

# **ANNUAL REPORT 2023**

## **(FORM 56-1 ONE REPORT)**



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## Important Financial Information

Operation Performance (million baht)	2021	2022	2023
Sales revenue	460.15	466.01	448.02
Service revenue	324.46	409.16	435.10
Other revenues	14.30	13.17	22.98
<b>Total revenue</b>	<b>798.91</b>	<b>888.34</b>	<b>906.10</b>
Cost of sales	288.99	293.98	(263.37)
Cost of Service	153.88	226.34	(250.73)
Cost of distribution	173.86	198.95	(197.66)
Cost of administration	100.31	110.25	(124.02)
<b>Total expense</b>	<b>717.04</b>	<b>829.52</b>	<b>(835.78)</b>
<b>Profit (Loss) before financing expenses and income taxes</b>	<b>81.87</b>	<b>58.82</b>	<b>70.32</b>
Financial cost	0.33	0.67	(0.76)
Gains and reversals of impairment losses (impairment loss) which is in accordance with TFRS 9	-	0.22	(0.18)
<b>Profit (loss) before income tax</b>	<b>81.54</b>	<b>58.15</b>	<b>69.38</b>
<b>Income</b>	<b>22.81</b>	<b>11.65</b>	<b>(18.48)</b>
<b>Net profit (loss)</b>	<b>58.73</b>	<b>46.50</b>	<b>50.90</b>
Financial Position (million baht)	2021	2022	2023
Total assets	732.92	772.44	792.15
Total liabilities	375.71	426.74	435.32
Total shareholders' equity	357.21	345.70	356.83
Information per share (baht)	2021	2022	2023
Earnings per share	0.21	0.17	0.18
Dividend	0.20	0.14	0.15
Financial ratios	2021	2022	2023
Gross profit margin - service (%)	37.20	36.91	41.21
Gross profit margin (%)	52.57	44.68	42.37
Net profit margin (%)	43.56	40.55	41.79
Return on equity (%)	7.35	5.23	5.62
Liquidity ratio (time)	16.75	13.21	14.43
Debt to equity ratio (time)	1.95	1.81	1.92
Gross profit margin - service (%)	1.05	1.23	1.22

## Message from Chairman of Board of Directors

Dear shareholders, business partners, clients and all stakeholders,

On behalf of the board of directors, management, and all employees of AppliCAD Public Company Limited, I would like to express our sincere gratitude for the trust and support you have given us in 2023. The relationships and stability we have built together are a crucial foundation that allows our company to innovate, create solutions that meet customer needs, and grow sustainably.

Our business operations are driven by a commitment to adhere strictly to governance principles. We prioritize transparency and honesty above all, believing they are essential for achieving lasting success. We are dedicated to providing high-quality services and products and insist on ethical conduct, which we take great pride in.

Furthermore, we focus on development under the ESG (Environmental, Social, and Governance) concept, which is at the heart of modern business practices. Our involvement in environmental protection, social justice promotion, and strict governance not only reflects our commitment to quality products and services but also our intention to positively impact society and our planet. Amid environmental challenges and social changes, we believe investing in ESG is investing in our future and that of future generations.

Finally, I thank everyone for your trust and ongoing support for our business, as well as our management and employees for their dedication and competence. Rest assured that our board, management, and employees will continue to perform their duties with awareness and responsibility. We hope for your continued support and to grow steadily together with the company.

On behalf of the board of directors, management, and all employees of AppliCAD Public Company Limited, I extend boundless gratitude and deep goodwill to everyone who is part of this year's journey. Your cooperation and trust enable us to implement our ESG strategies, achieve sustainability in all aspects, and grow together at every step. We are committed to maintaining our standards and improving our business operations in the coming year. Thank you all once again for your support and dedication, and may we all find happiness, well-being, and success in every aspect of life."



(Asst.Prof.Dr. Prasert Kanthamanon)

Chairman of Board of Directors

## Message from CEO

Dear Shareholders and Stakeholders,

This year, 2023, has certainly presented its fair share of challenges, encompassing financial issues, global economic trends, and geopolitical conflicts right from the start. Various central banks worldwide have responded by raising interest rates to combat rising inflation, which in turn has posed additional challenges for household and business borrowing. Despite these hurdles, the Thai economy has begun to recover, buoyed by the resumption of economic and social activities post the COVID-19 pandemic. Importantly, the outcomes of the recent general elections and the new government will shape the nation's economic direction. Our group will closely monitor policies and developments, maintaining openness and readiness to collaborate with the government on future infrastructure projects.

For the fiscal year 2023, our company reported a total revenue of 906.10 million baht, marking a 1.84% increase from the previous year. This growth primarily stems from adjustments in our sales model and positive impacts from campaigns promoting the use of legitimate software. Our net profit stood at 50.90 million baht, up by 9.46%. In terms of financial health, our total assets grew by 2.55%, cash and cash equivalents by 9.78%, total liabilities by 2.01%, and shareholder equity by 3.22%.

Looking into 2024, we plan to continuously improve and innovate our products and services. We are committed to innovation for growth and sustainability. Our operations are designed with environmental care in mind, aiming to reduce our environmental footprint and leverage modern technology to enhance efficiency. Artificial Intelligence plays a crucial role in supporting our team's work, and we believe integrating innovative technologies will enhance our employees' skills and performance.

With plans focused on innovation, environmental care, and AI utilization, we are confident in setting an exemplary standard for sustainable and capable business and environmental solutions.

Thank you all for being a part of our success, and we look forward to continued support to turn our business and environmental goals into reality.



A handwritten signature in black ink, consisting of a stylized 'I' and 'A' followed by a horizontal line.

Dr. Isra Akrapitak

Chief Executive Officer

**Part 1 Business Operations and Performance**

## 1. Business Structure and Operation of the Company

### 1.1 Business Policy and Overview

AppliCAD Public Company Limited (“the Company” or “APP”) or previously known as AppliCAD Public Company was established on 13 September in order to conduct the business as a distributor of complete design solutions. The Company started the business as a distributor of AutoPLANT which is the 3D design of piping system to enhance the performance of the engineer to work faster, easier and more accurate. The founder studied the market of design software in Thailand and found the gap of the Middle Range in the market. He contacted Dassault Systèmes SolidWorks. After that, AppliCAD was appointed to be the reseller of SolidWorks in Thailand since 1997.

In order to expand its business, the Company expanded its business into the 3D Printer which can produce the work from 3D design file. After that, the Company expanded its business into the market of architectural engineering and construction design. Moreover, the Company has expanded into the 3D scanner’s market which is the 3D optical measurement system in the industrial section.

To be the provider of the complete 3D design solutions for our customers, the Company has also provided the 3D design training center known as DETI Company Limited and prototyping service company known as Rabbit Prototype Company Limited. Moreover, the Company expanded its business in to Indonesia to support ASEAN Economic Community (AEC) registered as PT. Indonesia AppliCAD to provide the 3D design solutions.

Subsequently, the Company was transformed into a public company to be a listed company on the Stock Exchange of Thailand and started trading in ordinary shares on the Stock Exchange of Thailand on 22 November 2019 with a paid-up registered capital of 140 million baht, divided into 3 business groups: software distribution business, distribution business 3D design products (Hardware) and business services (Services).

After all this time, the Company has committed to provide the best products and technologies to create the greatest satisfaction for customers by searching for new products and technologies to grow the customers’ business for Mechanical Solution: MEC, Architectural Engineering & Construction: AEC and 3D Design products (Hardware); 3D Printing and 3D Scanner as well as other related services. As a result, the Company has gained more trust from its customers and products’ owners and to support the growth in the market.

### 1.1.1 Vision, Mission and Goal

#### Vision

Innovation Changes Everything. AppliCAD is Where Innovation Begins.

#### Mission

- Leverage People
- Leverage Tools
- Leverage Business

#### Goals

To be recognized as the leading company for consulting and selecting the technological products to encourage the creation of creative innovation of design and manufacturing as well as construction in Southeast Asia

### 1.1.2 Major Change and Development

AppliCAD Public Company Limited and its subsidiaries have continuously developed the organization to ensure efficient business operations. The company's major developments in the past 3 years are as follows:

#### 2021

- The company has launched a new service model to meet digital work needs and drive industrial solutions:
  - 3DEXPERIENCE
  - XR service

#### 2022

- The Company has established the AppliCAD Innovation Center (AIC) as a center for cutting edge technology to create innovation in Thailand in order to promote the use of technology and develop the potential to work for a variety of industries.
- The Company has launched new product to meet the needs of more diverse operations as follows:
  - JAKA Collaborative Robots (JAKA Cobots)



## 2023

- The Company has developed PT CAD software, a drafting program that focuses mainly on basic 2D drafting work.
- 17 January 2023, the Company signed an academic cooperation memorandum (MOU) with the College of Industrial Technology; King Mongkut's University of Technology North Bangkok. The objective is to jointly create an academic cooperation project, to promote research and development and to create knowledge in 3D industrial design to support the development of industry in the 4.0.
- 11 May 2023, the Company signed a memorandum of understanding for academic cooperation (MOU) with Rajamangala University of Technology Rattanakosin with the objective of exchanging academic and professional knowledge. Organize training and provide knowledge among faculty members. University personnel and the Company.
- 31 May 2023, the Company signed a memorandum of understanding on academic cooperation and career development (MOU) with Southeast Bangkok University together with the Samut Prakan Provincial Industrial Office. The objective is to promote and develop the skills of workers in Samut Prakan province to be in line with the needs of the industrial sector in the province.

## 1.1.3 Report of the utilization of the capital increase from IPO

Objective of utilization	Expected amount used	Outstanding balance as of 31 Dec 22	Spending amount as of 1 Jan 23 - 31 Dec 23	Outstanding balance as of 31 Dec 23
1. To invest in the machinery and equipment for the demonstration to the customers such as 3D printers and 3D scanners	20.00	0.09	0.09	0.00
2. To use as the working capital	164.01	1.34	1.20	0.14
<b>Total</b>	<b>184.01</b>	<b>1.43</b>	<b>1.29</b>	<b>0.14</b>

## 1.1.4 Obligations Committed by the Company in the Securities Offering Information Form

- None

### 1.1.5 General Company Information

Company name : AppliCAD Public Company Limited

Business type : Distribution of the complete design solutions for Mechanical and Engineering software, Architectural Engineering and Construction software, 3D Printing Technology; 3D Printer and 3D Scanner as well as other related services

Head office : 69, Sukhumvit 68, Sukhumvit Road., Bangna Nuea, Bangna, Bangkok 10260

Registration : 0107561000471  
number

Tel. : 0-2744-9045

Fax : 0-2744-9049

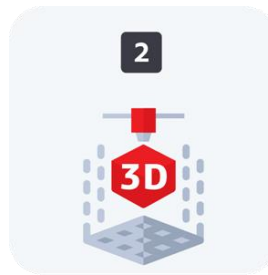
## 1.2 Nature of Business Operation



### SOFTWARE

Business of Design Software

- Software for industrial design
- Software for architectural design and construction



### HARDWARE

Business of Design Software

- 3D Printer
- 3D Scanner
- JAKA Cobots
- Equipment and consumables



### SERVICES

Service related to 3D Design Solutions

- Subscription Services
- 3D design services according to customer's requirements
- XR Service
- Prototype and Low Volume Production
- Training Service - DETI Training Center

Product/ Service	Business unit of Each Company			
	AppliCAD	RP	DETI	APP Indo
<b>Distribution Business of Design Software (Software)</b>				
- Industrial design software (MEC)	✓	-	-	✓
- Architectural and Construction design software (AEC)	✓	-	-	✓
<b>Distribution Business of 3D Design (Hardware)</b>				
- 3D Printer for Industrial Grade	✓	-	-	✓
- 3D Printer for General Use	✓	-	-	-
- 3D Scanner	✓	-	-	✓
- JAKA Cobots	✓	-	-	-
<b>Service</b>				
- Subscription Service	✓	-	-	✓
- 3D Design as requirement	✓	-	-	-
- Prototyping and Low Volume Production	-	✓	-	-
- Training Service	-	-	✓	-

Product/ Service	Business unit of Each Company			
	AppliCAD	RP	DETI	APP Indo
- XR Service	✓	-	-	-

### 1.2.1 Revenue Structure of the Company

From 2021 - 2023, the revenue structure of the Company can be summarized as follows

Type of Revenue	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Revenues from Sales</b>						
- Design Software	278.20	42.27	278.20	42.27	286.00	31.56
- 3D Design Product	87.23	13.25	87.23	13.25	162.02	17.88
<b>Total Revenues from Sales</b>	<b>365.43</b>	<b>55.52</b>	<b>365.43</b>	<b>55.52</b>	<b>448.02</b>	<b>49.44</b>
<b>Total Revenues from Services</b>	<b>282.56</b>	<b>42.94</b>	<b>282.56</b>	<b>42.94</b>	<b>435.10</b>	<b>48.02</b>
Other Income*	10.13	1.54	10.13	1.54	22.98	2.54
<b>Total Revenues</b>	<b>658.12</b>	<b>100.00</b>	<b>658.12</b>	<b>100.00</b>	<b>906.10</b>	<b>100.00</b>

**Remark:** Other significant revenues consist of commission and marketing subsidy from the owners of the products of which the Company is a distributor and gain from exchange rate.

### 1.2.2 Product information

The Company distributes solutions for 3D design and provides a full range of related services as following details:

#### (1) Characteristics of product and service and innovation development

##### 1 Distribution Business of Design Software

The design software distribution business operated by APP and APP Indo is the main revenue generating business for the Company, representing 57.76%, 58.24% and 63.84% of sales revenue in 2021 - 2023 respectively. The distribution of software to customers is mainly the nature of software licenses. The design software distributed by the Company can be divided into two main groups: Industrial and architectural and construction design software.

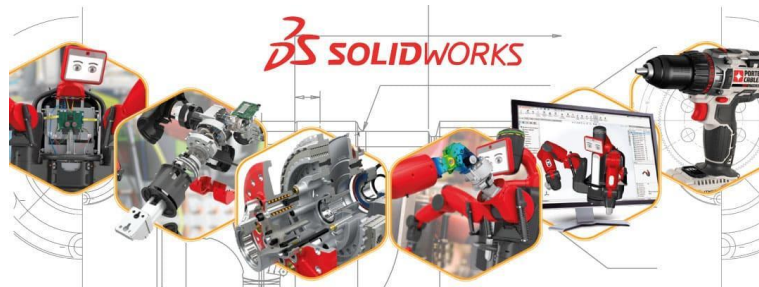
##### 1. Industrial Design Software (Mechanical Solution: MEC)

Industrial design software (MEC) is 3D Software for an aided-design of products or equipment parts, and test of the engineering property of the designed products, using Simulation software in the property analysis of parts such as strength, elasticity, as well as assembly test and movement simulation together with other parts.

The key 3D industrial design software distributed by the Company includes **SOLIDWORKS**, whereas APP has been appointed to be the distributor in Thailand from Dassault Systemes SOLIDWORKS Corporation (“DSSW”), USA.

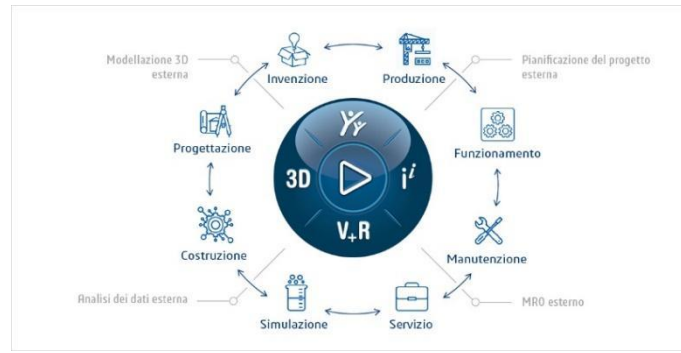
### 1.1 SOLIDWORKS

**SOLIDWORKS** is software developed by DSSW, USA, as 3D Industrial design software developed for using in Personal Computer, resulting in a simple accessibility to the users and an extensive popularity among the engineers and industrial fields. A prominent feature of SOLIDWORKS in creation of a virtual simulation of product is an ability of the user to define the details and specifications of parts, such as color, structure, volume, surface, and type of material, for using in property analysis of the part whether being a calculation to measure area, volume or weight. An assembly test and a movement simulation together with other parts, and an engineering test of the parts designed in different states prior to actual production are conducted to ensure that the designed parts can be actually and efficiently used in accordance with the required specifications. This will contribute to a reduction of the period, procedure, and cost used in design and development of the user. New version of software will be yearly updated to ensure better serve the user’s need and new function will be updated to facilitate the user with various and different needs in each industry. SOLIDWORKS distributed by APP and APP Indo is classified into three packages consisting of (1) SOLIDWORKS Standard, (2) SOLIDWORKS Professional, and (3) SOLIDWORKS Premium.



### 1.2 3DEXPERIENCE Platform

3DEXPERIENCE Platform is another channel to meet the changing of user behavior in the form of software as a service or SAAS by using the Cloud Service system. This platform can work seamlessly to connect with current customers. Beginners can easily learn how to use them as well and to provide better usability, DS developers have added various capabilities to 3DEXPERIENCE in the form of applications. It brings hi-end technologies developed in high-end industries such as Aerospace and Automotive to add capabilities on the platform in a flexible way based on the role of the user responsible for the specific area. This makes it easy to adapt applications to specific roles.

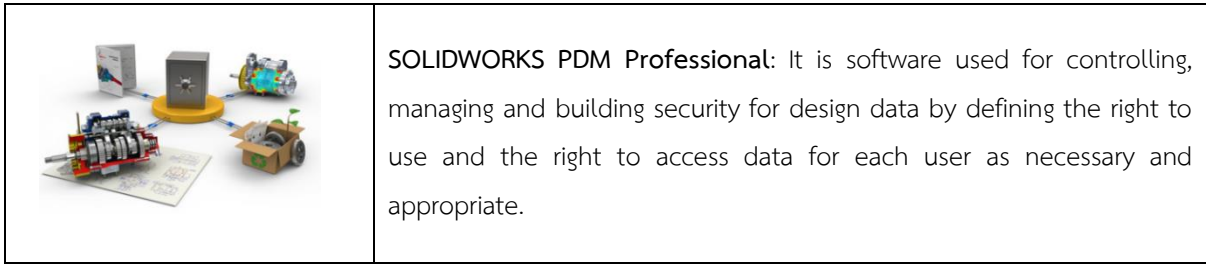


**1.3 Add-on for industrial design software**

Other than SOLIDWORKS which is the core software distributed by the Company, it has also distributed Add-on for industrial design software to enhance the functional capacity of SOLIDWORKS to be more efficient for serving the user’s specific need. The software consisting of SOLIDWORKS Simulation, SOLIDWORKS Electrical, SOLIDWORKS Visualize, etc., are developed by DSSW; and such software consisting of SolidCAM and SolidPlant, are developed by other software developers. The usability of Add-on is in the nature of Add-on Function on Tools Bar in SOLIDWORKS (Plug-in) or a Stand-Alone software by taking file acquired from SOLIDWORKS to work on each Add-on. Add-on distributed by the Company can be summarized as follows.

Add-on Used for Engineering Simulation	
	<p><b>SOLIDWORKS Simulation:</b> It is software used for analyzing the engineering property of parts designed by 3D Software to test the parts’ strength, quality, and operation. Various states and forces can be determined in testing the parts. Therefore, the quality of parts can be assessed, contributing to quality improvement of the parts prior to the actual production.</p>
	<p><b>SOLIDWORKS Plastics:</b> It is software used for simulating plastics injection molding from the process of design, simulation of melt flow pattern during plastics injection molding, as well as assessment of risk from the plastics injection molding, contributing to reduction of waste from the plastics injection molding. The users can test integrity of the parts from the procedure of mold design, contributing to a more efficiency of plastics part and plastics injection mold design.</p>
	<p><b>SolidCAM:</b> It is software used for simulating milling with CNC (Computer Numerical Controlled) Machine and defines instruction for controlling the operation of CNC Machine from the file of the designed CAD parts. This software aids in defining the size of raw materials which must be used, and recommending the positioning of raw materials, determining the type of cutter; aids in defining the automatic milling path for the</p>

	<p>maximum efficiency; and shows a part milling procedure from the beginning to the end of the process.</p>
<p><b>Add-on Used for Specific Design</b></p>	
	<p><b>SOLIDWORKS Electrical:</b> It is software used for designing an electrical system both in format of 2D and 3D together with designing a mechanical work. Bill of Material (BOM) in the design can be quickly prepared. This software also aids in an automatic wiring by linkage of BOM data to be connected with the electrical devices at the specified terminal points.</p>
	<p><b>SolidPlant:</b> It is software used for drawing the factory piping and wiring for pressure hose, factory pipe, and drain. Bill of Material (BOM) in design can be shown, and many libraries of standard parts for designing the factory wire and pipe routing are available for selecting to use.</p>
<p><b>Add-on Used for Data Presentation and Data Management</b></p>	
	<p><b>SOLIDWORKS Composer:</b> It is software used for enhancing a technical communication potential; imaging the product components with the complicated resolution both in format of 2D and 3D images or animations to be used in preparation of the assembly and manufacturing manual, instruction manual of the product, maintenance manual, product data presentation document; and showing Bill of Material (BOM).</p>
	<p><b>SOLIDWORKS Inspection:</b> It is software used for preparing the documents relating to parts inspection, and it is operable with Coordinate Measuring Machine (CMM) for the parts in order to link with the parts inspection result, and automatically prepare an inspection report.</p>
	<p><b>SOLIDWORKS Visualize:</b> It is piece of software used for imaging the high-quality graphics to be used in design presentation for the reality and attractive light and shade</p>



### Target Customer Group

The customers that are the main target groups of Industrial design software such as the businesses in the groups of automotive industry, electronic parts industry, electric appliances industry, and machine and industrial material manufacturing industry.

## 2. Architecture Engineering and Construction Design Software (AEC)

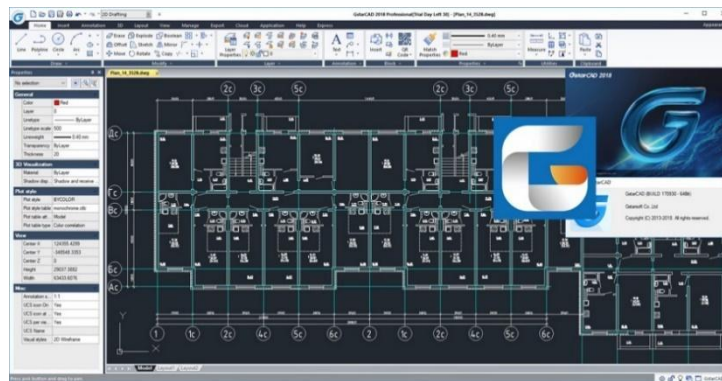
Architecture Engineering and Construction Design Software is software aiding in architecture engineering and construction design, such as building design, interior design, and building structure and system design.

The core Architecture Engineering and Construction Design Software distributed the Company can be classified into 4 groups as follows.

### 2.1 2D Drawing Software: GstarCAD

2D Drawing Software is the 2D Computer Aided Design (CAD) in replacement of paper drawing, aiding in labor-saving and increase in working efficiency of the architects and engineers in plan drawing. However, 2D Drawing Software mainly distributed by the Company is GstarCAD.

GstarCAD is the 2D Drawing Software developed by Gstarsoft Co., Ltd., China, and accepted by many users in 65 countries worldwide. It is software which is user-friendly and can support various types of the design files, resulting in interoperability with files from other software without requirement of file conversion. This will not cause data damage.



