 6.90 %	Decrease by 7.64 %	Increase by 3.56 %	Increase by 3.96 %

	Separate financial statements					
	Change in assumption		Impact on defined benefit obligation			
	2021	2020	Increase in assumption		Decrease in assumption	
	2021	2020	2021	2020	2021	2020
Discount rate	1.0%	1.0%	Decrease by 5.93 %	Decrease by 6.66 %	Increase by 6.56 %	Increase by 7.38 %
Salary growth rate	1.0%	1.0%	Increase by 9.08 %	Increase by 8.86 %	Decrease by 8.24 %	Decrease by 8.07 %
Staff turnover rate	1.0%	1.0%	Decrease by 6.58 %	Decrease by 7.40 %	Increase by 3.24 %	Increase by 3.69 %

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 22.59 years (2020: 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 2020	-	-	8,954,906	181,923,082	190,877,988
31 December 2021	-	4,440,478	4,514,428	181,923,082	190,877,988

	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 2020	-	-	8,954,906	148,609,368	157,564,274
31 December 2021	-	4,440,478	4,514,428	148,609,368	157,564,274

23 Share capital

	Authorised share capital		Issued and paid-up share capital		Share premium
	Shares	Baht	Shares	Baht	Baht
1 January 2020	200,000,000	100,000,000	200,000,000	100,000,000	-
Issue of shares	116,000,000	58,000,000	30,000,000	15,000,000	-
31 December 2020	316,000,000	158,000,000	230,000,000	115,000,000	-
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

On 15 January 2020 at the Board of Directors meeting no. 1/2020, the meeting approved to increase the shares amounting to Baht 10 million. The authorised number of ordinary shares is 20,000,000 shares with a par value of Baht 0.5 per share. As a result, the number of authorised shares will increase from 200,000,000 shares to 220,000,000 shares with a par value of Baht 0.5 per share.

On 18 February 2020 at the Board of Directors of Shareholders no. 2/2020, the meeting approved to increase the shares amounting to Baht 48 million. The authorised number of ordinary shares is 96,000,000 shares with a par value of Baht 0.5 per share. As a result, the number of authorised shares will increase from 220,000,000 shares to 316,000,000 shares with a par value of Baht 0.5 per share.

The total authorised number of ordinary shares is 316,000,000 shares (31 December 2020: 316,000,000 shares) with a par value of Baht 0.5 per share (31 December 2020: Baht 0.5 per share). The number of ordinary shares is 316,000,000 shares were issued and fully paid-up. (31 December 2020: All 230,000,000 ordinary shares were issued and fully paid).

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.

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24 Legal reserve

	Consolidated and separate financial statements	
	2021 Baht	2020 Baht
1 January	7,000,000	4,600,000
Appropriation during the year	1,850,000	2,400,000
31 December	8,850,000	7,000,000

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.

25 Assets and liabilities relating to with customers

25.1 Contract assets

The group has recognised the following assets related to contracts as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Contract assets				
- Unbilled contract revenue (Note 5.1.2 and 10)	123,829,602	95,020,681	123,829,602	68,433,000
<u>Less</u> Allowance for impairment (Note 5.1.2 and 10)	-	(14,680,479)	-	-
Total contract assets	123,829,602	80,340,202	123,829,602	68,433,000

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.

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.

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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	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Statements of financial position:				
Assets recognised from costs to fulfil a contract				
- Work in process (Note 13)	59,792,059	18,622,009	59,792,059	18,622,009
- Work in process under construction contract (Note 13)	29,052,291	-	29,052,291	-
Total Assets recognised from costs to fulfil a contract	88,844,350	18,622,009	88,844,350	18,622,009
Statements of comprehensive income:				
Service cost	18,622,009	-	18,622,009	-
Construction cost	-	18,802,152	-	18,802,152

The Group has no an impairment loss in 2021 because there is no the excess of the capitalized cost over the expected remaining consideration less any unrecognised directly related costs.

25.2 Contract liabilities

The Group has recognised the following liabilities related to contracts with customers:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Contract liabilities				
- Unearned income (Note 21)	3,396,914	34,996,539	3,160,400	34,914,025
- Advance received for services (Note 21)	6,739,066	5,375,534	6,739,066	5,375,534
- Advance received for construction contract (Note 21)	3,934,704	17,914,560	3,820,295	17,800,151
Total contract liabilities	14,070,684	58,286,633	13,719,761	58,089,710

Significant changes in contract liabilities

Contract liabilities for internet data center and related services have decreased which was due to recognition the increase of providing service revenue on contract.

Contract liabilities for construction contracts have decreased which was due to recognition the increase of progress of construction from contract activity.

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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	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Revenue recognised that was included in the contract liability balance at the beginning of the period				
- Internet data center and related services contract	34,996,539	7,491,451	34,914,025	6,418,951
- IT consulting services	5,375,534	1,940,009	5,375,534	1,940,009
- Construction contract	13,979,856	68,094,923	13,979,856	35,682,404
	54,351,929	77,526,383	54,269,415	44,041,364

25.3 Unsatisfied long-term contracts

The following table shows unsatisfied performance obligations resulting from contracts as at 31 December 2021 and 2020.

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Construction contracts - 115 KV Loop Line	-	19,449,801	-	19,449,801
Construction Contracts - System's improvement				
Provide underground cable line	-	18,835,305	-	18,835,305
Construction contracts - Drain system	124,516,213	180,686,591	-	-
The electrical station improvement				
Contract for IEC 61850	32,842,500	61,428,000	32,842,500	61,428,000
M&E system application for the				
Yellow-line skytrain station contract	27,685,763	-	27,685,763	-
Under ground cable application for the				
Green-line skytrain contract	287,824,349	-	287,824,349	-
Total unsatisfied performance obligations resulting from long-term contracts	472,868,825	280,399,697	348,352,612	99,713,106

The Group expect to realise revenue from unsatisfied performance obligations resulting from long-term contracts within 1 year.

The transaction price allocated to unsatisfied other contracts with periods one year or less is not disclosed.

PROEN Corp Public Company Limited
Notes to the Consolidated and Separate Financial statements
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26 Dividends

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.

2020

On 14 November 2019, the Board of Director's meeting approved interim dividends payment in respect of retained earnings from period ended 30 September 2019 by cash of Baht 0.10 per share, totalling of Baht 20 million according to the shareholders' registration on 17 November 2019. The dividends of Baht 12.60 million were distributed to the shareholders on 24 December 2019 and the remaining dividends of Baht 7.40 million were distributed to the shareholders in February 2020.

27 Other income

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Interest income	1,534,647	1,950,749	1,525,248	1,936,051
Interest income - related parties (Note 32)	-	-	4,200,454	3,972,144
Gain on disposal of vehicles and equipment	929,177	1,839,762	929,177	1,839,762
Management fee income - related parties (Note 32)	-	-	5,174,436	4,974,748
Rental income	-	-	208,800	208,800
Others	615,715	608,196	549,714	608,196
Total	3,079,539	4,398,707	12,587,829	13,539,701

28 Finance costs

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Finance cost:				
Bank borrowings	7,109,274	10,673,087	6,807,926	9,731,921
Lease liabilities	2,608,613	3,959,819	2,585,481	3,902,030
Provision for decommissioning	50,362	2,210,793	50,362	2,210,793
Total	9,768,249	16,843,699	9,443,769	15,844,744

PROEN Corp Public Company Limited
Notes to the Consolidated and Separate Financial statements
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29 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	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Purchase	459,427,856	447,918,754	451,747,976	439,767,543
Changes in inventories	83,192,857	(946,443)	83,138,257	(529,717)
Loss for diminution in value of inventories (Reversal)	(110,102)	(55,384)	(110,102)	(55,384)
Internet and network service fee	50,023,186	62,186,533	57,818,715	71,191,830
Subcontract cost	178,994,151	221,242,152	178,994,151	208,102,313
Salaries, wages and other employee benefits	74,267,309	70,869,381	72,390,909	67,533,264
Utilities	80,037,479	55,747,871	80,037,479	55,747,871
Depreciation and amortisation	33,268,322	30,277,129	32,324,281	29,331,056
Service fee	12,188,531	8,871,595	12,188,531	8,704,555
Consultancy fee	7,453,486	7,410,724	5,166,486	4,973,724
Bank fees and other fees	6,200,716	8,107,569	5,122,532	6,998,834
Insurance premium	2,226,643	3,234,715	2,226,643	3,234,715
Advertising and marketing expense	1,976,399	1,997,231	1,976,399	1,976,391
Expected credit loss	4,134,468	21,406,639	9,064,138	15,241,043