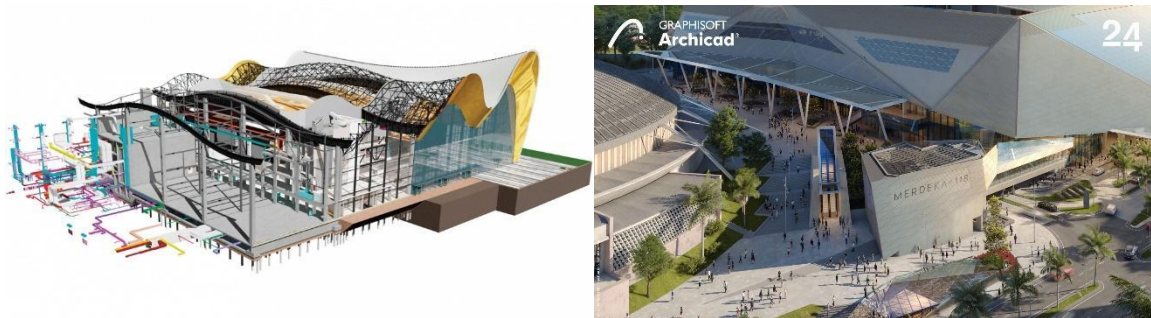
### 2.2 3D Building Design Software with BIM Technology: ARCHICAD

3D Building Design Software is the technology developed to display 3D modelling image, resulting in faster design, and easy data presentation and communication to the related departments. In addition,



the construction drawing both of 2D plan and section image can be automatically created in 3D Drawing Software, contributing to a reduction of redundant work procedures and time-saving. However, 3D Building Design Software mainly distributed by the Company is ARCHICAD.

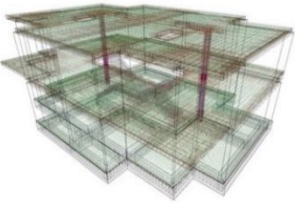
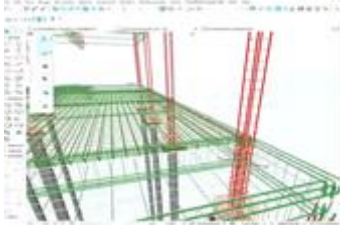
ARCHICAD is software developed by Graphisoft SE, Hungary. It is considered as the first 3D Building Design Software that has commenced to develop Building Information Modeling (BIM) Technology to be used on personal computer, resulting in the extensive acceptance of the users particularly in Europe, Australia, New Zealand, and Japan. With BIM Technology, a virtual modelling of the building by ARCHICAD is precise by adding data and specifications in construction drawing. Data from different sections, whether being design, construction, engineering, and purchasing data, will be linked and integrated. BOQ (Bill of Quantity) can be extracted, resulting in the consistent interoperability of all related parties, ability to accurately estimate construction cost, and easy management of the project’s progress.



**2.3 Add-on of Architecture Engineering and Construction Design Software**

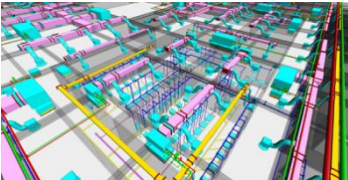

The Company distributes Architecture Engineering and Construction Design Software Add-on to enhance the functional capacity of GastarCAD and ARCHICAD and to serve the specific needs of the customers who are the users. The usability nature of Add-on is to add function on Tools Bar in the core software developed by other software developers. However, Add-on distributed by the Company can be summarized as follows.


<b>Add-on Used for 2D Drawing</b>	
	<p><b>CADProfi:</b> It is software aiding in more efficient 2D drawing. A specific design-aided tool is available for extracting BOM/BOQ and Library of standard components, and it is classified into four Modules, including Architectural Design, Electrical Circuit Design, HVAC&amp;Piping Design, and Mechanical Engineering Design.</p>
<b>Add-on Used for Building Design</b>	




	<p><b>EPTAR:</b> It is software which is interoperable with ARCHICAD, and used for designing and preparing the specifications of reinforcement structure both in 2D and 3D format. Total quantity of reinforced concrete required for using in construction can be calculated and extracted, resulting in more details of the structural work design, a reduction of the design conflict, and a reduction of the error problems in construction work.</p>
<p><b>Add-on Used for 3D Drawing</b></p>	
	<p><b>Thai BIM:</b> It is an add-on software developed by the Company to be interoperable with ARCHICAD, aiding in more convenient working of Thai architects and contractors in construction design and drawing, and cost estimation due to the availability of instructions consisting of a building structuring in accordance with the various patterns popular for using in Thailand in Library for selecting to use; an automatic insertion of reinforcement in columns, beams, and floors; and an extraction of BOQ of the materials used in all building sections.</p>

**2.4 2.4 Specific Design Software**

The Company distributes other 3D Software used for specific design to serve the various needs of the customers. The characteristic of this software is the Stand-Alone Software which can extend the development from the files acquired from GstarCAD or ARCHICAD. However, the specific design software distributed by the Company can be summarized as follows;

<p><b>MEP System Design Software</b></p>	
	<p><b>CADEWA:</b> It is software from Japan, which is used as aid in designing an engineering system in the building consisting of electrical system, plumbing and sanitary system, and air-conditioning system. The available easier design-aided instructions consist of a water piping of which equipment is automatically inserted, and an inspection of the system corrosion, and a count-aided instruction for the quantity of equipment used in design for the quantity extraction. This software supports BIM Technology which can input and output IFC standard files for using the data by another BIM Program.</p>
<p><b>Building Strength Analysis Software</b></p>	
	<p><b>Prota:</b> It is software used by the engineers in analysis of building strength. A 3D building structural modelling can be performed and a building structural model file from other software can be used to calculate for determining the standards of steel and concrete used, and analyzing the designed building strength for inspecting whether the building can be durable in different situations. For instance, upon</p>

	<p>an occurrence of earthquake or storm, a calculation report is automatically created, contributing to the correct and rapid designing.</p>
<p><b>Data Management Software</b></p>	
	<p><b>Oracle Primavera:</b> It is software used for the project management in the efficient planning, chronology, and resource control and management of the small-sized to large-sized projects that have an activity complexity and a number of the people relating to the project. This can contribute to more improvement on the related parties' cooperation, monitoring of the progress, and management of the project overview.</p>
	<p><b>Solibri Model Checker:</b> It is a software that helps to monitor BIM-designed models with various applications, including architecture, air conditioning, indoor water pipe system, structural work that must be combined to identify potential design defects such as overlapping parts, which, when detected, are corrected. It ensures complete design accuracy and reduces construction problems.</p>
	<p><b>ExtrAXION:</b> It is software used for estimating a construction cost from a construction drawing by measuring the length of the line, calculating the area, and counting the quantity of materials and equipment in a construction drawing. The calculated data can be automatically linked with Work Breakdown Structure (WBS) for calculating to find workload and expenses.</p>
<p><b>Virtual Imaging Software</b></p>	
	<p><b>D5 Render:</b> It is a software used to create graphics for presenting landscapes. (Perspective) high quality for building design, interior decoration, landscape work, as well as the presentation of high-quality animation in the form of a virtual landscape.</p>
	<p><b>Twinmotion:</b> It is software used in real-time creation of animation whereas the topography or surrounding details can be referred from Google Earth worldwide, resulting in the user's ability to accurately simulate the project location, and outer details.</p>

	<p><b>V-Ray:</b> It is software used for graphic imaging of both exterior and interior building designs with reality and very high quality. This software must be interoperable with the main modelling program.</p>
<p><b>General 3D Modelling Software</b></p>	
	<p><b>SketchUp Pro:</b> It is 3D Design Software for house, building, and system architecture. It is designed to be user-friendly. In addition, an instruction of 3D part management in interoperability with Google Map and Google Earth is available for creating a geographical map or putting a designed building on Google Earth for creating a reality.</p>
	<p><b>ZBrush:</b> It is software used for 3D Sculpture, and consists of various user-friendly tools aiding in sculpture of the model, resulting in the user’s ability to freely configure the model and correct work. The nature of its usability is similar to a real sculpture to ensure that the achievement with the remarkable special contour can be built. Therefore, this software is popular for using in high resolution model works, such as Animation work or Compute Graphic work in films.</p>
	<p><b>Rhinoceros:</b> It is software for modelling or producing 3D parts in product design requiring novelty. It is outstanding in creating Free Form, resulting the designer’s ability to unlimitedly transfer his/her imagination.</p>

**Target Customer Group**

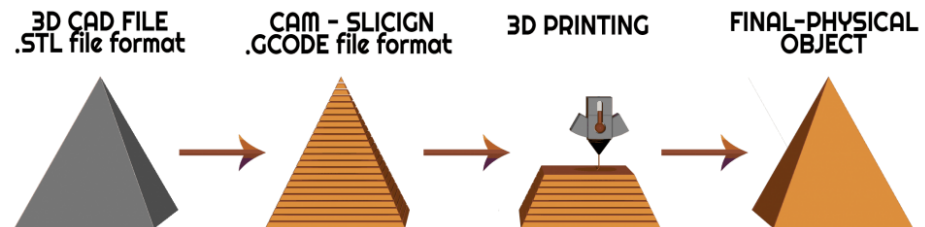
The customers in the main target group of Architecture Engineering and Construction Design Software include the entrepreneurs in the construction industrial group, such as construction contractors, architects, real estate developers, and manufacturers and distributors of construction materials, etc.

**2. Distribution Business of 3D Design Hardware**

To extend the expertise in distribution business of 3D Design Solutions, the Company has also distributed 3D Hardware such as 3D Printer, 3D Scanner as well as the related equipment. In 2021 - 2023, the Company’s revenues from distribution of 3D Design Hardware were in the proportion at 42.24%, 41.76% and 36.16% of revenues from sales and services, respectively, as following details:

## 1. 3D Printer

3D Printer is the technology of part production from 3D CAD File with Additive Manufacturing Process using computer for calculating data from 3D CAD File in order to continue printing material texture into layers at a micron level resolution (1 micron is 0.001 mm.) to be a virtual part as designed. The said part is tangible and really utilizable, resulting in the designer's ability to quickly and accurately produce a part.



At present, 3D Printer and materials used for printing and distributed by the Company can be classified into 2 groups, consisting of Industrial Grade 3D Printer and General Use 3D Printer. The details of the said products are as follows;

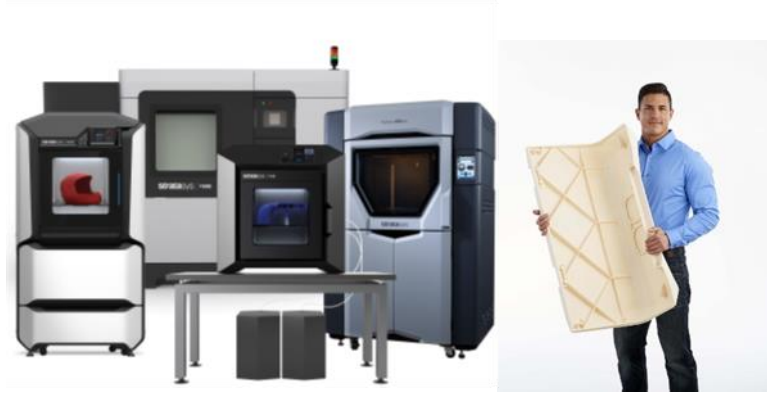
### 1.1 Industrial Grade 3D Printer

This type of 3D Printer distributed by APP and APP Indo is a large-sized printer with high precision, and able to precisely, accurately, and quickly manufacture the complicated part. The various types of materials used in printing are used so that the various engineering properties of part can be determined. Therefore, it is suitable for various industries, such as Automotive, Aerospace, Electrical Appliance, Health Care, and Dental, etc.

The Industrial Grade 3D Printer, such as 3D Printer in Stratasys Brand from United States of America, is distributed by APP and APP Indo which are the world market leaders of 3D Printers. Stratasys 3D Printing Technology can be classified into materials and a technology used for printing part as follows;

- **3D Printer - FDM (Fused Deposition Modeling) System from Stratasys**

3D Printer - FDM System has currently been the most popular and usable printer. This printer uses thermo plastic materials such as ABS, PLA, PET, Nylon, etc., which are plastics that can be formed for recycling after melting. The functional process of this type of printer starts from melting plastic filaments to become fluids and then injecting them to be filaments with an injector in plane level into layers to form part in accordance with 3D design file data. The characteristic of the acquired part is an opaque solid object. Therefore, it is suitable for works in type of which the part strength is required, for instance, sample of assembly testing part, Jig & Fixture, End Use Part, and medical device, etc.



- **3D Printer – Polyjet System**

It is 3D Printer - Polyjet System that uses material in type of Photo Resin in printing. Resins are hardened at the light exposure point. The functional process of this type of printer starts from injecting fluid resins out and then radiating with UV to harden them. Therefore, the figure is continually formed into layer by layer to acquire high resolution part as required. This printer can print a work with several colors



or several materials in one piece. Therefore, it is suitable for a work with fine surface, or a work requiring attractiveness, such as Model, product sample, and dental work, etc.

## 1.2 3D Printer for engineer and designer

This type of 3D printer, distributed by APP, is a small but packed 3D printer with features from industrial-grade machines. It is suitable for 3D printers at the desks of engineers and designers to model and experiment with various functions in product development or production aids as follows;

- **3D printer, FDM system (Fused Deposition Modeling) from MakerBot**

The FDM 3D printer from MakerBot, a Stratasys subsidiary, is another popular model among beginners but supports industrial applications. It features price and print quality to supports prototype



printing and to create a sample of the work that must be tested. It can also choose from a wide range of printheads that are open for a wide range of materials.

### 1.3 3D Printer for General Use

This type of 3D printer, distributed by APP, is a 3D Printer with small size, light weight, and cheap price to be suitable for using in production of small and non-complicated parts, such as small model, learning media for kids, etc.

At present, General Use 3D Printers distributed by APP consist of 2 brands as follows: (1) Sindoh from Korea, (2) XYZ from United States of America. In distribution of General Use 3D Printer, the Company shall mainly distribute using online channel via [www.8baht.com](http://www.8baht.com) which is the Company's website.



Sindoh

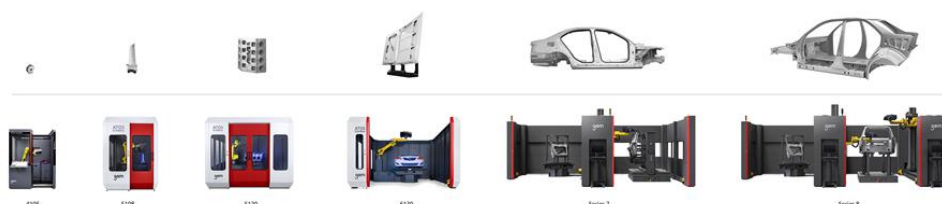


XYZ

## 2. 3D Scanner

3D Scanner, distributed by the Company is a 3D optical measurement technology for industrial inspection and 3D scanning technology for reverse engineering engineers.

**GOM** is suitable for fast and accurate inspection industries such as automotive and aerospace industries, especially sheet metal forming, metal and aluminum castings. GOM 3D scanners can be operated manually and automatically which GOM from Gom GmbH., Germany is a technology leader in 3D measurement systems, high resolution with Optical Metrology System technology, which is the use of a 3D Scanner in conjunction with software for inspection work in particular.



**Artec** is a 3D scanner for fast and accurate industries to reverse engineer or store details of objects into digital files such as industrial and architectural work.



### 3. Equipment and Consumables

Other than 3D Printer and 3D Scanner distributed by the Company, it has also distributed equipment as spare parts and consumables required for use together with printer and scanner, such as different types of printing materials, parts cleaner, parts tray, components and spare parts, etc.

#### JAKA COBOT

JAKA Cobot is robot designed to work with people in the industrial sector. It has the appearance of a mechanical horn emphasizing the work of picking and handling, arranging the parts in the manufacturing sector.

JAKA Cobot is the small mechanical arm robots with industrial grade sensors that are able to work closely with people, agile, and safe. JAKA has many Cobot models to be chosen. It can lift workpieces from 1 to 18 kilograms and has a reach length of 1,327 millimeters. JAKA Cobot has been highly successful in use in industrial production. JAKA Cobot is fully automated driving the future of the manufacturing industry.



#### Target customers Group

The main target customers in 3D design are automobile industrial enterprises, electrical appliances include government agencies and educational institutions.



### 3. 3D Design Solution-Related Services

To fulfill 3D Design Solution of the Company to entirely serve the customers' needs, it provides other 3D Design Solution-related services to its customers. The said services can be classified into 4 types as follows;

#### 1. Subscription Service

As software and solutions distributed by the Company, either Software or 3D Printer in Stratasys Brand, are the design technology that requires the use of specific knowledge and expertise, therefore, the Company establishes a policy for selling Software and Solutions together with Subscription Services Package for 1 year. After the first expiration of the period of Subscription Services, the customers can select to renew the Subscription Services Agreement for another 1-3 years per term under the determined service rate and service conditions for each product. However, throughout the period of Subscription Services, the customer is granted for the privileges to enhance the customer's usability efficiency of Software or 3D Printer as per the following details;

#### Privilege of Subscription Services for Software Products

- Software Upgrade Service: the new version upgrade service is provided throughout after sales service period at free of charge to enhance the working efficiency of program.
- Training Service: The customers can attend the software usability training for the usability at full capacity. The training is conducted at DETI Training Center and the trainees who are passed for the usability training will be awarded for the software usability certificate.
- Technical Support Service: The Company's team which is expert and certified by the product owner is ready for counseling and troubleshooting via the following service channels.
  - Hotline Service: It is a counseling service on the software usability by phone in working hours from 8.30-17.00 hrs. at Hotline 02-744-9044.
  - Online Service: It is a troubleshooting service via chat in online channel, and Remote Access for the quick troubleshooting support.
  - Onsite Service: It is a service in the way that an Application Engineer is sent to give troubleshooting counsel and advice in collaboration with the customer's team for correct and quick troubleshooting to meet the requirement.
- Other Services: The customers can download data or media of usability for additional uses, such as 3D Object or Library Package, for instance, screw, knot, window, door, etc., to be used in design or instructional videos for the use of instructions, etc

#### Privileges of Subscription Services for 3D Printer Products

- per year for the complete availability of the printer and replacement of spare parts under the Agreement.
- Training Service: The customers can attend the printer usability training for usability at full capacity.

- **Technical Support Service:** The Company's expert team is ready for counseling and troubleshooting via the following service channels.
  - **Hotline Service:** It is a counseling and troubleshooting service on the usability by phone in working hours from 8.30-17.00 hrs. at Hotline 081-936-9914
  - **Onsite Service:** It is an onsite service in the way that an application engineer is sent to the customer office for the urgent troubleshooting in quickness and correctness manner.
- **Parts Production Service:** In case of the problem occurred with the customer's printer during usability, resulting in a functional failure, or during importation of components and spare parts for replacement from the manufacturer, the customer can send the correct and complete file to the Company for producing the customer's parts with the Company's printer at a specific expense for the actual cost of materials used in production only. The expense for the working hours of the printer and the engineering labor cost must be unpaid.

## 2. Customized 3D Design Services

The Company provides the customized 3D design services, using its experiences and expertise of the personnel, and technological readiness to fulfill the specific needs of the customers in various forms both for industrial design software, Architecture Engineering and Construction Design Software, and Customized Add-on Development to efficiently serve the specific needs of its customers.

### **Samples of 3D industrial design software Support Services**

3D design file creating and engineering design analysis service

Product Presentation Preparation Service with virtual rendering image and interactive animation

Specific Plug-in Program Development Service for working on core software like SOLIDWORKS

### **Samples of 3D Architecture Engineering and Construction Support Services**

- 3D Building Modelling Service on BIM Standard
- Presentation Animation and Presenting Work Preparation Service with AR and VR Technologies
- Specific Plug-in Program Development and BIM Object Creation Service whereas the BIM Object is the 3D parts design, for creation of Library Package for using in design and virtual modelling for presentation.

### **XR service (Extended Reality) or 3D Virtual Solution**

XR service is a business serving the virtual world by providing Virtual Showroom services to visit virtual products for luxury customers while Virtual industrial is to visit virtual factories, virtual Events or Virtual Exhibitions to respond to the needs of businesses in the New Normal era, such as Grand Seiko's Virtual Boutique, Mercedes-Benz Showroom, etc.

### **Prototype Production and Low Volume Production Services**

RP provides one stop services of Prototype Production and Low Volume Production from Scan & Reverse Engineering, forming, designing, improving 3D parts, and producing prototype using technologies which are suitable for producing each type of work, such as 3D Printer, Vacuum Casting Machine, CNC (Computer Numerical Control) Machine and Plastic injection machine.

## Training Service

DETI provides the integrated training services for usability of industrial design software and Architecture Engineering and Construction Design Software, with experiences of longer than 20 years. At present, DETI has been appointed as SOLIDWORKS Authorized Training Center from DSSW and Authorized Training Center from Autodesk, Inc., including Authorized SketchUp Training Center from Trimble Inc.

The DETI Training Center is a training center for usability of Design Software, and emphasizes on development of the software users' knowledge and competency so that the users can efficiently use such software with a practice-based teaching process for the actual application of knowledge. The learners are trained by the professional trainer team of which the teaching techniques and field working experiences are available, and the team is expert of the software usability. The DETI trainers must be trained and certified by the product owners.

The courses opened for teaching by DETI are diversified to ensure that the trainees can select for training based on their interests or needs for using SOLIDWORKS, ARCHICAD, AutoCAD, Revit, and SketchUp in actual working. The courses opened for teaching are from a basic level to an advanced level and it takes around 1-4 days of training period, depending on the course content. In addition, DETI also provides the services in organizing special customized onsite training courses whereas the customers can define training topics to be suitable for the efficient organizational personnel development. After completion of each training course, the trainees will be tested to assess their competence and skills on the software usability. The trainees who pass the test will be certificated as a guarantee of each trainee's capability to use software.