30 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Current tax:				
Current tax	9,150,958	12,421,455	9,107,463	12,160,324
Total current tax	9,150,958	12,421,455	9,107,463	12,160,324
Deferred tax:				
Increase in deferred tax assets (Note 19)	(243,489)	(2,629,413)	(237,263)	(2,616,255)
Increase in deferred tax Liabilities (Note 19)	(893,300)	141,296	(893,300)	141,296
Total deferred tax	(1,136,789)	(2,488,117)	(1,130,563)	(2,474,959)
Total income tax expense	8,014,169	9,933,338	7,976,900	9,685,365

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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	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Profit before tax	37,177,400	35,208,297	44,943,917	53,664,455
Tax calculated at a tax rate of 20% (2020: 20%)	7,435,480	7,041,680	8,988,783	10,732,891
Tax effect of:				
Expenses not deductible for tax purpose	252,634	500,779	241,905	448,148
Expenses that are deductible at a greater amount	(1,253,789)	(1,542,344)	(1,253,788)	(1,542,344)
Difference in tax rates for special tax rate	-	(74,480)	-	-
Income not subject to tax	(29,136)	(60,000)	-	-
Tax losses for which no deferred income tax asset was recognised	1,608,980	4,021,033	-	-
Others		46,670	-	46,670
Tax charge	8,014,169	9,933,338	7,976,900	9,685,365

The weighted average applicable tax rate for consolidated financial statements and separate financial statements was 21.56% and 17.75% (2020: 28.21% and 18.05% respectively). The decrease is caused by income tax deductible expenses that occur inconsistently.

	2021 Baht
The tax credited directly to equity:	
Payment for transaction costs directly attributable to the issue of new shares	1,941,950
	1,941,950

31 Earnings per share

Basic earnings per share is 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	
	2021	2020	2021	2020
Net profit attributable to ordinary shareholders of the Company (Baht)	29,158,012	25,270,439	36,967,017	43,979,090
Weighted average number of ordinary shares outstanding (shares)	288,904,110	227,021,858	288,904,110	227,021,858
Basic earnings per share (Baht per share)	0.10	0.11	0.13	0.19

There are no potential dilutive ordinary shares issue during the years.

PROEN Corp Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2021

32 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 Mr. Kittipan Sribuaiam and Wealth Water House Co., Ltd. that own 38.09% and 26.58% of the Company's shares, respectively. The remaining 35.33% 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	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Revenue from sales of goods and providing services				
Subsidiaries	-	-	8,863,869	8,352,902
Parent company	30,000	31,750	30,000	31,750
	30,000	31,750	8,893,869	8,384,652
Management fee (Note 27)				
Subsidiaries	-	-	5,174,436	4,974,748
	-	-	5,174,436	4,974,748
Rental income (Note 27)				
Subsidiaries	-	-	208,800	208,800
	-	-	208,800	208,800
Interest income (Note 27)				
Subsidiaries	-	-	4,200,454	3,972,144
	-	-	4,200,454	3,972,144

b) Purchases of goods and services

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Cost of sales and services				
Subsidiaries	-	-	8,791,252	11,282,456
	-	-	8,791,252	11,282,456
Rental expense				
Director	105,263	105,263	105,263	105,263
	105,263	105,263	105,263	105,263

PROEN Corp Public Company Limited
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c) Outstanding balances arising from sales and purchases of goods and services

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Trade accounts receivable (Note 10)				
Subsidiaries	-	-	5,029,579	3,724,440
Parent company	-	5,350	-	5,350
	-	5,350	5,029,579	3,729,790
Other receivables				
Subsidiaries	-	-	14,894	44,683
	-	-	14,894	44,683
Accrued income				
Subsidiaries	-	-	7,665,066	4,214,173
Parent company	1,250	-	1,250	-
	1,250	-	7,666,316	4,214,173
Prepaid rental				
Director	61,404	61,404	61,404	61,404
	61,404	61,404	61,404	61,404
Interest receivable				
Subsidiaries	-	-	5,404,749	5,972,217
	-	-	5,404,749	5,972,217
Trade accounts payable (Note 21)				
Subsidiaries	-	-	168,017	250,220
	-	-	168,017	250,220
Accrued expense				
Subsidiaries	-	-	17,965,678	11,548,326
	-	-	17,965,678	11,548,326
Unearned revenue				
Subsidiaries	-	-	683,668	8,920
Parent company	-	1,250	-	1,250
	-	1,250	683,668	10,170

d) Short-term loans to related party

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Short-term loans to related party				
Subsidiaries	-	-	54,058,203	62,477,572
	-	-	54,058,203	62,477,572