**Details of the current DETI courses opened for teaching are as follows;**

Engineering and Industrial design software courses

Type of Course	Subject Opened for Teaching
<b>SOLIDWORKS Standard Course:</b> SOLIDWORKS Usability Course for Designing of Various Types of Objects	<ul style="list-style-type: none"> <li>- SOLIDWORKS Basic</li> <li>- SOLIDWORKS Essentials</li> <li>- SOLIDWORKS Advanced Part Modeling</li> <li>- SOLIDWORKS Assembly Modeling</li> <li>- SOLIDWORKS Surface</li> <li>- SOLIDWORKS Drawing</li> <li>- SOLIDWORKS Sheet Metal</li> <li>- SOLIDWORKS Weldments</li> <li>- SOLIDWORKS Mold Design</li> <li>- SOLIDWORKS CAD Productivity Tools</li> </ul>
<b>SOLIDWORKS Communication:</b> SOLIDWORKS Usability Course for the Achievement Presentation	<ul style="list-style-type: none"> <li>- SOLIDWORKS PhotoView 360</li> <li>- SOLIDWORKS Animation</li> </ul>
<b>SOLIDWORKS Simulation Course:</b> SOLIDWORKS Usability Course for the Engineering Test	<ul style="list-style-type: none"> <li>- SOLIDWORKS Simulation</li> <li>- SOLIDWORKS Simulation Professional</li> <li>- SOLIDWORKS Simulation Premium</li> </ul>

Type of Course	Subject Opened for Teaching
	<ul style="list-style-type: none"> <li>- SOLIDWORKS Flow Simulation</li> <li>- SOLIDWORKS Simulation Dynamics</li> <li>- SOLIDWORKS Simulation Nonlinear</li> <li>- SOLIDWORKS Motion</li> <li>- FEA with SOLIDWORKS</li> </ul>
<b>SOLIDWORKS Special Course:</b> SOLIDWORKS Usability Course for the Specific Design	<ul style="list-style-type: none"> <li>- SOLIDWORKS Electrical 2D</li> <li>- SOLIDWORKS Electrical 3D</li> <li>- SOLIDWORKS Motion</li> <li>- SolidCAM 2.5D Milling</li> <li>- SolidCAM 3D Milling</li> <li>- Product Design for Plastic</li> <li>- SOLIDWORKS Routing</li> </ul>

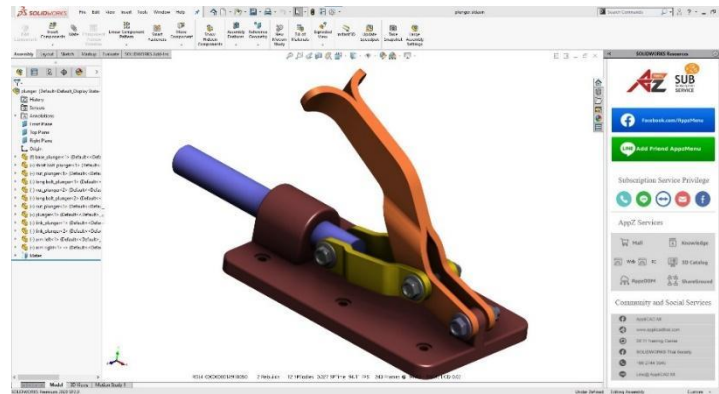
#### Architecture Engineering and Construction Design Software courses

Type of Course	Subject Opened for Teaching
<b>ARCHICAD Course:</b> ARCHICAD Usability Course for the BIM Modelling	<ul style="list-style-type: none"> <li>- ARCHICAD Workshop</li> <li>- ARCHICAD BIM Basic</li> <li>- ARCHICAD BIM Intermediate</li> </ul>
<b>Revit Course:</b> Revit Usability Course for the BIM Modelling	<ul style="list-style-type: none"> <li>- Revit for Architecture Workshop</li> <li>- Revit for Architecture Basic</li> <li>- Revit for Structure</li> <li>- Revit for MEP</li> </ul>
<b>AutoCAD Course:</b> AutoCAD Usability Course for 2D Drawing	<ul style="list-style-type: none"> <li>- AutoCAD 2D Basic</li> <li>- AutoCAD 2D Intermediate</li> </ul>
<b>Special Course:</b> Other Design Software Usability Course	<ul style="list-style-type: none"> <li>- SketchUp Pro Basic</li> <li>- Basic Drawing</li> <li>- SketchUp for Plant Layout</li> <li>- SketchUp for KID</li> <li>- 3D Printing Workshop</li> <li>- Robot &amp; IoT</li> </ul>

#### 4. Research and Development

The Company has recognized the importance of making a difference to increase competitiveness, therefore the Company has considered the research and development as one of the strategies to develop its business to be sustainable in the long run and has established the research and development (R&D) to take responsibility for the development and presentation of design solutions to help make customers work efficiently. In the past, the Company has continued on product research and development as follows:

## 1 CADThai Platform



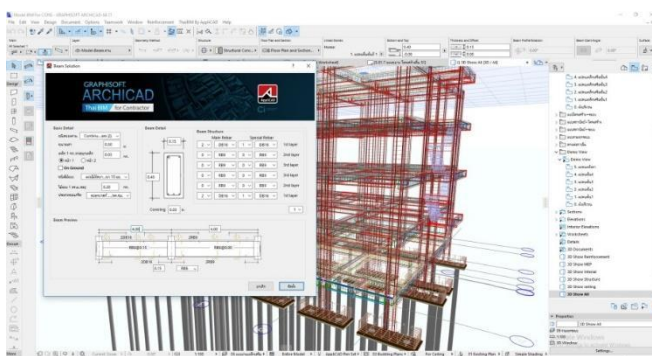
CADThai Platform is the add-on on SOLIDWORKS with the aim to increase the learning-to-use software to SOLIDWORKS users in Thailand. Moreover, it is another way to provide after-sales service to customers of the Company. The Company has developed CADThai Platform since 2015 and has begun to provide services to customers from 2016 onwards. The function of CADThai Platform is as follows;

- The learning materials in video format described in Thai for the users to follow the steps in the video. The lesson starts from the basic level to advance level such as Weldment and Sheet Metal.
- The article, content and link to connect to social media or the community of SOLIDWORKS users with the updated information and new knowledge.
- The standard parts (Library) such as bolts, screws that users can use immediately.
- The shortcut menu to assist in running various tools more quickly.
- Design Data Management system (DDM) is a storage space for design files in the Cloud Base.
- Designing tools as a tool to help in creating specific design, rendering, and calculating including converting files and so on.
- As Technical Support channels that are available to assist in the event that customers experience problems through channels such as Hotline, Line App, Remote Access, Email and so on.

Currently, the Company has developed CADThai Platform to be used as an online platform on www.appzmenu.com website to facilitate customers, as well as increase communication channels with industry entrepreneurs, designers, manufacturing plants, including freelancers.

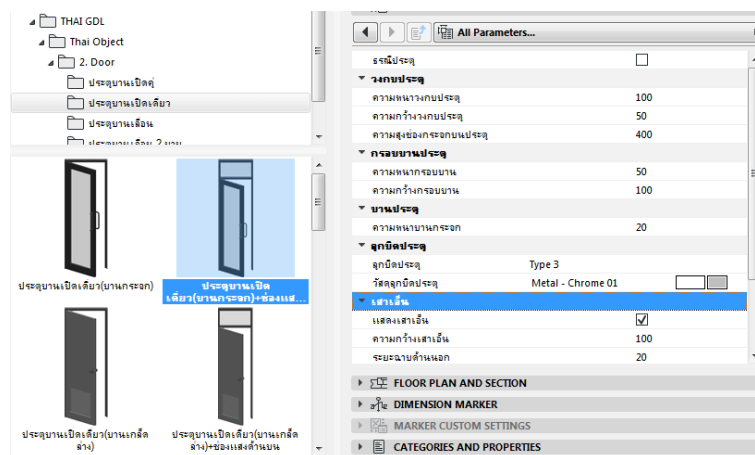
## 2 THAIBIM

The basic function of design and construction of each country is different and the Company has recognized the importance of such point. Therefore, the Company has created and



developed Thai BIM on ARCHICAD to complement and increase the efficiency of the users in Thailand including architects, engineers and contractors, small and medium-sized enterprises. The Company has developed Thai BIM since the late of 2017 and has begun to distribute in the early of 2018 with many functions as follows;

- (1) structural composition function as the standard structure in Thailand such as
  - Various footing such as spread footing, footing with piles, triangular footing etc. It automatically provides functions for adding reinforced steel to the footing.
  - Inserting a steel reinforcement in concrete structures, pillars and beams with a data entry screen in Thai.



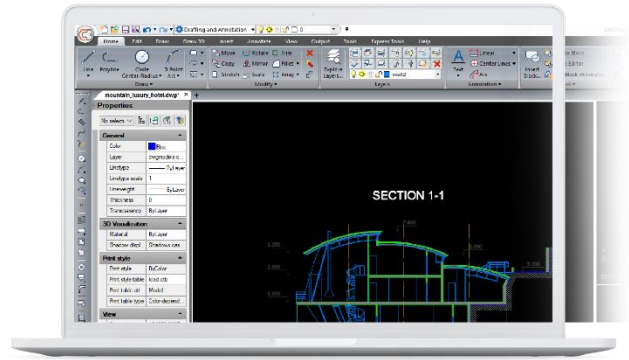
- (2) Standard parts (Library) are available to the architects and engineers deployed in selected projects, including doors, windows and doors with mullion, ventilation, spirit house and others for more than 100 models.
- (3) Quantities take-off function for architecture and structural automatically for each floor of the building according to Thai architects and engineers' standards. The information obtained can be linked to the median price of building materials and the federal accounting department's wages which are updated every month in order to get the price of construction at a mid-price price and can export as an Excel file.

### 3. CADThai Platform

CADThai.com is a platform for all types of CAD users, whether in construction or industry with tools and services to choose from as well as learning resources to develop endless innovations.

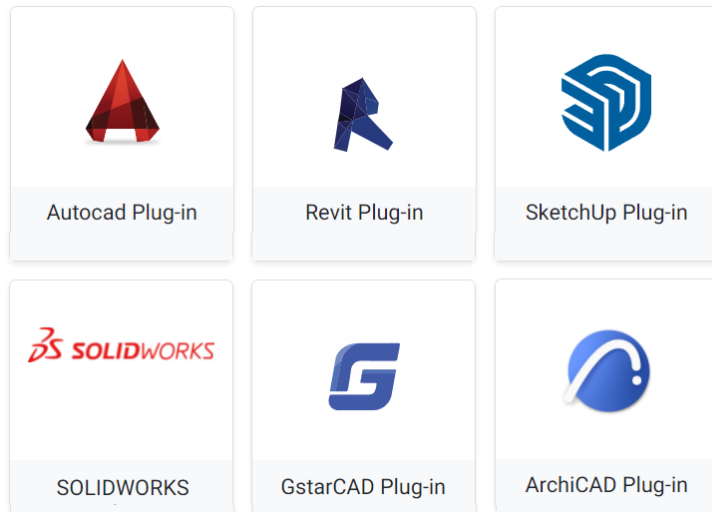
**CADThai DWG**

It is a 2D and 3D drawing program designed to meet the needs of work At a professional level in drafting by offering a complete set of tools, including the flexibility to work with file extensions, completely market leading drafting program available for free in private or for commercial purposes to work or receive various works without worrying about copyright issues.



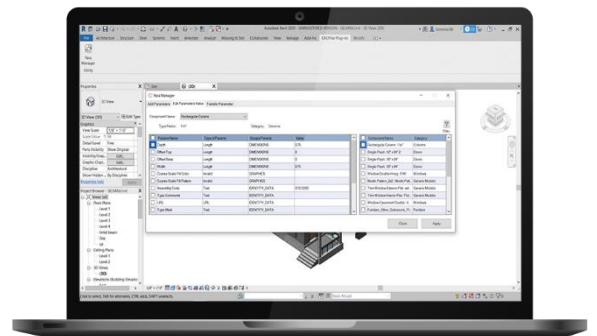
**CADThai Plug-ins**

Plug-in for leading CAD programs provides instant download of over 100,000 models from the CADThai Platform library.



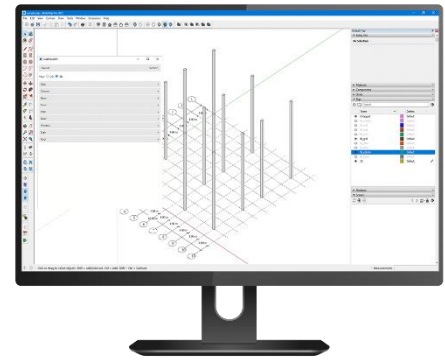
**CADThai Utility for Revit**

A new tool of enhancements for Revit, including the Revit Paramanager that allows to add, reduce, edit, or move values between many families at a glance as well as being able to retrieve the model various ready-made ready to use in an instant including access to courses various free courses directly from the Revit program.



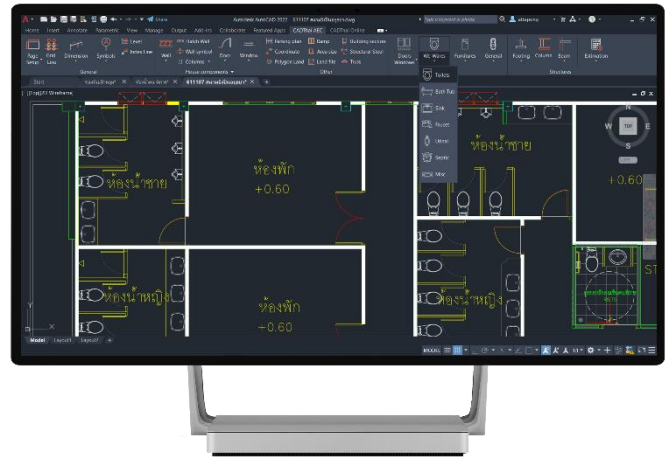
### CADThai BIM for SketchUp Pro

To cut the working time of traditional SketchUp users by more than half with tools that can quickly build houses and components such as walls, stairs, doors, windows without having to draw them yourself and immediately remove the quantity.



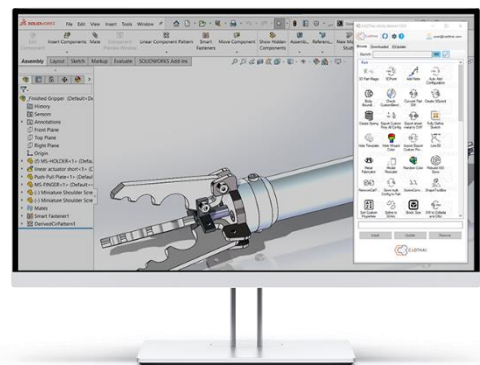
### CADThai AEC for AutoCAD

A set of add-on tools to install on AutoCAD that can be installed for free to increase the ability with a set of commands for special construction work such as walls, doors, windows, stairs, trusses and many more, including Libary CAD Block for added convenience to finish work quickly and reduce errors and meet Thai construction standards.



### CADThai Utility for SOLIDWORKS

To install CADThai Utility for SOLIDWORKS to add functionality and to reduce the hectic workflow to complete in one click and also expand working capabilities for Thai people with free downloadable add-ons for Thai SOLIDWORKS users (support SOLIDWORKS 2019 and above).





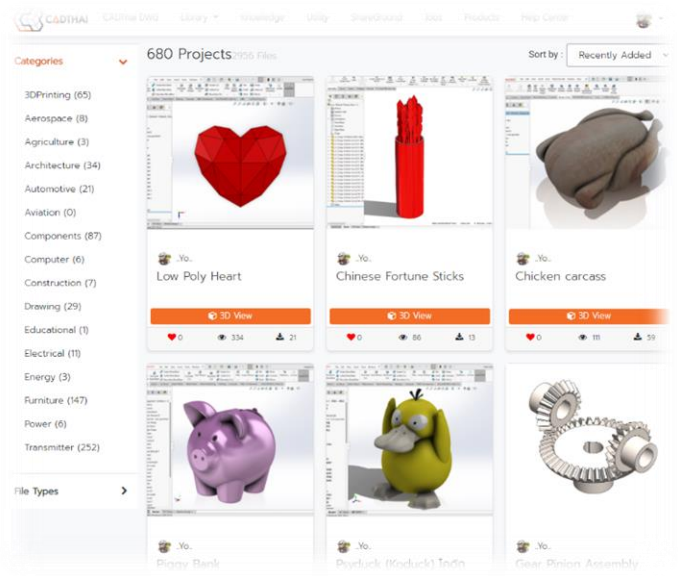
## Knowledge

An online course for using a program in mechanical engineering design and architectural engineering such as SolidWorks, ArchiCAD, Revit, AutoCAD, SketchUp, etc. Students can learn anywhere, anytime with supports access to a variety of devices such as desktop computers, notebooks, tablets or smartphones.



## Shareground

A space for sharing 2 and 3D designs on the CADThai platform that allows you to quickly present and share your work outside as well as being able to preview the work online and Augmented Reality, also known as AR for short, combines the rendering of 3D models with real-world environments.



### 4 Automatic Beverage Mixer

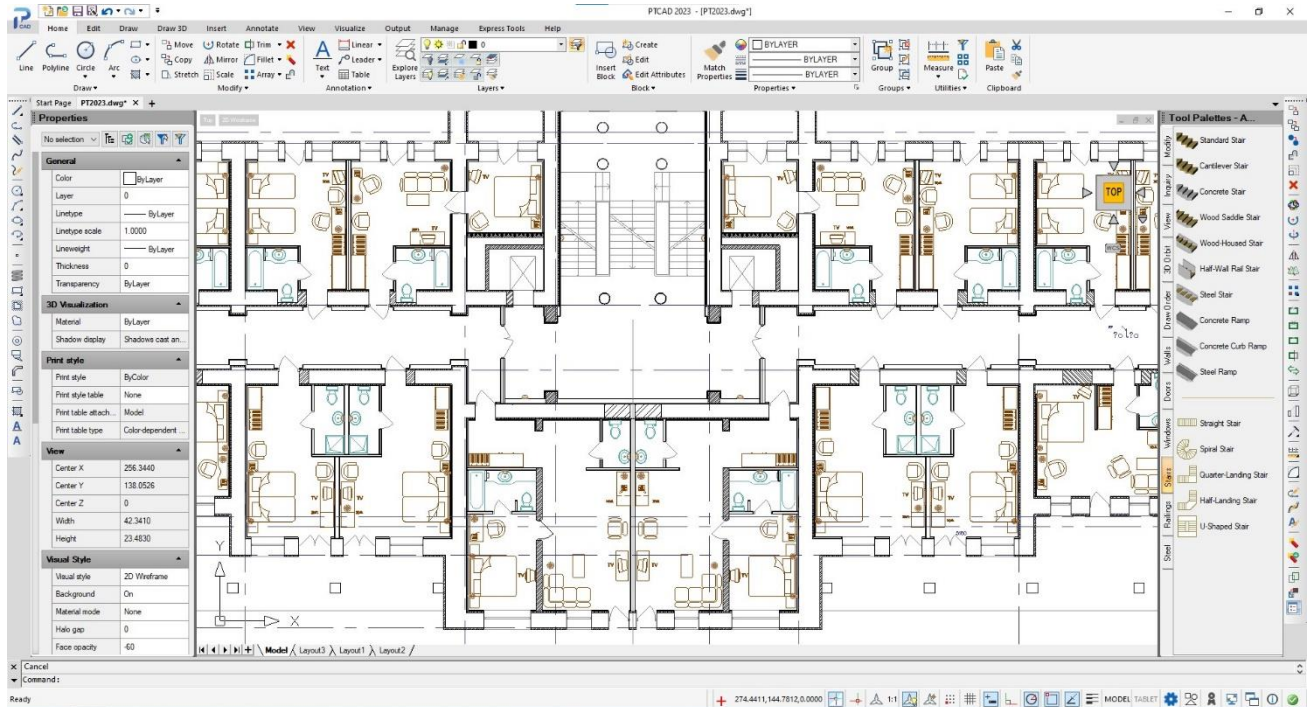
Research and develop department have researched and developed the automatic beverage mixer with robots called Robotendy and can be used by mobile via application. The operation takes less than 1 minute, with constant taste not distorted. There are more than 40 different types of menus available, automatic beverage mixers can be used as a substitute for labor shortages. The Company aims to make a difference and change for the manufacturing and service sectors.

### 5 AppliCAD ERP (APE)

AppliCAD ERP or APE ERP system (Enterprise Resource Planning) manages all resources in the organization equipped with tools to specifically support production industry work. This makes it suitable for companies or factories looking for a system to efficiently manage accounting, finance, purchasing, personnel management systems, warehouses, shop floors, sales and marketing, etc. to reduce duplication, respond to industry needs, and increase the efficiency of corporate operations.

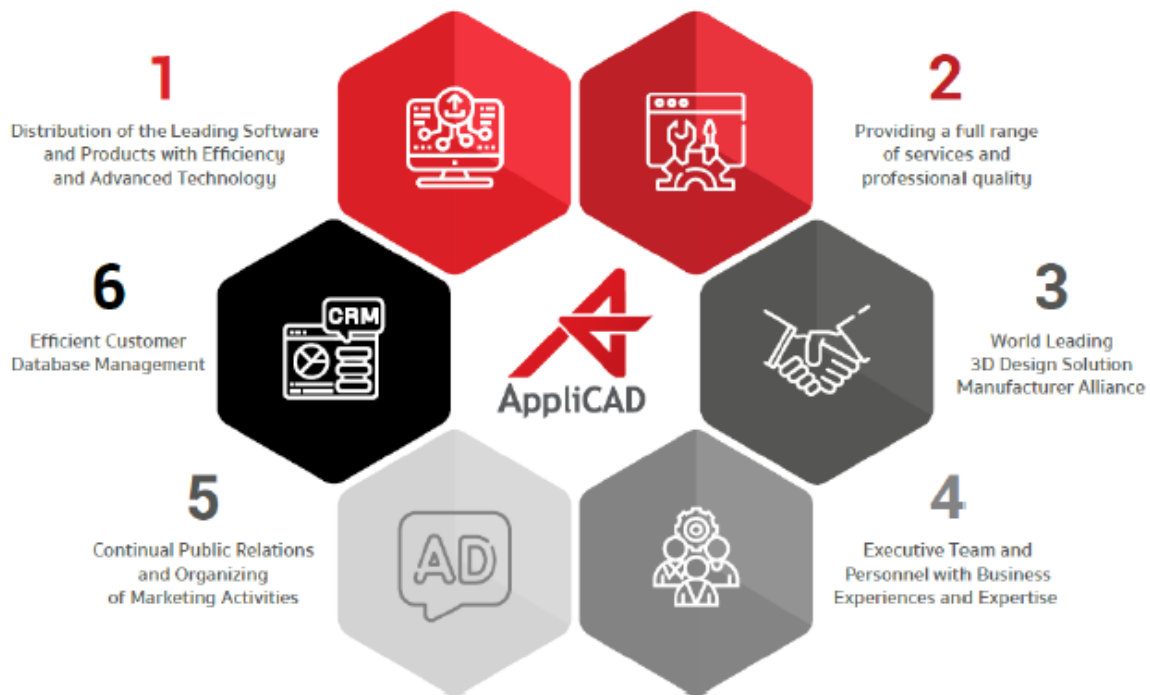
## 6 PT CAD

PTCAD is a 2D/3D DWG CAD software designed to meet basic drafting needs substituting programs in the market that can answer all drafting needs for both general and advanced work. This support working with other drafting programs on the market. PTCAD is divided into 3 models according to the user's needs.



## (2) Marketing and Competition

### Competitive Strategy



#### 1. Distribution of the Leading Software and Products with Efficiency and Advanced Technology

The Company operates its main business in distribution of 3D design software and products. Therefore, it highly gives precedence to the selection of products, focusing on the software and products with advanced technology and high efficiency from the world leading, well-known, internationally and widely accepted software developers and manufacturers for the competitive differentiation and ability to serve its customers' needs under its requirement of an efficient adaptation in accordance with the rapid changing technologies.

It can be seen that the Company is the distributor of the software for various products which are the world leading software. For instance, SOLIDWORKS developed by DSSW, United States of America, which is the leader of the 3D Industrial design software market, has been a first piece of software which is usable on personal computer, resulting in easy usability and extensive popularity from the users. In addition, ARCHICAD developed by Graphisoft SE, Hungary, is the first piece of 3D Drawing Software of which the development of Building Information Modeling (BIM) Technology has been commenced to be used on personal computer. Moreover, the Company has played the role in offering the advanced innovation that will contribute to upgrade of the domestic design industry to be internationally equivalent. New products, such as 3D Printer in Stratasys Brand from United States of America, as well as 3D Scanner in GOM Brand, Germany, have been selected to be continuously launched into the market. All of them are the popular

products with the top market shares of the world. The trust from the said leading software developers and manufacturers on the Company has indicated its potential and ability to well analyze market and customers' needs. In accompany with a vision of the executives and a precise prediction on the tendency of the change in design technology, they have taken part in enhancement of the Company's opportunity to continuously and stably extend the business in the future.

In addition, the Company has also developed its own products based on knowledge, experience and responding to the needs of customers. It has ERP software under the name AppliCAD ERP (APE) for industrial applications and 3D Virtual Services, XR Studio, which provides 3D scanning and modeling services to create product presentations in Virtual Showroom, Virtual Try-On, Virtual Event and Product 3D Animation formats. Moreover, Cloud-centric platform is used to support entrepreneurs and designers of Thailand like CADThai.com by the research and development team of the Company has plans to develop additional products continuously.

## **2. Providing a full range of services and professional quality**

The Company is the distributor of the industrial design software and Architecture Engineering and Construction Design Software, the distributor of 3D Design Products (Hardware) which are 3D Printer and 3D Scanner, and the provider of the related services consisting of Subscription Service, Training Center Service, Prototype Production Service, and Customized Design Service. Therefore, the Company can entirely serve the customers' needs and access to the various target groups which are private companies in industrial groups, architects, real estate developers, contractors, educational institutions, or Government Agencies.

Moreover, the Company also aims at the quality customer services. The said service starts from Pre-Sale whereas the sales section officer inquires the customer's need, and then collaborates with the technical section officer to offer a solution which can properly and efficiently serve the customer's need, and demonstrate the actual usability of software and/or products to the customer for viewing the parts sample acquired from the actual usability as a decision support of its customers. After the customer's selection to purchase software or product, the Company shall organize training, focusing on transfer of the basic knowledge and essential skills in usability by an expert. This will contribute to the ability of the user to actually apply knowledge acquired from training in working. The software version service is provided to ensure that the customer can work at full capacity, and assistance service is provided by the technical specialists who are knowledgeable, proficient, and experiences, and passed for training and certified by the product owner. The said technical specialists are ready for quickly and efficiently giving counsels and advices, and solving problems through various service channels whether being by phone, e-mail or online system, and entering for the onsite problem solving at the customer's premise, resulting in the customer's confidence and trust on the continual use of the Company's services.

## **3. World Leading 3D Design Solution Manufacturer Alliance**

Due to the expertise and leadership of the Company in one stop distribution business of 3D Design Solutions in Thailand, the Company has been continuously relied by more world leading product owners consisting of SOLIDWORKS, ARCHICAD, 3D Printer in Stratasys Brand or 3D Scanner in GOM Brand, to appoint

it to be their distributors, Nevertheless, the Company establishes a policy for building the long-term relationship with product owners, and cooperating under the business alliance concept, sharing of information, mutual formulating business strategies. With good relationship with business alliances, the Company is always supported in body of knowledge relating to technologies and products, and tendency of the change in the related technologies, contributing to the well enhancement of its competitiveness. Moreover, the Company is able to manage sales volume to have a continual growth, and efficiently fulfill the product owners' policies, particularly for SOLIDWORKS-related software and services, until distribution license of SOLIDWORKS has been additionally granted in Myanmar and Indonesia. From the aforesaid factors, they have reflected the continuity of the business operations under the strong and secure collaborations with the product owners.

#### **4. Executive Team and Personnel with Business Experiences and Expertise**

The Company's executive team mostly consists of the experienced persons in the distribution business of 3D Design Solution for over 29 years, resulting in the availability of knowledge and expertise to cover all fields whether being technologies in design, product supply, marketing, as well as understanding on the users' needs; and the ability to efficiently formulate the marketing strategies and management guideline in various fields. Moreover, the distribution business of 3D Design Solution is a business relying in the personnel with the technological knowledge and expertise, and well understanding on usability of software to ensure that software or solutions can be offered to serve the customers' needs for maximum satisfaction. The Company's personnel in part of Technical Support must be trained and certified by the product owners. In addition, the Company also establishes a supporting policy for the sales team to be certified by the product owners to ensure that its personnel have knowledge and profoundly understand the products offered to the customers for the need fulfillment and provision of advices on solving the complicated problems of the users in efficient and quick manners. Therefore, the Company is continuously and consistently trusted by its customers all the time.

#### **5. Continual Public Relations and Organizing of Marketing Activities**

The Company regularly emphasizes on organizing the marketing activities for public relations of its products to be recognized through a main channel such as online channel. Due to a changing behavior of the target groups in more acquisition of the news information through an online channel, therefore, the Company aims at the developing the public relations pattern to access the target groups, and producing the useful contents for creating the understanding on its technologies and products, and aiding in developing the customer designing potential. Other than the said online channel, the Company also continuously organizes the seminar events and innovation exhibitions. The Company will yearly organize the innovation exhibitions of the core software of which it is the distributor in order to debut the new versioned software, such as ARCHICAD Thai BIM Conference Event organized in the third quarter of every year and AppliCAD's 3D Experience SOLIDWORKS Day changed to AppliCAD's 3DEXPERIENCE WORKS Day organized in the fourth quarter of every year which is now renamed as AppliCAD's 3D Experience SOLIDWORKS Day. Both events are the innovation exhibitions which are interested for participating by a lot

of people which are the current customers and the group of those interested in 3D Design Software. This well indicates the leadership of the Company in design technology.

In addition, the Company also yearly participates in exhibitions such as Metalex Event and Manufacturing Expo Event, etc., resulting in the opportunities to meet and share the information with the target groups which are direct customers, product owners, and distributors of the related products. Therefore, the Company's products can be increasingly recognized, contributing to its ability to expand its market to cover wider customer bases. Other than this regard, the Company can acquire the news information of the new movements, innovations and technologies of the related industries from the exhibition participation. It can assess the tendency of the changing technological development and quickly respond to the said changing trend.

Moreover, the Company also gives high precedence to educational sector and establishes a policy for continuously focusing and supporting the use of software and/or products in the educational sector to enhance the user bases of its software and/or products, and distribute for extensive industrial usability, contributing to an increase in its customer bases in the future. At present, software products distributed by the Company have been used as the instruction media in the educational institutions nationwide.

## **6. Efficient Customer Database Management**

The Company gives high precedence to the customer database management and information technology system is applied as aid in customer database management both of the customers that have ever purchased products and/or services of the Company, and the persons that are expected to be the customers. The Marketing Department has collected and screened from those interested in products and services of the Company from various channels from seminar event, public relations event, and online media channel whether being the Company's website, and social media. The sales team shall appropriately use such database for analyzing and offering products and services to meet the needs of each group of customers.

In addition, the Company also systematically applies such information system in its sales process management under continual monitoring of the selling opportunity progress, and applies in monitoring after sales services, and managing after sales relationship with customer groups. This shall help the salespersons to enable to efficiently work and help the executives to enable to supervise, manage, and define strategies so that the setting target can be properly attained.

### **Distribution and Distribution Channel**

The Company's distribution channels of the products and services can be classified into 2 types based on the nature of the customer as follows;

#### **1. Distribution of Products and Services to the Entrepreneurs and General Customers**

The sales team of the Company is responsible for supervising the distribution of the products and services to the customers which are the entrepreneurs and general customers. The sales team is classified into type of products and services, of which the different specific knowledge and expert must be used. The Sales Department shall contact and make the appointment with the customer to inquire for recognition of

the customer's needs. After that, the Sales Department together with the officer of the Technical Support, shall offer the solution that can serve the customer's need, and demonstrate the actual usability of software to make the customer confident on the Company's products, and can actually serve the user's working.

Other than the distribution of products through sales team, the Company's online distribution channel is through [www.8baht.com](http://www.8baht.com), which is the Company's website of which the customers can conveniently select to purchase software through website. The products distributed through the said online channel are basic software for general usability, such as Adobe, Microsoft Windows, ESET Anitivirus, etc., whereas the users can use the said software without relying on the Company's staffs in giving advice or demonstrating the software usability.

## **2. Distribution of Products and Services to the Educational Institutions and Government Agencies**

The distribution of the products and services to the educational institutions and government agencies is mostly in the nature of project work using procurement method in accordance with the official regulation. The period of delivery and installation for the said projects is short. The Sales Department for the educational institutions and Government Agencies is in charge of monitoring the news information of bidding opening of the educational institutions and Government Agencies, and considers the customer's needs by studying on TOR (Term of Requirement in details together with the Technical Support for considering the participation in making a bid, and preparing documents, such as list of the details of durable articles, technical documentation, etc. for submission of quotation in the scheduled date and time through E-Bidding System or submission of bidding envelopes depending on the regulation or requirement of each customer.

However, the bidding participation is in the nature of self-bidding participation by the Company, and bidding participation through business alliance. The alliance shall purchase products and services of the Company for distributing together with the alliance's products and services or with other distributors in accordance with the customer's requirement.

### **Nature of the Customer and Target Customer Group**

The customer of Company and its subsidiaries can be classified into different groups as follows.

**1. Industrial Manufacturing Customers** mean the business operators in the manufacturing-related business, such as automotive, electronics parts, electric appliances, petrochemical, energy, machine, and industrial material industries, etc., for instance, Siam Kubota Corporation Company Limited, Panasonic Manufacturing (Thailand) Company Limited, Toyota Motor (Thailand) Company Limited, Hitachi Compressor (Thailand) Company Limited, Magnecomp Precision Technology Public Company Limited, etc.

**2. Construction Industrial Customers** means the business operators in the real estate and construction-related industries such as contractor, real estate developer, and construction materials, for instance, Italian-Thai Development Public Company Limited, SCG Cement-Building Materials Company Limited, Siam Multi Cons Company Limited, and J.S.P. Property Public Company Limited, etc.

**3. Software and solutions business customers** mean the business operators related to software distribution and/or related solutions, most of which buy the Company's products to sell in conjunction with their products and services.

**4. Educational Institutions and Government Agencies** mean the customers which are the educational institutions and Government Agencies. The procurement method in accordance with the official regulation is used in most procurements of this customer group. Such agencies include university, school, and research institute, as well as the related administrative agencies such as Pathumwan Institute of Technology, Chulalongkorn University, Sukhothai Thammathirat Open University, Sirindhorn International Institute of Technology, Thailand Institute of Scientific and Technological Research, and Office of the Permanent Secretary for Science and Technology, etc., including the entrepreneurs which are the business alliance in bidding participation.

**5. Foreign Customers** mean the customers in Indonesia derived from the business operation of APP Indo.

**6. General Customers** mean the customers that operate their businesses in other industries, such as information technology business, food business, and gem and jewelry business; and the customers that are a natural persons and freelancers.

### Industrial Situation

Over the next three years, the global economy is expected to grow at an average low rate of only 3.1%, close to 3.0% in 2023 but below the 10-year pre-COVID-19 average of around 3.7%. The positive effects of reopening countries and COVID-19 stimulus measures will gradually diminish, while negative factors like China's economic slowdown, recession risks in Europe, droughts or El Nino events, unrest in various regions affecting trade and energy crises, and the economic polarization led by the USA and China, which impacts global supply chains, might dampen growth. This could lead to fragmented globalization shaking global trade and investment. Moreover, high-interest rates in 2023-2024 will affect the cost and debt burden of the public and private sectors, keeping the global economy at risk of stagnation. However, easing inflationary pressures in 2024 could allow key countries to reduce interest rates to prevent prolonged economic weakness.

Modern technologies are becoming the upstream factor in the new industrial world, competing with intelligence to create sustainable value while addressing environmental issues. Key technologies driving businesses in the next three years include;

**Artificial Intelligence (AI) and Generative AI (GenAI):** AI, especially GenAI, has been a trending technology. GenAI can generate new outcomes based on existing data using creativity, a trait previously thought unique to humans. It can produce diverse outputs, such as text, images, sounds, videos, design works, computer codes, and synthetic data, applicable across various industries and simplifying general work processes.

**The Internet of Things (IoT)** focuses on developing sensors to link device data with management systems in high-tech manufacturing industries, like automotive and electronics, and service businesses needing speed and accuracy, such as hospitals and airports.

**Robotics:** The use of robots as a substitute for human labor is increasing worldwide in both manufacturing and service sectors, especially in clear-cut tasks like airport or shopping mall conveniences, high-risk tasks in logistics, and industrial automation systems. In 2022, Thailand installed approximately 3,300 industrial robots, ranking 14th globally and 2nd in Southeast Asia after Singapore.



**Blockchain** is gaining importance in finance, banking, entertainment, and online gaming by developing platforms for new service models. Global spending on blockchain solutions is expected to rise by 22.3% to USD 23.3 billion in 2023.

**3D printing** is increasingly used in high-volume product design, emphasizing fast, precise production with low unit costs, including in electronics, medical tools, and construction equipment.

**Drones** are moving towards more pollution-free, electrically powered autonomous drones, with developments in passenger and commercial cargo drones becoming widespread in Japan, China, and Europe.

**Synthetic biology** in future food industries, like lab-grown meat from animal stem cells or plant-based synthetic meats, caters to health-conscious consumers, especially the elderly looking to reduce meat consumption.

**Carbon Capture and Storage (CCS)** aligns with the ESG (Environment, Social, Governance) trend towards a low-carbon industry, especially in heavy industries like petroleum, plastics, and cement, to prevent carbon emissions from reaching the atmosphere by capturing and storing it underground, with some captured carbon being reused, such as in enhancing oil production. PTT Exploration and Production Public Company Limited has been studying CCS applications in the petroleum industry since 2021, expecting implementation in natural gas fields by 2026.

**The Thai economy is expected to grow by an average of 3.4% annually from 2024 to 2026**, improving from 2.5% growth in 2023 but still below the pre-COVID-19 10-year average of 3.7%. Key support comes from the continued recovery of the tourism sector, expected to increase foreign tourist numbers from 27.7 million in 2023 to 35.6 million in 2024 and 40 million in 2025, private consumption growth from tourism and employment, and domestic investment growth, including infrastructure, the Eastern Economic Corridor (EEC), and sustainable business investment under the BCG concept. However, exports may face pressure from the slow-growing global economy, though some sectors like electronics might rebound. Thailand's policy interest rate is expected to remain at a 10-year high of 2.50% to manage rising inflation and support economic recovery, maintaining policy space for future risks.

Despite an overall positive trend for the Thai economy in the next three years, growth rates are relatively low compared to other regional economies due to internal and external factors like high household debt and borrowing costs, severe drought impacts in 2024, rising public debt from economic policies affecting fiscal stability, structural issues like demographic changes, declining labor force, reduced competitiveness in some industries, and external factors like high-interest rates in major economies slowing foreign demand, China's economic slowdown, economic polarization led by the USA and China, and geopolitical conflicts impacting export growth and investment in related businesses.

## Digital Service and Software

### outlook for 2024-2026

The revenue of business is generally positive with an expected growth rate of 12.0-12.5%. This growth is mainly driven by digital services, followed by software and digital content.

**Digital services** are projected to see revenue growth of 14.0-14.5%, driven by increased reliance on online platforms for business, consumer, and financial transactions. Businesses are likely to expand into consulting and marketing planning services linked through various media platforms, introducing new services such as social commerce live, creative content, performance ads, and media recommendations. This will support continuous growth in certain segments of this ecosystem, including e-Retail, e-Logistics, and FinTech. Other promising segments include HealthTech, driven by the development of apps for medical and healthcare services.

**Software and software services** are expected to grow by 9.5-10.0%, as businesses continue to restructure towards data and AI-driven operations, using software services to deliver comprehensive end-to-end services. Software will also be used as a tool for exploring business opportunities and developing new customer experiences. High-growth potential areas include software customization and system consulting services.

**Digital content** is expected to recover, with revenue growth estimated at 4.5-5.0%. The release of new games on PC and mobile platforms, aimed at competitive gaming events, is likely to increase. Animation and character development are expected to grow with the recovery of the tourism industry, leading to higher demand for licensing rights for product manufacturing.

Source: Thai business and industry trends 2024-2026, Krungsri Research Center

### Competitive Situation of the Domestic Software Business

For the competition in software distribution business, each entrepreneur has distributed software with the various and different usability functions to serve the user's needs in each area, such as office software, accounting software, Enterprise Resource Planning (ERP) software, and design software, etc. The design software which is a core product of the Company is a specific software. This type of software is often software developed by the foreign software developer and distributed through the distributor in Thailand. Most of the distributors have been the non-exclusive distributors, resulting in competition between each software distributor. Other distributors of the core software of which the Company are the distributors are as follows.

- SOLIDWORKS : Metro Systems Corporation Public Company Limited
- ARCHICAD : Team Consulting Engineering and Management Public Company Limited, and DCS Associates Company Limited

In addition, the Company has competitive with the distributors of the design software of other product owners. The software which is competitive and comparable with the software distributed by the Company is the software in the Group of Autodesk Inc. which is the developer of the design software both in industrial design software and Architecture Engineering and Construction Design Software, such as AutoCAD (2D Design Software), Inventor (Industrial Design Software), and Revit (Architecture Engineering and

Construction Design Software). Total of twelve distributors in Thailand for the software in the Group of Autodesk Inc. have been appointed as follows.

- |                                                     |                                            |
|-----------------------------------------------------|--------------------------------------------|
| 1. Synergysoft Solution Company Limited             | 7. CCM Systems Company Limited             |
| 2. VR Digital Company Limited                       | 8. Twoplus Soft Company Limited            |
| 3. M Technologies (Thailand) Company Limited        | 9. Padee Innovation Company Limited        |
| 4. SVOA Public Company Limited                      | 10. Bhatara Progress Company Limited       |
| 5. I.T Solution Computer (Thailand) Company Limited | 11. NR Automation Systems Company Limited  |
| 6. Cadcamthai Company Limited                       | 12. Advance Inter Solution Company Limited |

However, in competition with other entrepreneurs, the Company mainly focuses on differentiation, and emphasizes on customer service, whether being a preparation of the personnel with knowledge, competence, and attention in efficiently solving problems for the customers who are the users, and providing one stop services in various areas, whether being Subscription Service, Prototype Production Service, and Training Service, etc., to ensure that the customer's needs on design solutions are fulfilled.

### (3) Supply of Products and Services

#### 3D Design Products

The supply of products has been deemed as a key of the business operation of the Companies adhering to creation of the maximum customer satisfaction throughout over 29 years. The Company and its subsidiaries have been continuously appointed to be the distributors of both 3D MEC and Architecture Engineering and Construction Design Products from the international accepted leading product owners. In addition, the executive teams of the Company possess knowledge, expert, and experiences in the 3D design solutions distribution industry for long time, has considered selecting the products offered to the customers to ensure that the customers receive the quality

##### (1) Software Products

###### a. Software of which the Company is not a distributor

Most of the distributed core software is the software of which APP and APP Indo have been directly appointed to be the distributor from the product owner, and shall directly order software with the foreign product owners in accordance with the purchase orders of their customers. APP and APP Indo shall acquire Serial Number from the product owner to activate software. An after sales services team shall install software for their customers for the software availability.

The term of the distributor agreement of software acquired by APP and APP Indo from the product owners is 1-3 years, and most of the distribution licenses are non-exclusive as the general trade terms in software business. However, due to the good relationship of the Company with the product owners for long time in accompany with its ability to efficiently fulfill the policies, this makes the executive assured of trust from the product owners to continuously be the distributors in long run.

The details of software of which APP and APP Indo have been appointed to be the distributors are as follows;

### 1. Industrial Design Software

Software	Product Owner	Country	Type of License	Term of Agreement	Executed by
SolidWorks/Public Cloud 3DEXPERIENCE WORKS/SolidWorks Desktop/DELMIAWorks/SIMULIA Abaqus Unified FEA	Dassault Systemes (Thailand) Ltd.	Thailand	Non-exclusive	From 1 Nov 2023 to 31 Dec 2024, automatic renewal for 1 year at a time (Public Cloud 3DEXPERIENCE WORKS)	APP
			Non-exclusive	From 1 Nov 2024 to 31 Mar 2026 automatic renewal for 1 year at a time (SolidWorks Desktop)	APP
SolidWorks/Public Cloud 3DEXPERIENCE WORKS/SolidWorks Desktop/DELMIAWorks/SIMULIA Abaqus Unified FEA	Dassault Systemes Singapore Pte. Ltd.	Singapore	Non-exclusive	From 1 Feb 2020 to 31 Dec 2021 automatic renewal for 1 year at a time	APP Indo
SolidCAM	SolidCAM Ltd.	Israel	Non-exclusive	2 years (31 Mar 2022 – 30 Mar 2024)	APP
	SolidCAM GmbH	Germany	Non-exclusive	1 year (6 Oct 2023 – 5 Oct 2024)	APP Indo
SolidPlant	AH Holding BV	Netherlands	Non-exclusive	From 23 Feb 2018 to 31 Dec 2020 automatic renewal for 1 year at a time	APP

## 2. Architecture Engineering and Construction Design Software

Software	Product Owner	Country	Type of License	Term of Agreement	Executed by
ARCHICAD	GRAPHISOFT SE PRIVATE EUROPEAN COMPANY LIMITED BY SHARES	Hungary	Non-exclusive	3 years (19 Jun 2021 - 18 Jun 2024) automatic renewal for 1 year but not more than 2 years each time (from 19 Jul 2024 to 18 Jul 2026)	APP
			Non-exclusive	3 years (19 Jun 2021 - 18 Jun 2024) automatic renewal for 1 year but not more than 2 years each time (from 19 Jul 2024 to 18 Jul 2026)	APP Indo
GstarCAD	Gstarsoft Co., Ltd.	China	Exclusive	3 years-term (1 Nov 2021 - 31 Oct 2024)	APP
			Exclusive	3 years-term (1 Aug 2021 - 31 Jul 2024)	APP Indo
CADProfi	CADProfi Germany GmbH	Germany	Exclusive	No expiration date (starts 19 Mar 2019)	APP
CADEWA	Fujitsu Shikoku Infotec Limited	Japan	Non-exclusive	1 year (1 Dec 2019 to 30 Nov 2020) automatic renewal for 1 year at a time	APP
Eptar	Éptár Kft.	Hungary	Non-exclusive	1 year (1 Jan 2020 to 31 Dec 2020) automatic renewal for 1 year at a time	APP
Solibri	Solibri Oy	Finland	Non-exclusive	1 year (1 Apr 2020 to 31 Mar 2021) automatic renewal for 1 year at a time	APP
			Non-exclusive	1 year (28 Apr 2020 to 27 Apr 2021)	APP Indo

Software	Product Owner	Country	Type of License	Term of Agreement	Executed by
				automatic renewal for 1 year at a time	
ExtrAXION	Alconsoft SA	Greece	Non-exclusive	1 year (21 Aug 2015 to 20 Aug 2016) automatic renewal for 1 year at a time	APP
Twinmotion	Epic Games Inc.	USA	Non-exclusive	No expiration date (starts 1 May 2020)	APP APP Indo
Artlantis	Abvent S.A.	France	Non-exclusive	No expiration date (starts 30 Mar 2018)	APP
V-Ray	Chaos Software Ltd.	Bulgaria	Non-exclusive	1 year (from 1 Jan 2018 to 1 Jan 2019) automatic renewal for 1 year at a time	APP
Rhinoceros	McNeel Asia	USA	Non-exclusive	No expiration date (starts 1 Apr 2018)	APP
Zbrush	Pixologic Inc.	USA	Non-exclusive	No expiration date (starts 14 Sep 2016)	APP
Lumion	Act-3D B.V.	Netherlands	Non-exclusive	No expiration date (starts 22 Mar 2019)	APP Indo
Oracle Primavera	Oracle Corporation	USA	Non-exclusive	2 years (from 3 Sep 2018 to 2 Sep 2020) automatic renewal for 1 year at a time	APP
Prota	Prota Asia Pte Ltd	Singapore	Exclusive	1 year (from 7 Feb 2019 to 6 Feb 2020) automatic renewal for 1 year at a time	APP

**b. Software of which the Company is not a distributor**

The software of which the Company is not directly appointed as a distributor from the product owner, is software for the general usability, such as Sketchup Pro, Adobe, Microsoft Window, and ESET Aniti Virus. The Company shall order from the appointed distributor in Thailand for delivering to its customers.

**(2) 3D Printer and 3D Scanner Products****a. 3D Printers and 3D Scanners of which the Company is not a distributor**

In supply 3D Printer and 3D Scanner products, the Company shall select the products from the manufacturers which are accepted in quality and the market leaders. The Company has been appointed as a distributor of 3D Printer and 3D Scanner in Thailand and Indonesia from total of three manufacturers. However, the term of the distributor agreement for 3D Printer and 3D Scanner acquired by the Company from the product owners is 1-2 years and the distribution license is non-exclusive.

Software	Product Owner	Country	Type of License	Term of Agreement	Executed by
Stratasys 3D Printer	Stratasys AP Limited	USA	Non-exclusive	2 years (1 APR 2023 - 31 MAR 2025)	APP, APP Indo
MakerBot – 3D printer	Makerbot Industries	USA	Non-exclusive	27 May 2020 - 31 Dec 2020 and an automatic renewal of 1 year per term	APP
GOM 3D Scanner*	Gom GmbH.	Germany	Non-exclusive	2 years (1 Oct 2020 - 30 Sep 2022) and an automatic renewal of 1 year per term	APP
			Non-exclusive	2 years (1 Oct 2020 - 30 Sep 2022) and an automatic renewal of 1 year per term	APP Indo
Artec 3D Scanner	Artec Europe, S.a.r.l	Luxembourg	Non-exclusive	1 year (4 Sep Oct 2015 - 30 Sep 2016) and an automatic renewal of 1 year per term	APP

In part of Stratasys GOM 3D Printer GOM 3D Scanner, the Company will order and import from the foreign manufacturer, upon the Group the Company's receipt of purchasing order from its customer. The approximate lead time of ordering for Stratasys 3D Printer and GOM 3D Scanner are 30 days. However, pursuant to the Notification of the Ministry of Commerce on the Determination of 3D Printer as merchandise which must observe an organization measure of the importation into the Kingdom B.E. 2559 (2016), "3D Printer" is determined to be a merchandise which must observe a organization measure of the importation into the Kingdom. An importer must execute in accordance with the requirement in the Notification of the Department of Foreign Trade on rule, procedure, and condition for importing 3D Printers into the Kingdom B.E. 2559 (2016) prescribing that the business operator for importing 3D Printers must execute the following.