PROEN Corp Public Company Limited
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For the year ended 31 December 2021

The movements of short-term loans to subsidiaries can be analysed as follows:

	Consolidated and separate financial statements	
	2021 Baht	2020 Baht
1 January	62,477,572	40,742,264
Addition during the year	18,111,000	21,735,308
Repayments during the year	(26,530,369)	-
31 December	54,058,203	62,477,572

Short-term loans to subsidiaries were given on commercial terms and conditions. The related interest income was Baht of 4,200,454 (2020: Baht of 3,972,144) is included in the separate financial statements. The short-term borrowing to subsidiaries due for repayment during January to March 2022.

e) Key management compensation

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Short-term employee benefits	15,799,810	15,720,199	15,799,810	15,720,199
Retirement benefits	2,409,575	2,793,272	2,409,575	2,793,272
	18,209,385	18,513,471	18,209,385	18,513,471

33 Commitments and contingencies

a) Guarantees

As at 31 December 2021, the Company has obligation to secure overdraft facilities of subsidiary Baht of 5 million.

As at 31 December 2020, the Company has obligation to secure overdraft facilities of subsidiary Baht of 5 million and letter guarantees facilities of subsidiary Baht of 16.51 million.

b) Bank guarantees

As at 31 December, the Group has outstanding bank guarantees as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Bank guarantee	159,457,162	173,055,221	159,393,139	156,399,629

PROEN Corp Public Company Limited
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34 Events after the reporting period

Debenture offering

On 4 February 2022, the Board of Directors meeting no.1/2022 approved the offering of debentures totalling Baht 500 million, which is scheduled to be offered within March 2022. According to the Extraordinary General Meeting of Shareholders no.1/2022 on 26 January 2022, approved issuing and offering the debentures in the total amount not exceeding Baht 2,000 million.

Dividend Payment

On 25 February 2022, the Board of Directors' Meeting no.3/2022 passed a resolution to propose the Annual General Meeting of shareholders to approve interim dividends payment in respect of the 1 April 2021 to 31 December 2021 operating results by cash of Baht 0.0577 Baht per share, totalling of Baht 18.23 million.

Part 4

Information Certification

Certification of Information for Submitting 56-1 One Report

The Company has prudently examined the facts and figures in the above-mentioned report / Annual report. The Company declares the facts and figures as complete, accurate, truthful, not misleading, or not inadequate in materiality– which may cause possible damage to the bearer or buyer of the securities. In addition, the Company declares that

(1) The financial statements and financial information, attached as parts of this annual information / Annual report, present accurate and complete, in all material aspects, the financial position, result of operations, and cash flows of the Siam Cement Public Company Limited and subsidiaries.

(2) The Company is responsible for fine disclosure system to ensure that the Company has accurately and completely disclosed material information of the Company and subsidiaries as well as supervising the compliance of the system.

(3) The Company is responsible for good internal control and overseeing the conformity to such system. The Company informed the internal control evaluation as at February 25, 2022 to the auditors and the Audit Committee. The report included any shortcomings and major changes in the internal control system as well as any dishonesty that might affect the financial statements of the Company and subsidiaries.

In order to ensure the authenticity and the wholeness of all the said documents endorsed by us, the Company instructed Mr. Nititorn Deeumpai to initial each and every sheet of the document. Should any sheet of document be without his initial, the Company will consider such sheet (or sheets) not certified by us.

<u>Name</u>	<u>Position</u>	<u>Signature (sign by)</u>
1. Mr. Kittipan Sri-bua-iam	Director / Chairman of Executive Board Chief Executive Officer
2. Mr. Somkiat Yubanphaeo	Director / Executive Director Chief Telecommunication Officer

Authorized Person

<u>Name</u>	<u>Position</u>	<u>Signature (sign by)</u>
Mr. Nititorn Deeumpai	Executive Director / Chief Financial Officer / Vice President –Strategy and Business Development



Attachment

Attachment 1

Profiles of Directors, Executives,
Highest responsibility in finance and
accounting (CFO), Person supervising
accounting (Chief Accountant)
and Company Secretary

1. Dr. Sathit Puttachaiyong



Age 64 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 Krungthep
- 2009 – 2017 chancellor, Rajamangala University of Technology Krungthep