1. An importer of 3D Printers must apply for the registration as an importer of 3D Printers with the Bureau of Foreign Trade Services, Department of Foreign Trade.
2. Every importation of 3D Printers, an importer must submit the Notification of the 3D Printer Importing Detail to the Merchandise Trade Administration Division, Department of Foreign Trade, at least 15 (fifteen) days prior to importation of the goods.
3. At the end of every June and December in every year, the importer of 3D Printers must notify the details relating to importation, possession, disposal and leasing or hire purchase of 3D Printers. Such report must be submitted within 15 (fifteen) days of the following month to the Merchandise Trade Administration Division, Department of Foreign Trade.

The Company has applied for the registration as the importer of 3D Printer with the Bureau of Foreign Trade Services, Department of Foreign Trade, and has already been registered on 14 July 2016.

### **Equipment and Consumables of 3D Printers**

To ensure the efficient customer services, the Company must always reserve equipment and consumables of 3D Printers to be sufficient for its customer services. The Company monthly schedules the ordering cycle of equipment and consumables of 3D Printers from the foreign manufacturers and consider ordering based on the determined quantity of minimum Stock. An approximate lead-time of ordering is 7-15 days.

- b. 3D Printers of which the Company is not a distributor

The 3D Printers of which the Company is not a distributor, consist of 3D Printers of Sindoh and XYZ. The Company will order 3D Printers including equipment and consumables of 3D Printers from the manufacturers or distributors which are appointed in Thailand for delivering to its customers.

### **(3) Computer and Accessories**

The selling of the Company is in nature of Project to the customers which are the educational institutions or government agencies. In the sale contract, it specifies the supply of other equipment which are durable articles, such as computer, tools and equipment, etc. The Company shall order such products in the list of vendors specified in the contract, or from the list of the vendors which have been screened and registered in Approved Vendor List Registration of the Company. In addition, in some cases, the customers will order software of which the Company is a distributor, and order computers and accessories; or a supplier of other software to be used with the software distributed by the Company for the efficient functionality. The Company shall facilitate its customers in supply of computers and accessories, or other software from the domestic distributors which are selected from the list of the distributors which have been passed for consideration on the accepted quality and service, and in the Approved Vendor List of the Company.

### **Machines for Prototype Production and Low Volume Production Service**

The prototype production and low volume production of RP are the automatic part production being accredited for Quality Management System ISO 9001:2015 from UKAS, England. RP considers selecting



to use the different types of machines in accordance with the appropriateness of production for each type of part, using 3D file received from the customer. After completion of production, QC officer will inspect the quality of part produced prior to delivery to the customer. The machines of RP used in prototype production and low volume production are as per the following details;

- 3D Printer: It is the high-resolution machine for the prototype production. The variety of materials whether being thermoplastics or liquid plastics can be selected for using. The machine can rapidly make product model and therefore, it is suitable for the prototype production. RP has had total of five 3D Printers being classified into four set of 3D Printers – FDM, and one set of 3D Printer – Polyjet and 3D printer with SLA system.
- Vacuum Casting Machine: It is a machine for making silicone mold, and injection molding of plastics, and suitable for the low volume production of parts. RP has one Vacuum Casting Machine.
- CNC (Computer Numerical Control) Machine: It is used for milling the metal parts and forming in accordance with a 3D designed file, and suitable for the metal prototype production. RP has one set of CNC Machine.

In respect to supply of equipment and consumables of machines used in production, RP will order by taking into account the determined quantity of Minimum Stock. If the quantity is reduced to the determined minimum quantity, RP will order from the domestic distributor and Lead Time is approximately 3-5 days.

Production capacity for parts of each type of machine can be summarized as follows;

Type of Machine	Production Capacity Utilization	2021	2022	2023
3D Printer - FDM	Yearly Full Production Capacity (Hours)	23,328.00	23,328.00	23328.00
	Actual Output (Hours)	11,967.26	9,587.00	6856.00
	Capacity utilization Rate (%)	51.3	41.10	29.39
3D Printer SLA	Yearly Full Production Capacity (Hours)	7,776.00	7,776.00	7776.00
	Actual Output (Hours)	4,199.00	2,823.00	3119.00
	Capacity utilization Rate (%)	54.00	36.31	40.11
Vacuum Casting Machine	Yearly Full Production Capacity (Hours)	2,880.00	2,880.00	2880
	Actual Output (Hours)	938.00	729.00	960
	Capacity utilization Rate (%)	32.60	25.31	<b>33.33</b>
CNC Machine	Yearly Full Production Capacity (Hours)	2,880.00	2,880.00	2880.00
	Actual Output (Hours)	1560.96	1,765.00	912
	Capacity utilization Rate (%)	54.20	61.28	31.66
<b>Total</b>	Yearly Full Production Capacity (Hours)	47,520.00	47,520.00	31104.00
	Actual Output (Hours)	19,719.30	15,717.00	11847.00
	Capacity utilization Rate (%)	41.50	33.07	38.08

## Training Center for Use of Design Software

### Training Center

DETI provides training services for using Design Software. The Design Software used is a piece of Training Licensed Software of which DETI has been supported for the software cost from the software owner. As at 31 March 2019, with total of eight training rooms which can support the maximum number of trainees up to 86 persons.

However, the utilization rate of the DETI Training Center from training rooms is as follows;

	2021	2022	2023
Maximum Number of Trainees that can be supported (Persons/Year)	25,578	25,578	25,578
Number of Trainees (Excluding Onsite training) (Persons)	6,831	4,264	5,414
Utilization Rate from Training Room (%)	26.70	16.67	21.16
Trainees in Part of Onsite Training (Persons)	249	881	1,173
Trainees in Part of Online Training (Persons)	5,399	6,449	6,912

### Trainer

DETI provides training services by trainer who is knowledgeable, expert, and experienced in applying programs. DETI has currently has 10 full-time trainers. All of the trainers are professional and ready both for the teaching technique and real working experience, and expert in use of program. The trainer must be trained and certified from the product owner to indicate the trainer's knowledge and competence, and training quality of DETI.

In addition, DETI has outsourced the special external trainers who have the specific in-depth expertise and experience for transferring knowledge and experience for the advance courses periodically organized by DETI as appropriate for the full and efficient benefits of trainees from the training.

### Training Courses

In considering the training courses opened for teaching, DETI shall mainly take into account the trainee's need. The executives and Head of the Trainer shall regularly consider on adjustment of the courses to be appropriate and consistent with the customer's need, and the trend of change in design technology. In organizing the training courses, the trainer shall define the suitable training content and training period for each type of customer group, and prepare a training supporting manual which must be passed for the consideration of the Head of Trainer. Nevertheless, the manual or documents used in training are the standard coaching textbooks of which DETI has been licensed from the product owners, and the textbooks written by the experts in each specific subject.

## 6. Price Policy

The Company's pricing policy for the selling price of each type of product and service is appropriately based on Cost Plus Margin, taking into account the competitive situation and the comparable level of product price both in domestic and foreign market, and product acceptance of each group of customers. The quality and technology of products, and the efficient after sales services are considered.

### (4) Assets used for business operations

#### Details of assets used for business operations

As at 31 December 2020, the Company and its subsidiaries have the assets used for business operations as follows;

Type and details of assets	Ownership	Obligation As at 31 Dec 2022	Net Book Value (Million baht)
Land - the headquarters of the Company Deed No. 248953, Phra Khanong, Bangkok The total area of 364 square meters (91 square Wa)	Possessed	-	9.94
Land - the headquarters of the Company Deed No. 223940, Phra Khanong, Bangkok The total area of 412 square meters (1 Ngan and 3 square Wa)	Possessed	During the process with Commercial Bank	9.97
Building and building improvements	Possessed	-	36.00
Office equipment	Possessed	-	9.56
Equipment	Possessed	-	25.26
Vehicles	Possessed	-	2.82
Differences from financial statement conversion			1.94
<b>Total</b>			<b>95.50</b>

## Distributor Agreement of the Company

Parties	: Dassault Systemes SolidWorks Corporation (“DSSW”) as “Licensor” AppliCAD Public Company Limited as “Licensee”
Date of contract	: 1 November 2023
Objective	: The Company has the right to distribute SOLIDWORKS including other products and services mentioned in the contract as Non-exclusive in Thailand and Myanmar as well as the rights of branding and marketing prescribed in the territory that are entitled to and the rights cannot be transferred (non-Transferable).
Period	: From 1 November 2023 to 31 December 2024 (For Public Cloud 3DEXPERIENCE WORKS)  If the Licensor and Licensee do not notify the termination of the contract at least 2 months in advance, the contract is automatically renewed at a time for a year  However, as of 1 January 2025, the Company has been renewed for additional rights until 31 December 2025.  From 1 November 2023 to 31 March 2025 (For SolidWorks Desktop) if either party does not notify the contract cancellation at least 60 days in advance before the contract termination date. It is considered that the contract is automatically renewed for 1 year at a time.  However, as of 1 April 2025, the Company has been renewed for additional rights until 31 March 2026.
Conditions for Termination	: <ol style="list-style-type: none"> <li>1. Either party may terminate the contract by written notice to the other party. In the event that the other party breaches any of the terms of the contract and the inability to resolve the incident within 30 days of receiving the notice.</li> <li>2. The Licensor may terminate the contract, in the event that the Licensee violates the terms of trade confidentiality or in the event of an authorized distributor of goods to a competitor without permission.</li> <li>3. The Licensee is protected, liquidated or bankrupted.</li> <li>4. The Licensee may terminate the contract if the Licensee changes the shareholding ratio more than 50%.</li> <li>5. The Licensee may terminate the contract if the involved person is in the criminal prosecution and the Licensee considers that may have a negative impact on the reputation and image of the Licensee.</li> </ol>

Parties	: Graphisoft Asia Limited as “Licensor” AppliCAD Public Company Limited as “Licensee”
Date of contract	: 18 October 2021
Objective	: The Company has the right to distribute ARCHICAD and MEP Modeler as Non-Exclusive in Thailand as well as the rights of documentation, branding and marketing.
Period	: 3 years; from 19 July 2021 to 18 July 2024 If the Licensor and Licensee do not notify the termination of the contract at least 1 month in advance, the contract is automatically renewed at a time for a year but not over two years However, as of 19 July 2024, the Company has been renewed for additional rights until 18 July 2026.
Conditions for Termination	: <ol style="list-style-type: none"> <li>1. Either party may terminate the contract by written notice to the other party. In the event that the other party breaches any of the terms of the contract and the inability to resolve such an event within at least 15 days from the date of receiving the notice.</li> <li>2. The Licensor may terminate the contract if the Licensee cannot purchase up to 80% of the orders for the second consecutive quarter. Unless the purchases of their target are from a result of the overall economy.</li> <li>3. The Licensee is protected, liquidated or bankrupted.</li> <li>4. A change in control of the affairs of the Licensee.</li> </ol>

Parties	: Gstarsoft Co., Ltd. as “Licensor” AppliCAD Public Company Limited as “Licensee”
Date of contract	: 1 November 2021
Objective	: The Company has the right to distribute GstarCAD as Exclusive in Thailand and be able to appoint the Sub-Distributor and also grant the right of GstarCAD Exclusive Distributor in branding, distributing, services and marketing.
Period	: 3 years; from 1 November 2021 to 31 October 2024
Conditions for Termination	: <ol style="list-style-type: none"> <li>1. The Licensor may terminate the contract if the Licensee cannot achieve as specified in the contract.</li> <li>2. Either party may terminate the contract by submitting a notice of termination to the other party 60 days in advance.</li> </ol>

Parties	:	Stratasys AP Limited as “Licensor” AppliCAD Public Company Limited as “Licensee”
Date of contract	:	1 April 2023
Objective	:	The Company and its subsidiaries have the right to be the distributor of 3D Printer under Strstasys as Non-Exclusive in Thailand and Indonesia.
Period	:	2 year-term from 1 April 2023 to 31 March 2025
Conditions for Termination	:	<ol style="list-style-type: none"> <li>1. Either party may terminate the contract by informing the other party 30 days in advance.</li> <li>2. The Licensor may terminate the contract by written notice to the Licensee. In the event that Licensee breaches any of the terms of the contract and the inability to resolve such an event within at least 10 days from the date of receiving the notice.</li> </ol>

Parties	:	GOM GmbH. as “Licensor” AppliCAD Public Company Limited as “Licensee”
Date of contract	:	1 October 2020
Objective	:	The Company has the right to distribute the 3D Scanner under GOM as Non-Exclusive in Thailand.
Period	:	2 years from 1 October 2020 to 30 September 2022 If either party does not inform the termination of this contract at least 6 months in advance, the contract will be automatically renewed for 1 year at a time.
Conditions for Termination	:	<p>The Licensee may terminate the contract if the following occurs;</p> <ol style="list-style-type: none"> <li>1. A change in control of the affairs of the Licensee having the negative impact on the business.</li> <li>2. Breaches any of the terms of the contract especially violation of payment term.</li> <li>3. Serious breaches any of the terms of the contract which made a serious loss of business confidence.</li> </ol>

#### Distributor Agreement of PT. Indonesia AppliCAD

Parties	:	Dassault Systemes SolidWorks Corporation (“DSSW”) as “Licensor” PT Indonesia Applicad as “Licensee”
Date of contract	:	1 February 2020
Objective	:	PT Indonesia Applicad the right to distribute SOLIDWORKS including other products and services mentioned in the contract as Non-exclusive in Indonesia as postal code specified in the contract as well as the rights of

		branding and marketing prescribed in the territory that are entitled to and the rights cannot be transferred (non-Transferable).
Period	:	1 year from 1 February 2020 to 31 December 2021 If either party does not inform the termination of this contract at least 60 days in advance, the contract will be automatically renewed for 1 year at a time. However, as of 1 January 2024, the Company has been renewed for additional rights until 31 December 2024.
Conditions for Termination	:	<ol style="list-style-type: none"> <li>1. Either party may terminate the contract by written notice to the other party. In the event that the other party breaches any of the terms of the contract and the inability to resolve the incident within 30 days of receiving the notice.</li> <li>2. The Licensor may terminate the contract, in the event that the Licensee violates the terms of trade confidentiality or in the event of an authorized distributor of goods to a competitor without permission.</li> <li>3. The Licensee is protected, liquidated or bankrupted.</li> <li>4. The Licensee may terminate the contract if the Licensee changes the shareholding ratio more than 50%.</li> <li>5. The Licensee may terminate the contract if the involved person is in the criminal prosecution and the Licensee considers that may have a negative impact on the reputation and image of the Licensee.</li> </ol>

Parties	:	Graphisoft Asia Limited as “Licensor” PT Indonesia Applicad as “Licensee”
Date of contract	:	19 July 2021
Objective	:	PT Indonesia Applicad has to right to distribute ARCHICAD and MEP Modeler as Non-Exclusive in Indonesia as well as the rights of documentation, branding and marketing.
Period	:	3 years; from 19 July 2021 to 18 July 2024 If the Licensor and Licensee do not notify the termination of the contract at least 1 month in advance, the contract is automatically renewed at a time for a year but not over two years However, as of 19 July 2024, the Company has been renewed for additional rights until 18 July 2026.
Conditions for Termination	:	1. Either party may terminate the contract by written notice to the other party. In the event that the other party breaches any of the terms of

- the contract and the inability to resolve such an event within at least 15 days from the date of receiving the notice.
2. The Licensor may terminate the contract if the Licensee cannot purchase up to 80% of the orders for two consecutive quarters. Unless the purchases of their target are from a result of the overall economy.
  3. The Licensee is protected, liquidated or bankrupted.
  4. A change in control of the affairs of the Licensee.

Parties	:	Gstarsoft Co., Ltd. as “Licensor” PT Indonesia Applicad as “Licensee”
Date of contract	:	1 August 2021
Objective	:	PT Indonesia Applicad has the right to distribute GstarCAD as Exclusive in Indonesia and be able to appoint the Sub-Distributor and also grant the right of GstarCAD Exclusive Distributor in branding, distributing, services and marketing.
Period	:	3 years from 1 August 2021 to 31 July 2024
Conditions for Termination	:	<ol style="list-style-type: none"> <li>1. The Licensor may terminate the contract if the Licensee cannot achieve as specified in the contract.</li> <li>2. Either party may terminate the contract by submitting a notice of termination to the other party 60 days in advance.</li> </ol>
Parties	:	GOM GmbH. as “Licensor” PT Indonesia Applicad as “Licensee”
Date of contract	:	1 October 2020
Objective	:	PT Indonesia Applicad has the right to distribute the 3D Scanner under GOM as Non-Exclusive in Indonesia.
Period	:	2 years from 1 October 2020 to 30 September 2022 If either party does not inform the termination of this contract at least 6 months in advance, the contract will be automatically renewed for 1 year.
Conditions for Termination	:	<ol style="list-style-type: none"> <li>1. A change in control of the affairs of the Licensee having the negative impact on the business.</li> <li>2. Breaches any of the terms of the contract especially violation of payment term.</li> <li>3. Serious breaches any of the terms of the contract which made a serious loss of business confidence.</li> </ol>



### **Investment Policy in subsidiaries and associated companies**

The Company will invest in companies with the same business objectives as the Company's core business or similar business or business supporting the Company's business which will increase its turnover or profitability or invest in synergy businesses for the Company by supporting the Company's core business operations to increase the Company's competitiveness. The Board of Directors may consider investing in other businesses than the Company's core business. If the Board of Directors sees such business as a potential business and such investment is beneficial to the Company and its shareholders.

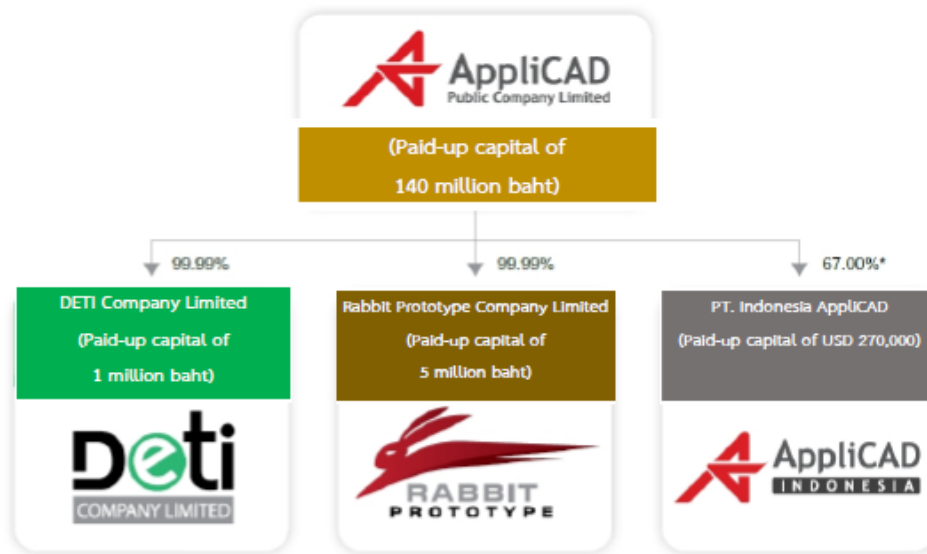
To supervise the subsidiaries and associates, the Company will send directors or executives with the right qualifications and experience to conduct business to represent the management of the subsidiary and its associates to formulate important policies and control the business of such subsidiaries and/or associates. Directors representing the Company shall act in supervising subsidiaries and/or associates to manage or perform various operations in accordance with the Company's policies as well as to exercise their discretion in accordance with the resolutions of the Board of Directors and/or the meeting of shareholders of the Company to approve the critical matters of subsidiaries and/or associates to maximize the benefit of the Company and to achieve sustainable growth of the Company.

### **(5) Undelivered Works**

-None-

### 1.3 The Company's structure

#### 1.3.1 The Company's structure



Remarks: \*

- The Company hold the shares in Series B of PT. Indonesia AppliCAD as **180,900** shares or **67%** of the total paid-up shares. According to the Articles of Association of PT. Indonesia AppliCAD, the Company was entitled to receive the dividend of **95%** from the total dividend as holding shares in Series B announced by PT. Indonesia AppliCAD.
- The remaining shares of PT. Indonesia AppliCAD or **33%** held by Mr. Ibnu Afi Sena, the director of PT. Indonesia AppliCAD, does not have any relationship with the shareholder, committee and executive director of the Company. However, the Company has made the Shareholders' Agreement between Mr. Ibnu Afi Sena and the Company to grant the right to the Company to provide the first buyer (First Rights). If the Company could not provide any buyers, Mr. Ibnu Afi Sena would have the right to sell the shares of PT. Indonesia AppliCAD to anyone who requests to purchase them under the laws of Indonesia. The shareholders who request to sell the shares are requested to inform PT. Indonesia AppliCAD and the request must be approved by the meeting of shareholders.

#### Information of Subsidiaries

##### 1. DETI Company Limited ("DETI")

DETI was registered as a company on 26 September 2001 under the name of ETC Service Company Limited with the registered capital of 1 million baht which could be classified as 10,000 of the ordinary shares as the par value of 100 baht and on 25 December 2012, the Company purchased 9,998 shares of ETC Service Company Limited or 99.99% of the total paid-up shares. In 2016, ETC Service Company was changed the name to DETI Company Limited.

DETI provides the training service of the mechanical and engineering design software and architectural engineering and construction design software. DETI was appointed as SolidWorks Authorized Training Centers from Dassault Systèmes SolidWorks Corporation and was also appointed as the Authorized

Training Center from Autodesk, Inc., including Authorized SketchUp Training Center from Trimble Inc. Currently, DETI has 8 training rooms and could accommodate up to 86 trainees.

## **2. Rabbit Prototype Company Limited (“RP”)**

RP was registered as a company on 11 February 2011 with the registered capital of 5 million baht which could be classified as 50,000 of the ordinary shares as the par value of 100 baht and on 25 December 2012, the Company purchased 40,000 shares of RP from the shareholder or 80% of the total paid-up shares. After that on 26 November 2018, the Company also purchased more 9,998 shares increasing the shareholding proportion to 99.99% of the total paid-up shares of RP.

RP provides the business of prototyping and low volume production with the advanced technologies such as 3D Printers, Vacuum Casting and CNC machine.

## **3. PT Indonesia AppliCAD (“APP Indo”)**

APP Indo was registered as a company on 12 July 2013 with the 99% of total paid-up shares held by the Company. However, due to the change in the laws of Indonesia regarding the shareholding proportion of foreign shareholders of Distributor’s sale not affiliated to production, it is specified that the maximum the shareholding proportion of foreign shareholders should not be over 67% of the total paid-up shares. Therefore, the Company had to reduce the shareholding proportion in PT. Indonesia AppliCAD to conform to the laws of Indonesia. Currently, APP Indo has the paid-up capital of 3,186,000,000 rupiah or USD 270,000 which are 270,00 ordinary shares as the par value of USD 1. The Company holds 180,900 shares or 67% of the total paid-up shares of APP Indo.

Moreover, in May 2019, APP Indo reclassified the shares as the registration of amendment of the Articles of Association into Series A as 89,100 shares or 33% of the total paid-up shares held by Mr. Ibnu Afi Sena and Series B as 180,900 shares or 67% of the total paid-up shares held by the Company and it also has the rights to the shareholder of Series B to receive the dividend before the shareholder of Series A at the rate of 95 percent of the dividend announced by APP Indo. So that, Mr. Ibnu Afi Sena does not have any relationship with the shareholder, committee and executive director of the Company, however he currently is the executive director of PT. Indonesia AppliCAD and the Company has made the Shareholders’ Agreement with Mr. Ibnu Afi Sena that the Company has the right to provide the first buyer (First Rights). If the Company could not provide any buyers, Mr. Ibnu Afi Sena would have the right to sell the shares of PT. Indonesia AppliCAD to anyone who requests to purchase them under the laws of Indonesia. The shareholders who request to sell the shares are requested to inform PT. Indonesia AppliCAD and the request must be approved by the meeting of shareholders.

APP Indo operates the business of the distribution of 3D design solutions in Indonesia such as mechanical and engineering design software, architectural engineering and construction design software, 3D printer, 3D scanner, GOM and other related after-sale services.

1.3.2 Persons who may have conflicts of interest who hold shares in subsidiaries or associated companies in excess of 10 percent of the number of shares with voting rights of the company.

None

1.3.3 Relationship with the business group of the major shareholder

None

1.3.4 Shareholder

The list of first 10 shareholders of the Company at the book closing date on 31 December 2023 is as follows;

List of shareholders	No. of shares	%
1. Group of Tangadulrat Family*	171,655,878	61.31
2. Mr. Chaichat Wanichphak	11,550,000	4.13
3. Mr. Witoon Ngammekchai	9,492,700	3.39
4. Thai NVDR Company Limited	8,119,715	2.90
5. Mrs. Wilai Chiraitiwanna	4,928,800	1.76
6. Mr. Yothin Nuengchamnong	3,300,000	1.18
7. Mr. Somsak Srisuthaskul	3,113,000	1.11
8. Mr. Chanapat Apiwanopas	2,570,000	0.92
9. Ms. Thitiporn Chathaisong	2,105,000	0.75
10. Mr. Somchai Kaewkhiao	2,060,000	0.74
11. Mr. Isra Akrapitak	2,000,000	0.71
12. Other shareholders	59,104,907	21.11
Total	280,000,000	100.00

\* Remark: Group of Tangadulrat Family consists of the following names and number of shares

1. Mr. Prapas Tangadulrat	154,095,556	shares	53.03%
2. Mr. Chisanupong Tangadulrat	8,130,100	shares	2.90%
3. Ms. Siriporn Tangadulrat	6,430,000	shares	2.30%
4. Mr. Prasert Tangadulrat	2,028,000	shares	0.72%
5. Ms. Siriwan Tangadulrat	608,000	shares	0.22%
6. Mr. Praprut Tangadulrat	350,000	shares	0.13%
7. Ms. Wanlaya Tangadulrat	12,000	shares	0.00%
8. 8. Mrs. Nawaporn Tangadulrat	2,222	shares	0.00%

#### 1.4 Registered and paid-up capital

As of 31 December 2023, the Company has a registered capital of 140,000,000 baht classified as the ordinary share of 280,000,000 shares at par value of 0.50 baht and paid-up capital of 140,000,000 baht divided into 280,000,000 of the ordinary shares at par value of 0.50 baht

#### 1.5 Issuance of other securities

None

#### 1.6 Dividend Policy

The Company has a policy to pay the dividend to shareholders at a rate of not less than 40% of the net profit as recorded in the Company's Separate Financial Statement after the deductions of the corporate income tax and all legal reserves as required by law. However, the Company may consider the dividend payment differing from the Articles of Association of the Company depending on the Company's results of operations, financial positions, cash flow, necessity of working capital in business management, investment plans as well as economic condition.

The Company may determine the Company's subsidiaries to pay the dividend to shareholders at a rate of not less than 40% of the net profit as recorded in the separate financial statement of the Company's subsidiaries after the deductions of the corporate income tax and all legal reserves as required by law. However, the Company's subsidiaries might consider the dividend payment differing from the Articles of Association of the Company's subsidiaries depending on the results of operations, financial positions, cash flow, necessity of working capital in business management, investment plans as well as economic condition.

## 2. Risk Management

### 2.1 Policy and Plan

Risk management working team has performed its duties in accordance with the scope of duties assigned by the Board of Directors and was attended to consider important matters which can be summarized as follows:

1. To determine the appropriate risk management plan and risk management framework which complies with the Company's strategic plan and operations that changing according to the current situation to ensure that the Company is systematically and efficiently managed the risk management.
2. To promote risk learning and risk management for the Company's management and employees on a regular basis in order to emphasize the importance of risk management and to enable the Company to conduct its business in accordance with its targets.
3. To consider the annual risk management plan in which management from all relevant departments conduct risk assessments and prioritize risks, and formulate guidelines for risk response, including developing a plan to manage risks, or to control them appropriately and adequately at an acceptable level.
4. To monitor risk management in order to acknowledge the risk management results and regularly review the Company's risks as to whether there are any other risks increased or changed, and to provide additional recommendations to ensure that risk management is truly effective, and to report the risk management results throughout the organization to the Board of Directors.

From the summary above, the Risk Management Working Team has considered that the risk management is carried out systematically and in accordance with good Corporate Governance, adequate internal control and business suitability, as well as closely monitoring the risks, which is part of enabling the Company to achieve the objectives of implementing the specified business plan and valuing the Company to deliver sustainable delivery to its shareholders and stakeholders.

### 2.2 Risk Factor

In order to support the Company's objectives and goals, the Risk Management Working Team has analyzed risks from internal factors such as efficiency in operating processes, personnel, and strategies that can meet current business operations and external factors which has been affected by the changing business environment, stakeholder's expectations, competition, trading negotiating power of trading partners and clients, including economic and political trends. The risks factor can be divided into 4 groups as follows:

## 1. Strategic Risk

Risk	Risk Cause	Risk Mitigation Measures
High competitiveness in the Company's business.	The distribution of 3D design software and products is a highly competitive business. both the competition between technology developers and competition between operators who distribute software and/or 3D design products, as well as customer needs and current situations are constantly changing.	<ol style="list-style-type: none"> <li>1. Find the world's leading 3D design software and solutions to meet customers' needs.</li> <li>2. Establish a broader customer base, including engineers, architects, contractors, students and/or educational institutions.</li> <li>3. Pay attention to professional and high-quality after-sales service.</li> </ol>
Technology is evolving and changing rapidly and constantly.	3D design products as well as various related services. This is a business that changes rapidly according to technology that is constantly evolving and changing. Because the current situation can change at any time.	<ol style="list-style-type: none"> <li>1. Find software and products with advanced technology and high efficiency from the world's leading product owners to continuously meet the needs of customers.</li> <li>2. Regularly transfer knowledge and trends or changes in technology.</li> </ol>
Copyright infringement of products of the Company.	The Company's main revenues from software distribution may be affected by copyright infringement issues as well as affect sales and product image at the Company.	<ol style="list-style-type: none"> <li>1. If copyright infringement of the Company has been found, the notification clarification will be sent to the user.</li> <li>2. The Company has created a system to prevent unauthorized reproduction, modification or smuggling of software.</li> </ol>
Dependence on SOLIDWORKS products	If the product owner changes the business model or the Company terminates the reseller contract or does not receive a contract extension, it may affect the Company's revenue and performance, which the right to sell must be renewed annually.	<ol style="list-style-type: none"> <li>1. Develop a strategy, establish a customer base, and lead to sustained sales growth to build trust and align with Dassault</li> <li>2. Develop the company's own products to meet the needs of the Company's customers or expand their needs.</li> </ol>
Economic uncertainty	Due to the current economic situation around the world, there are various uncertainties that affect the global economy, such as the spread of COVID-19, the war between Ukraine and Russia and the conflict between China and Taiwan. Such events may affect the business operations of the customers of the Company. Order has been suspended postpone the order, including extending the payment time.	<ol style="list-style-type: none"> <li>1. Formulate sales strategies to maintain a strong customer base by focusing on providing customers with satisfactory services.</li> <li>2. Sufficient cash reserves and lower costs</li> </ol>

## 2. Operational Risk

Risk	Risk Cause	Risk Mitigation Measures
Dependency on some personnel	Personnel with expertise and experience in 3D design software and products, as well as must have a good understanding of the customer's workflow in order to offer and provide services that can meet the needs of customers which if employees resign or no one can replace them.	<ol style="list-style-type: none"> <li>1. Develop skills and knowledge regularly for personnel at all levels.</li> <li>2. Set appropriate remuneration.</li> <li>3. A Successor Plan is set.</li> <li>4. A Training Road Map is set for each position to learn every part of that unit.</li> </ol>
Cyber security	Nowadays, cyber security threats are increasing rapidly. If the Company does not control the risks tightly enough, it may cause risks to the organization in various areas such as data theft. Commercial data theft and personal data leakage of customers.	<ol style="list-style-type: none"> <li>1. The Company complies Personal Data Act</li> <li>2. Educate employees to recognize the importance of personal data.</li> <li>3. Use identity verification system for accessing the Company's internal systems.</li> <li>4. IT Policy and BDP are set.</li> </ol>

## 3. Financial Risk

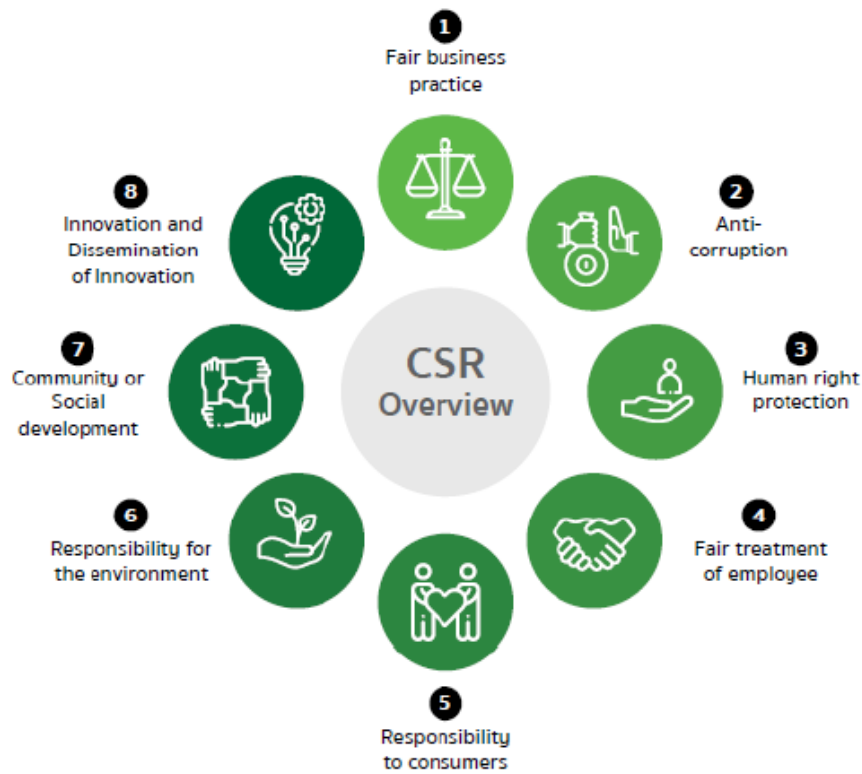
Risk	Risk Cause	Risk Mitigation Measures
Foreign currency volatility risk	The volatility of the baht against the US dollar affects both directly and indirectly to the Company's income. Most of the Company's overseas purchases are paid in cash with US dollar currency. While most of the revenue from sales of goods and services is in Thai baht.	<ol style="list-style-type: none"> <li>1. Have a policy to determine product prices by taking into account the risk of exchange rate volatility.</li> <li>2. Have a policy to prevent foreign exchange volatilities by entering into forward contracts in full amount according to the value of the order to be paid in foreign currency.</li> <li>3. Open a foreign currency account to deposit foreign currency. When the exchange rate reaches the limit for the company to purchase foreign currency and deposit it into the account, the Company will purchase the foreign currency in that account.</li> </ol>
The impact of operating results and financial position of overseas subsidiaries	Established Rabbit Prototype Co., Ltd. to enhance its comprehensive operational capabilities. However, its operating performance has continued to suffer losses, Distribution and management costs. PT Indonesia Applied Co., Ltd. is increasing investment opportunities in Indonesia, but its operating performance is uncertain.	<ol style="list-style-type: none"> <li>1. Adjust the strategy, sales model, marketing model, and price list of the subsidiary to adapt to the constantly changing situation.</li> <li>2. Explore the market, find products and management that meet the needs of subsidiary customers</li> </ol>



### 3. Business Sustainability

#### 3.1 Sustainability management policies and goals

The Company has focused on the business operation for the sustainable growth and has conducted the business in a good way to society with the good corporate governance principles and ethics. The Company has recognized the importance of responsibilities to stakeholders, economic, society and environment by defining the Corporate Social Responsibilities (“CSR”) according to the principles defined by the Stock Exchange of Thailand. The Company has employed the CSR principles as the guideline to define the operation process (CSR-In process) and to ensure that all employees are aware of and perform the duties under such policies effectively based on responsibility to society, environment and stakeholder as follows;



#### 1. Fair business practice

The Company has committed to conduct its business correctly, honestly, justly, transparently and has also disclosed the important information that can be checked. The Company will consider the benefits and impacts to shareholders, customer, suppliers, employees and stakeholders, including sharing the benefits properly and fairly. However, the Company has given the importance of complying with the laws as well as the international code of conduct by assigning directors, executives and employees to follow the laws, regulations without taking part in any accomplices, supports or any actions violating the related laws and regulations.

## 2. Anti-corruption

The Company and its subsidiaries have had the intention and commitment to conduct its business with transparency, fairness, and responsibility for all stakeholders for a sustainable growth of the Company with the principles of a good corporate governance, ethics, code of conduct anti-corruption policy that can be verified.

Directors, executives and employees of the Company must strictly comply with the Company's anti-corruption policy, ethics and code of conduct to build confidence to stakeholders both inside and outside the organization to conduct the business together with honesty.

Moreover, the Company has provided the channel to receive any clues and complaints about the dishonest and non-transparent actions as well as any illegal actions against policies, rules and regulations of the Company.

## 3. Human right protection

The Company has recognized that doing the business must respect the life and dignity of all people which is the foundation of human resources management and development as well as building human relationships in society. The Company has the guidelines to promote and encourage the compliance with the basic principles of human rights and equality without discrimination of race, nationality, religion, language, color, gender, age, education, social status or physical condition as well as taking care of employees to work in a safe and happy environment.

## 4. Fair treatment of employee

The Company has recognized that importance of human resource development and fair treatment of employee are crucial factor to increase the business value and to strengthen the competitiveness and sustainable growth of the Company in the future.

The Company has defined the guideline for the employee's treatment. The Company's executives must treat its employees fairly without any biases to support the potential creation in progress, to enhance employee's productivity as well as to encourage employees to understand the Code of Conduct that employees must comply with. Therefore, the Company has defined the Employees Benefits appropriately to lighten the burden of the employees and to take care of the employees such as provident fund, treatment fee for outpatient, life insurance and group health insurance, annual check-up, financial support for sports and exercises as well as financial assistance in various cases such as ordination, childbirth, death and so on.

Moreover, the Company has provided the support its employees to develop themselves all the time in order to increase the efficiency of the employees in all level. The Company always holds the training for the employees of the practical skills and English language skills to improve self-development and organization.

## 5. Responsibility to consumers

The Company has defined the guideline for its employees to strictly follow when treating the customers as the code of conduct, taking care and being responsible to the customers in term of quality and service as its standard and regulations as follows;

1. Treat customers fairly in both products and services
2. Disclosure of information about the products and services accurately and completely
3. Keep confidential data and customer information
4. Educate the customers to develop the products and services
5. Provide more channel to receive complaint about products and services to comply with the Company's complaint policy.

#### 6. Responsibility for the environment

The Company has emphasized on the responsibilities for the society, community, environment for human life while today's society begins to realize the importance of environmental protection. Therefore, the Company has operated and seriously controlled the compliance with the laws relating to the environmental protection.

#### 7. Community or Social development

The Company has defined the guideline to follow or control the compliance with the related laws and regulations and has been responsible to the society as well as cooperated, assisted, supported and volunteered any activities that benefit the community and society. The Company has also strengthened the economy and rehabilitated the society and innovation.

#### 8. Innovation and Dissemination of Innovation

The Company has supported the innovation in the various fields, especially in the working process both within the organization and between organizations by emphasizing on the creative innovation that creates the positive change in productivity and value-added for maximum benefit to society. So that, the Company counted an innovation publication as one of CSR by communicating and disseminating of innovation to the stakeholders directly and indirectly in various channels to ensure that this innovation information will be reached to the stakeholders. This policy can reinforce the user base to the Company's products. This will lead to the achievement of corporate social responsibility goals in driving the organization towards sustainability.

### 3.2 Management of impacts on stakeholders in the business value chain

#### 3.2.1 Business value chain

The business operation of the Company can be divided into five main activities, which are continuously related according to the overall business operation of the Company as follows



The Company's philosophy is to create long-term growth. The Company attaches importance to the implementation of support activities, no less than core activities, such as procurement, technology development and human resources management Human resources management, accounting and financial infrastructure.

### 3.2.1 Analysis of stakeholders in enterprise value chain

Stakeholder	Stakeholder expectations	Respond to expectations of Stakeholders
Shareholders/investors	<ul style="list-style-type: none"> <li>- Profitable and sustainable growth operations.</li> <li>- The Company operates correctly and transparently in accordance with the rules and regulations and relevant laws.</li> <li>- Good corporate governance</li> <li>- Disclosure of accurate and equal information.</li> </ul>	<ul style="list-style-type: none"> <li>- Review the company's strategy and objectives to achieve sustainable returns.</li> <li>- Formulate good corporate governance policies and compliance.</li> <li>- Disclose company information in a transparent and timely manner through company channels or through the Thai Securities Exchange.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>- Fair remuneration and benefits</li> <li>- Abide by labor ethics</li> <li>- Support and encourage employees to develop their potential and operational capabilities.</li> <li>- Career development opportunities</li> <li>- Good working environment</li> </ul>	<ul style="list-style-type: none"> <li>- Fair and appropriate compensation management and review the compensation structure annually to meet performance and industry conditions.</li> <li>- Develop and encourage employees to have appropriate knowledge and skills, and develop their potential according to organizational values.</li> <li>- Provide career development opportunities</li> <li>- Develop occupational safety, health and work environment management system</li> <li>- Treat employees fairly</li> </ul>

Stakeholder	Stakeholder expectations	Respond to expectations of Stakeholders
Customers	<ul style="list-style-type: none"> <li>- Provide high-quality products and services at reasonable prices</li> <li>- Product quality and after-sales service</li> </ul>	<ul style="list-style-type: none"> <li>-Train employees to understand products and services.</li> <li>-There is a department to handle and receive complaints.</li> </ul>
Partners	<ul style="list-style-type: none"> <li>- Fair treatment</li> <li>- Compliance with terms of trade</li> <li>- Payment on time</li> </ul>	<ul style="list-style-type: none"> <li>- Identify common problems and needs to develop common solutions</li> <li>- Compliance with trade terms and conditions</li> </ul>
Community	<ul style="list-style-type: none"> <li>- Promote and support social activities beneficial to society and communities</li> <li>- Good environment</li> </ul>	<ul style="list-style-type: none"> <li>- Promote and support beneficial activities to society and communities.</li> </ul>

### 3.3 Environmental Sustainability Management

#### 3.3.1 Environmental policies and practices

The Company emphasizes importance to environmental protection by strictly abiding laws related to environmental protection by implementing and controlling the Company's sales and services. In addition, it also publicizes environmental protection, water saving, electricity saving and resource utilization to employees. Reduce environmental impact.

#### 3.3.2 Environmental performance

##### - Power management

By encouraging employees to participate in reducing energy consumption, the Company improves employees' awareness and understanding of energy use, for example, turning off the lights and unplugging the power after work, and going up and down by stairs instead of elevators, checking electrical equipment regularly to achieve maximum efficiency and energy saving. In 2023, electricity costs increased by 232,132.11 baht or 8.20% compared to the previous year. During December 2023, the company has changed some of its cars to electric cars.

##### - Water Management

The Company does not primarily use water, because the Company is not a manufacturing factory but a distributor. However, the Company did not neglect water management. The condition of the equipment is regularly checked and water saving campaigns. As a result, in 2023, total water usage expenses increased by 488.88 baht, or 1.32 baht per heat, compared to the previous year. This does not have any significant implications for the use of water energy.

#### - Waste and pollution management

According to the 3R (reduction, reuse and recycling) principle, the Company systematically manages waste in the process of business operation. The waste classification system is effective by type. While raising awareness and participation with relevant personnel, improve employees' awareness of the importance of waste management.

### 3.4 Managing sustainability in a social dimension

#### 3.4.1 Social policies and practices

The Company adheres to and complies with the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights: (“UNGPs”) by giving importance to labor practices and respect for human rights with fairness, equality and non-discrimination in terms of employment, compensation, promotion, training and development without discrimination of gender, age, educational institution, race and religion, as well as supporting employment for underprivileged groups, including the disabled, the elderly and those released from prison to create opportunities, create careers and stable incomes. and as part of achieving the Sustainable Development Goals (SDGs) of the country and the world.

#### 3.4.2 (ชาติ) Social Performance

##### (1) Employees and Labor

The Company complies with human rights principles from employment by taking care of employees and personnel. So that all employees and personnel feel connected to the same family as the organization. In 2023, the company has the following key employee operations:

#### Employment

Details	Number of Employee	
	Male	Female
Permanent Employee	198	173
Total	198	173

#### Employee training

In 2023, the Company organized 58 training courses to improve employees' skills and work potential. The average time for employee training or knowledge development activities is 13 hours per person per year, while the target is 12 hours per person per year.

#### Employee engagement

In 2023, 18.24% of employees resigned voluntarily, up 3.83%. Therefore, in 2023, The Company's goal is to develop employee participation development plans.

## (2) Customers

The Company continuously develops products and services to meet customer satisfaction, responsible, honest and ethical. In 2022, the Company received a 9<sup>th</sup>- level of customer satisfaction from the Net Promoter Score and no significant customer complaints.

## (3) Community and Society

The Company has focused on corporate social responsibility (CSR), as well as the importance of creating society, environment, education and quality of life of the citizens. This is because the sustained growth of the Company is driven by quality people and a strong society. Therefore, there are regular social activities organized by the Company. The important activities that the company has organized and participated in 2023 are as follows:

### Educational Social Activities

The Company has realized the importance of the development of children, youth and people in society, as well as believing that providing educational opportunities can open the door to better career opportunities and quality of life through the transfer of knowledge, expertise and development of 3D design skills along with comprehensive practical training for the sustainable education.



- AppliCAD Public Company Limited signed an academic cooperation agreement with the College of Industrial Technology, King Mongkut's University of Technology North Bangkok. The signatories were Mr. Wiruch Punturiviroj, Deputy Director of Educational and Government Department at AppliCAD Public Company Limited, and Associate Professor Dr. Smit Sendpiriyakit, Dean of the College of

Industrial Technology, King Mongkut's University of Technology North Bangkok (KMUTNB). The purpose of this collaboration is to jointly create academic cooperation projects aimed at fostering research and development in the field of 3D industrial design to support the evolution of Industry 4.0. This includes organizing training and sharing knowledge between AppliCAD Public Company Limited and the faculty and staff of the College of Industrial Technology, to enhance the capabilities of the college's students to keep pace with technology. AppliCAD has provided support through the ArchiCAD Education Edition software for the college's educational purposes and has organized short training sessions to impart knowledge on 3D industrial design and practical implementation, promoting academic service projects to external agencies.