Family Relationship among Directors and Executives

- None

Shareholdings (Ordinary Shares) (as at December 31, 2021)

- Held personally: 159,200 shares (0.050%)
- Held by Spouse/minor children: (none)

2. Mr.Nopparat Phutaviriya

Age 67 Year

Position

Independent Director

Audit Committees, Chairman

Appointed: April 18, 2018



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, 2021)

- Held personally: (None)
- Held by Spouse/minor children: (None)

3. Assoc. Prof. Dr. Panarat Panmanee

Age 73 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
- Director Certification Program (DCP) 264/2018

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 – 2020 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, 2021)

- Held personally: 158,700 shares (0.050%)
- Held by Spouse/minor children: (None)

4. Mr. Kittipan Sri-bua-iam

Age 48 Year

Position

Director (Authorized Directors)

Chairman of Executive Board

Chief Executive Officer

Appointed: October 3, 1997



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.

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

- 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, 2021)

- Held personally: 120,371,800 shares (38.092%)
- Held by Spouse/minor children: (None)

5. Mr. Naris Ratyiam



Age 51 Year

Position

Director (Authorized Directors)

Executive Director

Chief Operating 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 Operating 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, 2021)

- Held personally: 272,300 shares (0.086%)
- Held by Spouse/minor children: (None)

6. Mr. Somkiat Yubanphaeo



Age 53 Year

Position

Director (Authorized Directors)
Executive Director
Chief Telecommunication Officer

Appointed:

April 18, 2018

Education/Training

- Master of Public Administration Program in Public, Phitsanulok Univesity
- 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, 2021)

- Held personally: 250,000 shares (0.079%)
- Held by Spouse/minor children: (None)

7. Dr. Parnai Kungwalrut

Age 47 Year

Position

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) 170/2556
- Director Accreditation Program (DAP) 33/2548
- Capital Market Academy Programs, CMA. 30/2020
- Training Seminar Strategic Planning & Review Strategic By OPTIMA Consulting Co., Ltd.

5-years Past Work Experiences

- 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

- 2015 – Present Director, NAWARAT BEVERAGE CO., LTD.

Family Relationship among Directors and Executives

- None

Shareholdings (Ordinary Shares) (as at December 31, 2021)

- Held personally: 153,700 shares (0.049%)
- Held by Spouse/minor children: (None)

8. Mrs. Punsaya Paprakornpisit



Age 53 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.

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

- None

Family Relationship among Directors and Executives

- Older sister of Mr. Kittipan Sri-bua-iam

Shareholdings (Ordinary Shares) (as at December 31, 2021)

- Held personally: 246,000 shares (0.078%)
- Held by Spouse/minor children: (None)

9. Mr. Nititorn Deeumpai



Age 52 Year

Position

Executive Director
Chief Financial Officer
Vice President –Strategy and Business Development

Appointed:

November 2, 2020

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

5-years Past Work Experiences

- 2021 – Present Chief Financial Officer
PROEN Corp Public Company Limited
- 2020 – Present Executive Director / 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

- 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, 2021)

- Held personally: 1,000 shares (0.0003%)
- Held by Spouse/minor children: (None)

10. Mr. Visrut Manunpon

Age 36 Year

Position

Vice President - Business Development

Appointed:

June 1, 2017



Education/Training

- Bachelor of Engineering Programing Computer Engineering, Rajamangala University of Technology Than
- Training Seminar Strategic Planning & Review Strategic By OPTIMA Consulting Co., Ltd.

yaburi

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, 2021)

- Held personally: 1,338,700 shares (0.424%)
- Held by Spouse/minor children: (None)

11. Mrs. Sasirada Mututanon



Age 40 Year

Position

Vice President – Purchasing and Warehouse

Appointed:

March 1, 2020

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, 2021)

- Held personally: (None)
- Held by Spouse/minor children: (None)

12. Mr. Phuwadon Muangsue

Age 48 Year

Position

Company Secretary

Appointed:

February 26, 2020



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.

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

- 2017 – 2018 Internal Control System Consultant, Change Estate Co., Ltd.