- On Thursday, May 11, 2023, Mr. Wiruch Panthiroj, Deputy Director of Educational and Government Department, and Ms. Natcha Paisanseree from AppliCAD Public Company Limited, or APP, signed an academic cooperation agreement with Rajamangala University of Technology Rattanakosin. The agreement was led by Associate Professor Dr. Udomwit Chaichanasakul, the President, and the Faculty of Engineering, along with Associate Professor Dr. Jettanaporn Sathanasap, Dean of the Faculty of Engineering at Rajamangala University of Technology Rattanakosin. The purpose of the Memorandum of Understanding (MOU) is to exchange academic and professional knowledge, provide training, and share expertise between the university's faculty, staff, and the company. This collaboration aims to enhance the students' capabilities to be at the forefront of technology, maximizing benefits and preparing them for professional careers. It also seeks to develop the university's teaching and related staff's knowledge and expertise in engineering training programs, including SOLIDWORKS and AutoCAD, leading to a partnership between the public and private sectors in developing and elevating engineering work.





- AppliCAD Public Company Limited has entered into a cooperation agreement with Techmania Co., Ltd. with the aim of enhancing the machining capabilities of CNC machines for general industrial operators, especially users of the Siemens NX CAM program. This collaboration intends to maximize the outcomes of using Siemens NX CAM with CNC machines. Therefore, tools are essential for enabling operators to compete in the market. The synergy between AppliCAD Public Company Limited and Techmania Co., Ltd. extends the functionality of the Siemens NX CAM program by incorporating the iMachining for NX feature, which simplifies G-Code creation and speeds up CNC machining, enhancing efficiency significantly.

iMachining for NX is an advanced technology for high-speed machining that can reduce the time taken by traditional methods by more than 70%. It automatically calculates the cutting conditions considering the material of the workpiece, the type of milling cutter, and the specifications of the CNC machine. Then, it automatically determines the optimal feed rate, spindle RPM, step down, and step over. This allows users to operate with ease using a high-performance machining program, extends the life of the milling cutters, and enhances the performance of CNC machines for full-capacity use.



- AppliCAD Public Company Limited signed a Memorandum of Understanding (MOU) for academic collaboration and career development with Southeast Bangkok University, along with the Samut Prakan Provincial Industry Office and the Samut Prakan Provincial Commerce Office, on Wednesday, May 31, 2023, at the 7<sup>th</sup> Cycle Birthday Anniversary Building, 1<sup>st</sup> floor, Southeast Bangkok University. The objective is to promote and develop the skills of the workforce in Samut Prakan Province to meet the needs of the local industrial sector. AppliCAD Public Company Limited is committed to enhancing the skills of the national workforce to be competitive in the global labor market.



- AppliCAD Public Company Limited participated in the second edition of the ArchiCAD BIM Professional Consult program to develop skills for becoming BIM Consultants and to elevate their capabilities through teamwork. The program was led by BIM experts directly from Graphisoft, associated with AppliCAD Public Company Limited.

**Social Activities for Promoting Quality of Life**

The Company has aimed to enhance and promote the development of the quality of life of people in the community and society in order to have a good quality of life and stay safe from various dangers as a good foundation for building a strong and sustainable society.



- The "Satisfied Heart, Meritorious Mind" project by AppliCAD Public Company Limited took place on January 19, 2023. The company, along with its volunteer employees, joined forces to conduct activities that involved donating food and money to the Samut Prakan Child and Family Home. They also visited and interacted with the residents of the center.



- **SET Social Impact Gym:** The Company participated in the SET Social Impact Gym 2023 program, which is aimed at developing the capabilities of social entrepreneurs (Social Enterprises) to run their businesses effectively and efficiently. The program focuses on enabling social entrepreneurs to contribute to addressing and solving social issues across various dimensions, including agriculture, vulnerable groups, community development, health, education, and the environment, with the goal of achieving sustainable outcomes both in business and societal aspects.

**Social Activities on Innovation and Technology**

The Company has strived to be a leader in technology consulting and product selection to promote the innovation in designing and manufacturing, as well as construction to meet the customers need in the digital society. In addition to selecting the best quality products, the Company has focused on innovation, technology and services, including information and learning resources to reduce inequality within society and create opportunities for sustainable development of people, economy and society.



- The APPLICAD BIM CONSTECH 2023 is a seminar focused on design and construction, organized to update on technologies, solutions, and innovations to enhance efficiency and smart working in the field. This includes software technologies for Building Information Modeling (BIM) that assist in design and verification, as well as Virtual Reality (VR), Extended Reality (XR), Mixed Reality (MR), and comprehensive construction tools.



- AppliCAD's 3DEXPERIENCE SOLIDWORKS DAY 2024 is an annual seminar, this year held at True Digital Park, focusing on the latest technology and innovations in industrial design. The main theme for this year is Green Smart Manufacturing. Attendees will have the opportunity to participate in activities, exchange knowledge, and collectively experience updates on innovations and technologies related to software in industrial design.

**Environmental Corporate Social Responsibility**

The Company recognizes the importance of environmental sustainability. Preserving the environment is not just a duty but a commitment integrated into every aspect of the company's operations. The Company is dedicated to minimizing its environmental impact through various activities, including reducing resource usage, lowering greenhouse gas emissions, and employing eco-friendly technologies.



- On September 13, 2023, the company organized an activity where employees painted trash bins to be used for waste separation. In Thailand, improper waste segregation significantly contributes to the pressing issue of urban waste overflow. This activity aimed to foster environmental awareness and responsibility among employees. Additionally, the event included educational sessions on the benefits of waste separation and the environmental impacts of waste management issues.



- AppliCAD Public Company Limited is a leader in comprehensive design solutions, covering both industrial design software and architectural design, along with 3D printing technology and all related services. Service excellence is at the core of our values, and we are committed to developing and providing solutions that meet every need, adapting to environmental changes. Recognizing the carbon dioxide emissions from service vehicles, we have transitioned to electric vehicles to minimize our environmental impact. The use of electric vehicles not only enhances our service efficiency but also reduces carbon emissions, reflecting our commitment to being a model for sustainable and capable solutions in both business and environmental aspects.

## 4. Management Analysis and Discussion

### 4.1 Operation and Financial Position Analysis

#### 4.1.1 Overview of Past Performance

The performance for the year 2023, as per the audited financial statements ending December 31, 2023, showed a net profit of 50.90 million baht, an increase from the previous year's net profit of 46.50 million baht by 4.40 million baht, due to increased service revenue and other incomes.

#### 4.1.2 Performance Analysis

##### Revenue

The total revenue for the year 2023 was 906.10 million baht, an increase of 16.40 million baht or 1.84% compared to the previous year, detailed as follows:

- Sales and Service Revenue

The revenue from sales and services in 2023 was 883.12 million baht, an increase of 7.95 million baht or 0.91%, with service revenue increasing by 25.94 million baht from annual lease services, and sales revenue decreasing by 17.99 million baht from hardware products.

- Other Revenue

In 2023, the group had other revenues of 22.98 million baht, an increase from the previous year by 8.45 million baht or 58.15%, due to increased profits from exchange rates by 3.30 million baht, interest income from fixed deposits by 1.80 million baht, and profits from the sale of assets by 1.04 million baht.

##### Gross Profit and Gross Profit Margin

The gross profit for 2023 was 369.02 million baht, an increase of 14.17 million baht or 3.99% compared to the previous year. The gross profit margin increased from 40.55% to 41.79%, slightly increased by software product sales.

## Expenses

- Selling Expenses

Selling expenses in 2023 were 197.66 million baht, a decrease of 1.29 million baht or 0.65% from the previous year, due to a decrease in advertising and promotion expenses by 3.07 million baht.

- Administrative Expenses

Administrative expenses in 2023 were 124.02 million baht, an increase of 12.19 million baht or 10.90% from the previous year, mainly due to increased welfare and personnel development expenses by 9.13 million baht and increased depreciation and disposal costs by 3.15 million baht.

## Financial Expenses

In 2023, the group had financial expenses of 0.76 million baht, an increase from the previous year by 0.09 million baht, due to interest expenses from lease agreements (ROU).

## Return on Equity

The Return on Equity (ROE) increased from 13.21% to 14.43%. Additionally, the Company maintained dividend payments to shareholders at a rate of 0.15 baht per share, totaling 42.00 million baht.

### 4.1.3 Financial Position

#### 1. Asset

As of December 31, 2023, the company and its subsidiaries had total assets of 792.15 million baht, an increase of 2.55% or 19.71 million baht, with significant changes in assets as follows:

Cash and cash equivalents were 182.51 million baht, an increase of 16.28 million baht.

Trade and other receivables were 112.56 million baht, an increase of 18.19 million baht, with trade receivables not yet due amounting to 69.07 million baht, accounting for 61.36% of total receivables.

Inventories were 47.77 million baht, a decrease of 17.23 million baht.

Land, buildings, and equipment were 95.51 million baht, a decrease of 11.44 million baht, due to the sale of machinery, 3D products, and cars, transitioning to electric vehicles for environmental friendliness.

Right-of-use assets were 17.18 million baht, an increase of 5.08 million baht, due to electric vehicle lease agreements, water filtration equipment leases, and mobile phone service agreements to promote employee welfare.

#### 2. Liquidity

##### Cash Flow

For the year ending December 31, 2023, the group had a net increase in cash of 16.27 million baht, with cash and cash equivalents at the end of the period amounting to 182.51 million baht.

The net cash provided by operating activities was 54.82 million baht, from a pre-tax operating profit of 69.38 million baht, adjusted by items such as depreciation, loss and disposal, changes in operating assets and liabilities, a decrease in inventories, an increase in trade receivables and other operating receivables, a decrease in trade and other circulating liabilities, and expenses for income taxes and financial costs primarily amounting to 87.14 million baht.

Net cash from investing activities was 7.37 million baht, derived from the sale of machinery and office equipment totalling 6.75 million baht, expenditures on the purchase of machinery and office equipment totalling 11.54 million baht, and intangible assets totalling 3.15 million baht. Changes from the management of fixed deposit accounts in the company accounted for an increase of 15.31 million baht.

Net cash used in financing activities was 45.35 million baht, from dividend payments of 39.20 million baht, lease liabilities payments of 5.39 million baht, and interest payments of 0.76 million baht.

### **Liquidity Ratios**

The Company's liquidity ratio in 2023 increased from 1.81 to 1.92 times, and the quick ratio increased from 0.81 to 0.94 times.

In 2023, the Company's cash cycle increased from 29.75 days to 36.11 days, with the average collection period increasing from 33.72 days to 38.47 days, the average inventory turnover period increasing from 43.11 days to 45.06 days, and the average payment period increasing from 47.08 days to 47.42 days.

## **3. Sources of Capital**

### **Liabilities**

As of December 31, 2023, the company and its subsidiaries had total liabilities of 435.32 million baht, an increase of 2.01% or 8.58 million baht, with significant changes in liabilities as follows:

Trade and other current liabilities were 116.97 million baht, a decrease of 8.72 million baht, with trade payables amounting to 62.90 million baht, accounting for 53.77% of total liabilities.

Liabilities from revolving and non-revolving contracts were 240.54 million baht, an increase of 6.62 million baht, due to annual customer service contracts.

Lease liabilities were 12.49 million baht, an increase of 5.57 million baht, due to electric vehicle lease agreements.

Estimates for current and non-current employee benefits liabilities were 58.63 million baht, an increase of 5.28 million baht, due to estimates for circulating employee benefits liabilities for employees with increasing tenure.

### **Shareholders' Equity**

As of December 31, 2023, the company and its subsidiaries had total shareholders' equity of 356.83 million baht, an increase of 3.22% or 11.13 million baht, primarily due to an increase in net profit from the group's operations by 11.52 million baht, 26.78%, and a decrease in the impact of currency translation by 0.56 million baht, 46.59%.



## 4.2 Key Financial Information

### 4.2.1 Summary of Audited Financial Statements

- a. The financial statements for the year 2022 were audited by Mr. Gomin Linprachaya, licensed auditor no. 3675 from Grin Audit Limited. The auditor reviewed the company and its subsidiaries' financial statements, including the consolidated and separate balance sheets as of December 31, 2022, and the comprehensive profit and loss statements, changes in shareholders' equity, and cash flow statements for the year ending on the same date, along with the notes to the financial statements, including a summary of significant accounting policies. The auditor's opinion was that the financial statements fairly present the financial position as of December 31, 2022, the results of operations, and cash flows for the year ended in all material respects according to financial reporting standards.
- b. The financial statements for the year 2023 were audited by Mr. Gomin Linprachaya, licensed auditor no. 3675 from Grin Audit Limited. The auditor reviewed the company and its subsidiaries' financial statements, including the consolidated and separate balance sheets as of December 31, 2023, and the comprehensive profit and loss statements, changes in shareholders' equity, and cash flow statements for the year ending on the same date, along with the notes to the financial statements, including a summary of significant accounting policies. The auditor's opinion was that the financial statements fairly present the financial position as of December 31, 2023, the results of operations, and cash flows for the year ended in all material respects according to financial reporting standards.
- c. The financial statements for the year 2023 were audited by Mr. Thanathit Raksasathaporn, licensed auditor no. 13646 from Grin Audit Limited. The auditor reviewed the company and its subsidiaries' financial statements, including the consolidated and separate balance sheets as of December 31, 2023 and the comprehensive income statements, statements of changes in equity, and cash flow statements for the year ending on the same date, along with the notes to the financial statements that include a summary of significant accounting policies. The auditor's opinion stated that the financial statements accurately represent the company's financial position as of December 31, 2023, its operational results, and cash flows for the year ended, in accordance with the relevant financial reporting standards in all material respects.

## 4.2.2 Financial Position and Performance Summary Table

## 1. Summary Table of Separate Financial Statements Position

Financial Position	Separate financial statements					
	31 Dec 2021		31 Dec 2022		31 Dec 2023	
	Million baht	%	Million baht	%	Million baht	%
<u>Assets</u>						
Current Assets:						
Cash and cash equivalents	346.67	48.58	159.34	21.26	168.51	21.68
Trade receivables and other current receivables	74.34	10.42	79.48	10.60	99.80	12.84
Prepaid expenses for services not exceeding one year			108.85	14.52	127.44	16.39
Contract assets - current	85.64	12.00	1.47	0.20	1.83	0.23
Short-term loans	23.29	3.26	15.63	2.09	19.19	2.47
Inventories	40.98	5.74	55.74	7.44	38.38	4.94
Current tax assets			3.77	0.50	3.08	0.40
Other current financial assets	1.00	0.14	141.82	18.92	126.50	16.27
Other current assets	0.69	0.10	1.67	0.22	0.28	0.03
<b>Total current assets</b>	<b>572.61</b>	<b>80.24</b>	<b>567.77</b>	<b>75.75</b>	<b>585.01</b>	<b>75.25</b>
<u>Non-current assets</u>						
Investments in subsidiaries	2.86	0.40	5.79	0.77	12.61	1.62
Contract- non - current assets	16.51	2.31	26.73	3.57	33.66	4.33
Long-term loans			-	-	4.42	0.57
Property, plant and equipment	90.02	12.62	98.65	13.16	87.81	11.30
Right of use assets	1.80	0.25	11.45	1.53	14.65	1.88
Intangible assets	16.81	2.36	24.34	3.25	25.09	3.23
Deferred tax assets	12.58	1.76	13.97	1.86	13.49	1.74
Other non-current assets	0.42	0.06	0.86	0.11	0.65	0.08
<b>Total non-current assets</b>	<b>141.00</b>	<b>19.76</b>	<b>181.79</b>	<b>24.25</b>	<b>192.38</b>	<b>24.75</b>
<b>Total assets</b>	<b>713.61</b>	<b>100.00</b>	<b>749.56</b>	<b>100.00</b>	<b>777.39</b>	<b>100.00</b>
<u>Liabilities and shareholders' equity</u>						
<i>Current liabilities</i>						
Accounts Payable and Current Payable	110.66	15.51	111.37	14.86	103.72	13.34
Liabilities arising from contracts - current	167.12	23.42	185.18	24.70	178.29	22.93
Lease liabilities due within one year	1.09	0.15	3.36	0.45	4.69	0.60
Accrued income tax	2.77	0.39	-	-	-	-
Current provisions for employee benefits	1.24	0.17	1.65	0.22	6.37	0.82
Other current liabilities			0.19	0.03	-	-
<b>Total current liabilities</b>	<b>282.88</b>	<b>39.64</b>	<b>301.75</b>	<b>40.26</b>	<b>293.07</b>	<b>37.69</b>

Financial Position	Separate financial statements					
	31 Dec 2021		31 Dec 2022		31 Dec 2023	
	Million baht	%	Million baht	%	Million baht	%
<i>Non-current liabilities</i>						
Lease liabilities	0.78	0.11	8.43	1.12	10.78	1.39
Liabilities arising from contracts - non-current	29.15	4.09	41.27	5.50	54.23	6.98
Non-current provisions for employee benefits	36.97	5.18	43.89	5.86	44.52	5.73
Obligation to increase the investment of demolition fund	-	-	0.68	0.09	0.70	0.09
Total non-current liabilities	66.90	9.38	94.27	12.57	110.23	14.19
<b>Total liabilities</b>	<b>349.78</b>	<b>49.02</b>	<b>396.02</b>	<b>52.83</b>	<b>403.30</b>	<b>51.88</b>
<u>Shareholders' equity</u>						
Share capital						
Registered capital	140.00	19.62	140.00	18.68	140.00	18.01
Surplus (low) value of ordinary shares	146.73	20.56	146.73	19.57	146.73	18.87
Issued and paid share capital	140.00	19.62	140.00	18.68	140.00	18.01
Retained earnings						
Appropriated-Legal reserve	14.00	1.96	14.00	1.87	14.00	1.80
Unappropriated	63.10	8.84	52.81	7.05	73.36	9.44
Total shareholders' equity	363.83	50.98	353.54	47.17	374.09	48.12
Total liabilities and shareholders' equity	713.61	100.00	749.56	100.00	777.39	100.00

Statement of comprehensive income	Separate financial statements					
	31 Dec 2021		31 Dec 2022		31 Dec 2023	
	Million baht	%	Million baht	%	Million baht	%
<u>Revenue</u>						
Revenue from sales	417.67	58.12	425.35	53.17	391.36	47.30
Revenue from service	283.54	39.45	352.35	44.04	404.05	48.84
Other revenues	17.44	2.43	22.33	2.79	31.91	3.86
<b>Total revenue</b>	<b>718.65</b>	<b>100.00</b>	<b>800.03</b>	<b>100.00</b>	<b>827.32</b>	<b>100.00</b>
<u>Cost and Expense</u>						
Cost of sales	264.21	36.77	272.27	34.03	231.26	27.95
Cost of service	127.94	17.80	187.42	23.43	238.79	28.86
Cost of distribution	155.06	21.58	181.18	22.65	178.85	21.62
Administrative expense	88.04	12.25	97.99	12.24	102.75	12.42
<b>Total expense</b>	<b>635.25</b>	<b>88.40</b>	<b>738.86</b>	<b>92.35</b>	<b>751.65</b>	<b>90.85</b>
<b>Profit (Loss) before financing expenses and income taxes</b>	<b>83.40</b>	<b>11.60</b>	<b>61.17</b>	<b>7.65</b>	<b>75.67</b>	<b>9.15</b>
Financial cost	(0.18)	(0.02)	(0.58)	(0.07)	(0.62)	(0.08)
Gains and reversals of impairment losses (impairment losses) in accordance with TFRS 9	-	-	(0.79)	(0.10)	(0.17)	(0.02)
<b>Profit (loss) before income tax</b>	<b>83.22</b>	<b>11.58</b>	<b>59.80</b>	<b>7.48</b>	<b>74.88</b>	<b>9.05</b>
Income tax	(23.99)	(3.34)	(12.52)	(1.57)	(15.13)	(1.83)
<b>Net profit (loss)</b>	<b>59.23</b>	<b>8.24</b>	<b>47.28</b>	<b>5.91</b>	<b>59.75</b>	<b>7.22</b>
<u>Other comprehensive income</u>						
Profit (loss) on revaluation of employee benefits	-	-	(1.56)	(0.20)	-	-
Exchange rate difference	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>59.23</b>	<b>8.24</b>	<b>45.72</b>	<b>5.71</b>	<b>59.75</b>	<b>7.22</b>
Earnings per share (Fully Diluted) (baht)	0.21		0.17	-	0.21	-
Earnings per share (Weighted Average) (baht)	0.21		0.17	-	0.21	-
Par value (baht)	0.50		0.50		0.50	

Cash flow statement (Unit: million baht)	Separate financial statements		
	2021	2022	2023
<u>Cash flows from operating activities</u>			
Profit (loss) before income tax for the year	83.22	59.80	74.88
<i>Adjustment of profit (loss) on cash received (paid)</i>	-	-	-
Financial cost	0.18	0.58	0.62
Accounts receivable and other current accounts receivable	(35.09)	(30.24)	(35.71)
Receivables from other operations	(3.49)	(9.38)	(6.93)
Inventories	(12.67)	(16.30)	15.75
Other assets	(0.03)	(3.63)	2.98
Trade payables and other current liabilities	47.09	19.05	(7.94)
Liabilities from other operations	1.68	12.12	12.96
Adjustments with other liabilities increase (decrease)	-	0.19	(7.08)
Depreciation, amortization, and disposals	-	20.85	23.95
Depreciation, amortization, and disposals	15.14	(1.84)	(8.25)
Loss from revaluation of inventories (reversals)	0.72	1.53	1.60
Loss from impairment recognized in profit	3.26	-	-
Provision for liabilities (reversals)	4.25	7.47	6.15
Unrealized foreign exchange gain (loss)	(0.17)	(0.28)	0.37
Bad debts and allowance for doubtful accounts (Reverse)	(5.30)	0.57	(0.15)
Loss from product revaluation (Reverse)	(0.66)	(2.39)	(3.99)
Loss (Gain) from sales of non-current assets	(1.29)	(1.62)	(5.27)
Cash generated from investments or loans	0.03	0.95	1.28
Net cash flows derived from (used in) operating activities	96.87	57.43	65.22
Interest expense	0.66	0.70	0.62
Income tax paid out	(18.24)	(19.32)	(17.73)
Cash received (paid) from other activities - Provision for employee benefits	(0.70)	(1.42)	(0.78)
<b>Net cash provided from (used in) operating activities</b>	<b>78.59</b>	<b>37.39</b>	<b>47.33</b>

Cash flow statement (Unit: million baht)	Separate financial statements		
	2021	2022	2023
<u>Cash flows from investing activities</u>			
Cash received from sale of property, plant and equipment	0.69	4.52	6.54
Cash paid for purchase of property, plant and equipment	(21.11)	(27.14)	(9.31)
Cash received from sales of intangible assets	-	-	-
Cash paid for purchase of intangible assets	(12.26)	(8.41)	(3.05)
Advance payments and loans to other persons or related parties	(7.34)	-	(6.00)
Cash received from advance payment and loans to other persons or related parties	3.45	7.05	0.34
Interest income	0.08	0.36	1.93
Loss from impairment of investments in subsidiaries	(1.00)	(140.82)	15.31
<b>Net cash flows provided from (used in) investing activities</b>	<b>(37.49)</b>	<b>(164.44)</b>	<b>5.76</b>
<u>Cash flows from financing activities</u>			
Cash paid for repayment finance lease payable	(2.23)	(3.70)	(4.10)
Dividend	(42.00)	(56.00)	(39.20)
Interest expenses	(0.18)	(0.58)	(0.62)
<b>Net cash flows provided from (used in) financing activities</b>	<b>(44.41)</b>	<b>(60.28)</b>	<b>(43.92)</b>
<b>Cash and cash equivalents increase (decrease) - net</b>	<b>(3.31)</b>	<b>(187.33)</b>	<b>9.17</b>
Cash and cash equivalents - beginning balance	349.98	346.67	159.34
Cash and cash equivalents - ending balance	<b>346.67</b>	<b>159.34</b>	<b>168.51</b>