Family Relationship among Directors and Executives

- None

Shareholdings (Ordinary Shares) (as at December 31, 2021)

- Held personally: 20,100 shares (0.006%)
- Held by Spouse/minor children: (none)

13. Mr. Narong Juekert



Age 42 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, 2021)

- Held personally: 100 shares (0.000032%)
- Held by Spouse/minor children: (none)

Directors, Executives and Controlling persons

	PROEN	Subsidiary		Related companies								
		PROEN TELEBIZ CO., LTD.	SECURE NETWORK OPERATION S CENTER CO., LTD.	WEALTH WATER HOUSE CO., LTD.	ONLINE BIZ CO., LTD.	EXIM (THAILAND) CO., LTD.	SIAM CANNABIZ INDUSTRY CO., LTD.	PAO GROUP INTERNATI ONAL LTD.	NOPPARAT INTERNATI ONAL LAW LIMITED	Gunkul Engineering Public Company Limited	NAWARAT BEVERAGE COMPANY LIMITED	
1. Dr. Sathit Puttachaiyong	X, ID, A											
2. Mr. Kittipan Sri-bua-iam	D, Ex	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											D
8. Mr. Visrut Manunpon	F											
9. Mrs. Punsaya Paprakompisit	D, E	D	D									
10. Mr. Nititorn Deeumpai	E											
11. Mrs. Sasirada Mututanon	F											
12. Mr. Narong Juekert	F											

Remarks :

X = Chairman of the Board Ex = Chairman of Executive Board

D = Director E = Executive Director

F = Executive

A = Audit Committee

ID = Independent Director

Ax = Audit Committees, Chairman



Attachment 2

Details of Directors of Subsidiaries

	PROEN	Subsidiary Company	
		PROEN TELEBIZ CO., LTD.	SECURE NETWORK OPERATIONS CENTER CO., LTD.
1. Dr. Sathit Puttachaiyong	X, ID, A		
2. Mr. Kittipan Sri-bua-iam	D, Ex	D	D
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
10. Mr. Nititorn Deeumpai	E		

Remarks :

X = Chairman of the Board Ex = Chairman of Executive Board Ax = Audit Committees, Chairman

D = Director E = Executive Director A = Audit Committee

ID = Independent Director

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 until now, and there are persons assigned to work as the chief of internal inspectors with the following details:

	Information
Name - Surname	Mr. Kosol Yamleemul
Position	Head of Internal Audit
Educational qualifications	<ul style="list-style-type: none"> - Master of Science, Administration Program in Business Information Technology, Chulalongkorn University - Bachelor Degree, of Accounting and Banking and Finance, Thammasat University
licenses and diplomas	<ul style="list-style-type: none"> - Certified Public Accountant: CPA, No.4575 - Certified Internal Auditor: CIA - Certified Financial Service Auditor: CFSA - Certificate for Business Advisor - Certificate of Real Estate Entrepreneur, Kasetsart University
work experience	2013 - Present Managing Director, Unique Advisor Company Limited
Training	<ul style="list-style-type: none"> - Orientation Course – CFO Focus on Financial Reporting Class 4/2018 - Independent auditors evaluating documents for medium-sized businesses and CAC SME Certification - Anti-corruption in the organization - COSO 2013 - IT Audit, by Federation of Accounting Professions - Internal Audit, by the Association of Internal Auditors

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	Internal Audit Manager
Educational qualifications	Master Degree, MBA IN FINANCE AND BANKING, Ramkhamhaeng University Bachelor Degree, MBA IN FINANCE AND BANKING, Ramkhamhaeng University
work experience	2020 - Present Company Secretary, PROEN Corp Public Company Limited 2020 – 2021 Internal Audit Manager, PROEN Corp Public Company Limited 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

Attachment 5
Full Version of Corporate Governance
Policy and Guidelines and
Code of Conduct

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

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 2021, the Audit Committee a total of 5 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	5/5
2. Dr. Sathit	Puttachaiyong	Audit Committee	5/5
3. Assoc. Prof. Dr. Panarat	Panmanee	Audit Committee	5/5

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 2021 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 2021 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 2021, 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, 2021 to December 31, 2021, the Company's audit fee is determined. The amount does not exceed 3,250,000 baht, Excluding expenses for auditing subsidiaries according to the names of the auditors as follow:

1. Pisit	Thangtanagul	Certified Public Accountant No. 4095 or
2. Nuntika	Limviriyalers	Certified Public Accountant No. 7358 or
3. Tithinun	Vankeo	Certified Public Accountant 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 and external auditors, Unique Advisor Co., Ltd., which covers important systems of the company. 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



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