## 2. Consolidate financial statements

Financial Position	Consolidated financial statements					
	31 Dec 2021		31 Dec 2022		31 Dec 2021 <sup>3</sup>	
	Million baht	%	Million baht	%	Million baht	%
<u>ASSETS</u>						
<i>Current assets</i>						
Cash and cash equivalents	360.82	49.23	166.24	21.52	182.51	23.04
Trade receivables and other current receivables	84.22	11.49	94.37	12.22	112.56	14.21
Prepaid service costs not exceeding one year	-	-	106.92	13.84	128.92	16.27
Contract assets - current	87.28	11.91	1.47	0.19	1.83	0.23
Inventories	46.84	6.39	65.00	8.42	47.77	6.03
Current income tax assets	1.21	0.16	5.80	0.75	3.94	0.50
Other current financial assets	1.00	0.14	141.82	18.36	126.50	15.97
Other current assets	0.70	0.10	1.72	0.22	0.52	0.07
<b>Total current assets</b>	<b>582.07</b>	<b>79.42</b>	<b>583.34</b>	<b>75.52</b>	<b>604.55</b>	<b>76.32</b>
<i>Non-current assets</i>						
Contract assets - non-current	17.07	2.33	29.55	3.83	36.34	4.59
Property, plant and equipment	100.80	13.75	106.95	13.85	95.51	12.06
Right of use assets	3.61	0.49	12.09	1.57	17.18	2.17
Intangible assets	16.84	2.30	24.42	3.16	25.19	3.18
Deferred tax assets	11.50	1.57	14.62	1.89	12.13	1.53
Other non-current assets	1.03	0.14	1.46	0.19	1.25	0.15
<b>Total non-current assets</b>	<b>150.85</b>	<b>20.58</b>	<b>189.09</b>	<b>24.49</b>	<b>187.60</b>	<b>23.68</b>
<b>Total assets</b>	<b>732.92</b>	<b>100.00</b>	<b>772.43</b>	<b>100.01</b>	<b>792.15</b>	<b>100.00</b>
<u>Liabilities and shareholders' equity</u>						
<i>Current liabilities</i>						
Trade payables and other current liabilities	121.13	16.53	125.69	16.27	116.97	14.77
Contract liabilities - current	170.70	23.29	189.61	24.55	183.52	23.17
Current portion of lease liabilities due within one year	2.29	0.31	3.85	0.50	5.87	0.74
Income tax payable	3.48	0.47	-	-	-	-
Provision for employee benefits - current	1.45	0.20	3.13	0.41	8.13	1.02
Other current liabilities			0.19	0.02	-	-
<b>Total current liabilities</b>	<b>299.05</b>	<b>40.80</b>	<b>322.47</b>	<b>41.75</b>	<b>314.49</b>	<b>39.70</b>

Financial Position	Consolidated financial statements					
	31 Dec 2021		31 Dec 2022		31 Dec 20213	
	Million baht	%	Million baht	%	Million baht	%
<i>Non-current liabilities</i>						
Lease liabilities	1.48	0.20	8.64	1.12	12.20	1.54
Liabilities arising from contracts - non-current	29.73	4.06	44.32	5.74	57.02	7.20
Non-current provisions for employee benefits	45.24	6.17	50.22	6.50	50.51	6.38
Decommissioning funds obligations	0.21	0.03	1.09	0.14	1.10	0.14
Total non-current liabilities	76.66	10.46	104.27	13.50	120.83	15.26
<b>Total liabilities</b>	<b>375.71</b>	<b>51.26</b>	<b>426.74</b>	<b>55.25</b>	<b>435.32</b>	<b>54.96</b>
<u>Shareholders' equity</u>						
Share capital						
Registered capital	140.00	19.10	140.00	18.12	140.00	17.67
Issued and paid-up capital	140.00	19.10	140.00	18.12	140.00	17.67
Surplus (low) value of ordinary shares	146.73	20.02	146.73	19.00	146.73	18.52
Surplus (low) from business combinations under common control	0.95	0.13	0.95	0.12	0.95	0.12
Retained earnings						
Appropriated-Legal reserve	14.00	1.91	14.00	1.81	14.00	1.77
Unappropriated	53.77	7.34	43.04	5.57	54.56	6.89
Other components of equity	2.01	0.27	1.21	0.16	0.64	0.08
<b>Total equity of the parent company</b>	<b>357.46</b>	<b>48.77</b>	<b>345.93</b>	<b>44.78</b>	<b>356.88</b>	<b>45.05</b>
<b>Non-controlling interests</b>	<b>(0.25)</b>	<b>(0.03)</b>	<b>(0.23)</b>	<b>(0.03)</b>	<b>(0.05)</b>	<b>(0.01)</b>
<b>Total shareholders' equity</b>	<b>357.21</b>	<b>48.74</b>	<b>345.70</b>	<b>44.75</b>	<b>356.83</b>	<b>45.04</b>
<b>Total liabilities and shareholders' equity</b>	<b>732.92</b>	<b>100.00</b>	<b>772.44</b>	<b>100.00</b>	<b>792.15</b>	<b>100.00</b>



Statement of comprehensive income	Consolidated financial statements					
	31 Dec 2021		31 Dec 2022		31 Dec 2023	
	Million baht	%	Million baht	%	Million baht	%
<u>Revenue</u>						
Revenue from sales	460.15	57.60	466.01	52.38	448.02	49.44
Revenue from service	324.46	40.61	409.16	45.99	435.10	48.02
Other revenues	14.30	1.79	14.53	1.63	22.98	2.54
<b>Total revenue</b>	<b>798.91</b>	<b>100.00</b>	<b>889.70</b>	<b>100.00</b>	<b>906.10</b>	<b>100.00</b>
<u>Cost and Expense</u>						
Cost of sales	288.99	36.17	293.98	33.04	263.37	29.07
Cost of service	153.88	19.26	226.34	25.44	250.73	27.67
Cost of distribution	173.86	21.76	198.95	22.36	197.66	21.81
Administrative expense	100.31	12.56	111.83	12.57	124.02	13.69
<b>Total expense</b>	<b>717.04</b>	<b>89.75</b>	<b>831.10</b>	<b>93.41</b>	<b>835.78</b>	<b>92.24</b>
Profit (Loss) before financial expenses and income tax	<b>81.87</b>	<b>10.25</b>	<b>58.60</b>	<b>6.59</b>	<b>70.32</b>	<b>7.76</b>
Financial costs	(0.33)	(0.04)	(0.67)	(0.08)	(0.76)	(0.08)
Gains and reversals of impairment losses under TFRS 9			0.22	0.02	(0.18)	(0.02)
Profit (Loss) before income tax	<b>81.54</b>	<b>10.21</b>	<b>58.15</b>	<b>6.53</b>	<b>69.38</b>	<b>7.66</b>
Income tax expense	(22.81)	(2.86)	(11.65)	(1.31)	(18.48)	(2.04)
Net profit (Loss)	<b>58.73</b>	<b>7.35</b>	<b>46.50</b>	<b>5.22</b>	<b>50.90</b>	<b>5.62</b>
<u>Other comprehensive income</u>						
Exchange differences on translating foreign operations	0.32		(0.80)		(0.57)	
Remeasurement gains (losses) on defined benefit plans	-		(1.21)		-	
<b>Total comprehensive income</b>	<b>59.05</b>		<b>44.49</b>		<b>50.33</b>	
<u>Profit sharing</u>						
Portion of the parent company	58.46		46.47		50.73	
Non-controlling interests	0.27		0.03		0.17	
<b>Total</b>	<b>58.73</b>		<b>46.50</b>		<b>50.90</b>	
<u>Total comprehensive income sharing</u>						
Portion of the parent company	58.78		44.46		50.16	
Non-controlling interests	0.27		0.03		0.17	
<b>Total</b>	<b>59.05</b>		<b>44.49</b>		<b>50.33</b>	
Earnings per share (Fully Diluted) (baht)	0.21		0.17		0.18	
Earnings per share (Weighted Average) (baht)	0.21		0.17		0.18	
Par value (baht)	0.50		0.50		0.50	

Cash flow statement (Unit: million baht)	Consolidated financial statements		
	2020	2021	2022
<u>Cash flows from operating activities</u>			
Profit (loss) before income tax	81.53	58.15	69.38
<i>Adjustment of profit (loss) on cash received (paid)</i>			
Financial cost	0.33	0.67	0.76
Trade and other current receivables	(41.43)	(33.17)	(36.49)
Accounts receivable from other operations	(4.05)	(12.48)	(6.79)
Inventories	(14.10)	(19.73)	15.70
Other assets	0.53	(4.48)	3.13
Trade and other current account payables	48.63	23.76	(9.02)
Accounts payable from other operations	2.25	14.59	12.70
Adjustment for increase (decrease) of other liabilities	-	(0.52)	(6.27)
Depreciation, Depletion and Amortization	19.52	25.35	28.70
Loss on revaluation of goods (reversal)		-	-
Adjustment for loss on impairment of assets (reversal)	1.04	1.57	1.53
Provisions (reversal)	-	-	-
Unrealized loss (gain) on exchange rates	5.74	7.53	7.70
Bad debt and doubtful accounts (reversal)	(0.16)	(0.29)	0.37
Disposal of non-current assets - Property, plant and equipment	(0.44)	1.58	(0.24)
Disposal of non-current assets - intangible assets	(0.66)	(2.37)	(3.44)
Cash generated from investments or borrowing	(0.66)	(1.15)	(4.04)
Write off property	0.03	0.95	1.34
<b>Net cash flows provided from (used in) operating activities</b>	<b>98.10</b>	<b>59.96</b>	<b>75.02</b>
Interest received	0.66	0.70	0.64
Income tax refundable (paid out)	(17.60)	(18.63)	(18.45)
Other cash received (paid) from operating activities - Cash paid for employee benefits	(0.70)	(1.55)	(2.40)
<b>Net cash provided from (used in) operating activities</b>	<b>80.46</b>	<b>40.48</b>	<b>54.81</b>

Cash flow statement (Unit: million baht)	Consolidated financial statements		
	2021	2022	2023
<u>Cash flows from investing activities</u>			
Cash received from sale of property, plant and equipment	0.69	4.53	6.75
Cash paid for purchase of property, plant and equipment	(23.81)	(27.79)	(11.54)
Cash received from sales of intangible assets	-	-	-
Cash paid for purchase of intangible assets	(12.32)	(8.53)	(3.15)
Interest income	(1.00)	(140.82)	15.31
Financial assets	<b>(36.44)</b>	<b>(172.61)</b>	<b>7.37</b>
<b>Net cash flows provided from (used in) investing activities</b>			
<u>Cash flows from financing activities</u>	-	-	-
Cash received from issue of ordinary share	(3.52)	(4.98)	(5.39)
Cash paid for repayment finance lease payable	(42.00)	(56.00)	(39.20)
Dividend	(0.33)	(0.67)	(0.76)
<b>Net cash flows provided from (used in) financing activities</b>	<b>(45.85)</b>	<b>(61.65)</b>	<b>(45.35)</b>
Impact of exchange rates on cash and cash equivalents	0.32	(0.80)	(0.56)
<b>Cash and cash equivalents increase (decrease) - net</b>	<b>(1.51)</b>	<b>(194.58)</b>	<b>16.27</b>
Cash and cash equivalents - beginning balance	362.33	360.82	166.24
Cash and cash equivalents - ending balance	<b>360.82</b>	<b>166.24</b>	<b>182.51</b>

## 4.2.3 Summary table of important financial ratios from the consolidated financial statements

Financial ratios	2021	2022	2023
<b><u>Liquidity Ratio</u></b>			
Liquidity ratio (time)	1.95	1.81	1.92
Quick ratio (time)	1.49	0.81	0.94
Cash flow current ratio (time)	0.29	0.13	0.17 <sup>1/</sup>
Receivable current ratio (time)	11.35	10.83	9.49 <sup>1/</sup>
Average debt collection period (day)	32.16	33.72	38.47
Inventory turnover period (time)	9.94	8.47	8.10 <sup>1/</sup>
Average selling period (day)	36.71	43.11	45.06
Payable current ratio (time)	7.91	7.75	7.70 <sup>1/</sup>
Loan repayment period (day)	46.14	47.08	47.42
Cash Cycle (day)	22.72	29.75	36.11
<b><u>Profitability Ratios</u></b>			
Gross profit margin - selling (%)	37.20	36.91	41.21
Gross profit margin - service (%)	52.57	44.68	42.37
Gross profit margin (%)	43.56	40.55	41.79
Operating profit margin (%)	8.61	5.04	5.36
Other profit margin (%)	1.79	1.63	2.54
Cash to profit margin (%)	119.07	91.87	115.80
Net profit margin (%)	7.35	5.23	5.62
Return on equity (%)	16.75	13.21	14.43 <sup>1/</sup>
<b><u>Efficiency Ratios</u></b>			
Return on assets (%)	8.43	6.18	6.51 <sup>1/</sup>
Return on fixed assets (%)	76.71	63.50	70.70 <sup>1/</sup>
Asset turnover (time)	1.15	1.18	1.16 <sup>1/</sup>
<b><u>Financial Policy Ratios</u></b>			
Debt to equity ratio (time)	1.05	1.23	1.22
Interest bearing debt to equity ratio (time)	-	-	-
Interest coverage ratio (time)	298.11	89.28	97.63
Debt-service coverage ratio (time)	1.77	0.66	1.23
Dividend payout ratio (%)	0.20	0.14	0.15

Note: 1/ Adjusted to full year numbers for comparison.

## 5. General and other Important Information

### 5.1 General Information, Name, Location, Telephone Number, Fax and Other References

#### 1. Issuing Company

Company name	:	AppliCAD Public Company Limited
Business type	:	Distribution of the complete design solutions for Mechanical and Engineering software, Architectural Engineering and Construction software, 3D Printing Technology; 3D Printer and 3D Scanner as well as other related services
Head office	:	69, Sukhumvit 68, Sukhumvit Road., Bangna Nuea, Bangna, Bangkok 10260
registration number	:	0107561000471
Tel.	:	0-2744-9045
Fax	:	0-2744-9049
Website	:	www.applicadthai.com

#### 2. Securities Registrar

Company name	:	Thailand Securities Depository Company Limited
Head office	:	93 Ratchadapisek Road, Din Daeng, Din Daeng, Bangkok, 10400
Tel.	:	0-2900-9000
Fax	:	0-2900-9991
Website	:	www.set.or.th/tsd

#### 3. Auditor

Company name	:	Karin Audit Company Limited
Head office	:	72 CAT Telecom Tower, Floor24, Charoen Krung Road, Bangrak, Bangkok. 10500
Tel.	:	0-2105-4661
Website	:	www.karinaudit.co.th

#### 4. Internal Auditor

Company name	:	P&L Internal Audit Company Limited
Head office	:	281/157 The Fifth Avenue, B Building, 2 <sup>nd</sup> floor, Bangkok - Nonthaburi Road, BangKhen, Muang, Nonthaburi, 11000
Tel.	:	0-2526-6100
Website	:	www.plcorporation.com

## 5.2 Other important information

- None

## 5.3 Legal dispute

As of 31 December 2023, the Company and its subsidiaries are not the litigant or party in the following case;

1. Cases may have a negative impact on the assets of the Company and its subsidiaries with higher than 5% of shareholders' equity as at 31 December 2023.
2. Cases may have a negative impact on the operation of the Company and its subsidiaries significantly that is incalculable.
3. Case does not cause due to the normal business of the Company and its subsidiaries.

## 5.4 Secondary market

- None

## 5.5 Financial institutions with regular contact (Only if the company issues debt instruments)

- None

# Part 2 Corporate Governance

## 6. The Corporate Governance Policy

### 6.1 Overview of The Corporate Governance Policy and Principles

The Company has recognized the importance of good Corporate Governance Policy that will support the operation of the Company to be more effective and transparent for the competitive in the market and the sustainable growth. This can lead to the confidence of all stakeholders who are involved in the Company's operations with the fair act and always consider the benefits of employees, investors, shareholders and other stakeholders. Therefore, the Company has defined the good Corporate Governance Policy complying with the Corporate Governance Policy and Principles for the listed company of 2017 made by the Securities and Exchange Commission and the Stock Exchange of Thailand to be the guideline for the organizational management to ensure the Company's operation with fairness and transparency and also consider the benefits of all stakeholders as follows;

#### **Principle 1: Establish clear leadership role and responsibilities of the Board of Directors as the leader of the organization**

In order to make the understating of the roles and responsibilities as the leader of the organization for the Board of Directors, the Company has clearly defined the roles and responsibilities of the Board of Directors apart from the duties and responsibilities defined by the laws mentioned about the authorities and duties in the management of the Company in accordance with the laws, objectives, articles of association and resolutions of the Shareholders' Meeting with the responsibilities, prudence and honesty. The Company has also defined the authorities and responsibilities to the board of Directors to define the vision, mission, policy, direction, goal, strategies, plans, and the Company's annual budget, including the supervision and follow-up of the work in compliance with the laws, policy, plans and defined annual budget as well as evaluation and monitor performance report.

Furthermore, the Company has appointed the sub-committees to assist in supporting, checking and supervising the operation and management in accordance with laws, policy, and plans and defined annual budget, which consists of the Executives Committee, Audit Committee and Risk Management Committee. The Company has clearly defined the scope of authorities and responsibilities of the sub-committees and Risk Management Committee. In addition, the Company has prepared the charter for the Board of Directors and sub-committees and informed the information about that charter to the Board of Directors and sub-committees. Moreover, the Company has planned to annually review that charter in accordance with the direction of the Company.

The Board of Directors has created the business ethics and Corporate Governance Policy to be the guideline in the Corporate Governance practices for ethical business, respect the right and have the responsibility to shareholders and stakeholders and conduct the business that benefits to the society, environment as well as the ability to adapt to the changing factors.



**Principle 2: Define objectives that promote sustainable value creation**

The board of Directors has distinctly defined the obvious and suitable vision and mission of the Company to communicate to all stakeholders to understand the main objective and goal of the Company and to ensure that all employees in the Company adhere to as the main duty in order to achieve the defined objectives and goals.

The Company also has the policy to review and consider the strategic plan and budget every year to ensure that strategic plan and budget are consistent with the economic conditions and organizational potential including promoting the innovation and the application of innovation and technology.

Moreover, the Board of Directors is responsible for the supervision and monitoring of performance in accordance with the strategy and budget including the allocation of significant resources.

**Principle 3: Strengthen the Board of Directors' effectiveness**

The Company has a policy to properly establish the Board of Directors' structure in accordance with the Company's business and size and as required by law. The composition of the Board of Directors shall have a proportion between executive Directors and non-executive Directors who reflect appropriately balanced power. The Chairman of the Board of Directors and chief executive officer of the Company shall not be the same person in order to clarify the responsibility between the policy of governance and routine management.

In order to ensure that the Board of Directors has enough time to perform the duties of the Company, the Company requires each Director will be able to hold positions in other listed companies up to 5 companies and require attending the meetings not less than 75% of the Board of Directors' meeting will be held in that year and to arrange the Board of Directors' meeting at least 4 times a year.

The role of the Board of Directors is to find qualified people with the right knowledge, skills and experience that can serve as the advantage to the business of the Company to propose to the Shareholders' Meeting to consider the appointment of a Director of the Company after being the listed company on the Stock Market of Thailand.

The Company will disclose the information of Directors and executives such as age, education history, experience, stake shareholding, number of years being Director, number of times participating in the meeting, remuneration of the Board of Directors for both monetary and non-monetary, being Director in other listed companies, roles and responsibilities and performance report of the Audit Committee, Executive Committee and Risk Management Committees in the Company's annual report.

In addition, the Company has appointed Corporate Secretary to supervise and advise the Directors and management regarding compliance with laws, regulations, rules and regulations of the Company and also monitor the compliance with the practice correctly and consistently. Moreover, Corporate Secretary is responsible for arranging the Board of Directors' meeting and the Shareholders' Meeting including coordination for the implementation of the resolutions of the conference as well as any other duties as required by law.

To supervise subsidiaries and/or its affiliated, the Company will assign the qualified and experienced Directors or executives to conduct the business to represent the management of the subsidiaries and/or its affiliated to formulate important policies and control the business of such subsidiaries and/or its affiliated. In this

regard, the Directors representing the Company shall act in supervising subsidiaries and/or affiliated to manage or perform various operations in accordance with the Company's policies as well as to exercise their discretion in accordance with the resolutions of the Board of Directors and/or shareholders of the Company approved in critical matters of subsidiaries and/or affiliated to maximize the benefit of the Company and to achieve sustainable growth of the Company.

#### **Principle 4: Recruitment and Development of Senior Executives and Personnel Management**

The Company has clearly set up a successor plan for key executive positions including the position of chief executive officer in order to maintain business continuity. The Company will provide the appropriate remuneration as an incentive for the chief executive officer and key executive positions that are critical to the organization to maximize the interests of the Company and shareholders.

The Company has provided knowledge to the Directors and the key executives by allocating to each of them to participate in training organized by various agencies to enhance new knowledge and perspectives as well as to provide executive development projects for the benefit of determining succession plans.

The Board of Directors will provide an evaluation of the duties of the chief executive officer and key executives every year to consider and develop capacity to increase productivity.

#### **Principle 5: Nurture innovation and responsible business**

The Board of Directors has focused on creating corporate culture, promoting innovation that contributes to the Company's customers, partners and partners. The development of the quality of the service, human resource development, environmental and social responsibility has always been taken into account by the Company to create a balance between business profits and social returns.

The Board of Directors has focused on the rights of all stakeholders, whether internal stakeholders or external stakeholders in order to create better understanding and cooperation between companies and stakeholders. This will be beneficial to the business and confidence building as well as to enhance the competitiveness of the Company in the long term. Therefore, the Company has established policies and practices as follows;

- Shareholders** : The Company is committed to conducting business to maximize the benefit of the Company and its shareholders as a whole with the knowledge and management skills effectively, honestly and fairly to major and minority shareholders by considering the good performance, stable growth and competitiveness.
- Employees** : The Company has recognized the importance of every employee in the Company which will be involved in driving the Company and developing the further business in the future. The Company has focused on the development of the potential and knowledge and skills of employees and cultivating good attitudes and

consciousness as well as considering providing fair, appropriate returns based on the knowledge of each employee's ability and providing adequate welfare.

**Customers** : The Company is responsible for the care to customers by focusing on sourcing and producing the quality products to meet customer needs as well as customer confidentiality, knowledge to customers to develop goods and services.

**Business partners and creditors** : The Company has fairly, equally and honestly treated business partners and creditors in business operations, not taking advantage and maintains interest with business partners and creditors as well as strictly comply with trade conditions and/or mutually joint contractual agreements to develop business relations that contribute to the benefits of both parties.

**Competitor** : The Company has behaved according to the good competition rules and laws set out and to maintain the norms of competitive practices and avoid dishonest ways to destroy competitors.

**Community and Society:** The Company has emphasized on cultivating the awareness to community and society in the Company as well as to support activities that contribute to the public and not to act contrary or illegal.

The Board of Directors will provide a framework for the governance and management of corporate information technology to meet the needs of the Company as well as to ensure that the technology used to increase the chance of business development and operations, risk management for the Company to achieve the objectives and goals of the organization.

#### **Principle 6: Strengthen effective risk management and internal control**

The Board of Directors will provide a framework of internal control system that covers all aspects of finance and operation in accordance with the law and to provide sufficient effective monitoring and balancing mechanisms to always protect the Company's assets, provide the process of approval and responsibility of the executives and employees who are monitored and balanced each other and define the procedure in written form. The Company has hired internal auditors from outside. Monitor the operations of all agencies in accordance with the regulations placed as well as assess the efficiency and adequacy of internal control of various agencies in the Company.

The Company has appointed the risk management team to consider and analyze potential risks with the Company and present risk management measures to prevent the impact on the Company's business and supervise risk management in accordance with the risk management policy prescribed.

The Board of Directors has emphasized on anti-corruption by defining a clear policy and communicating with relevant people to acknowledge and follow. The Board of Directors has also established the policy of whistleblowing and complaints as a mechanism for governance for those involved in compliance with the policies established with respect to the corporate governance.

The Company provides has measured to provide whistleblowing or complaints about wrongdoing, ethics and code of conduct or behavior that may be discussed with the corruption of Directors, executives and employees in the organization by providing a wide range of communication channels to enable

employees and stakeholders to report complaints or complaints to the Company. The complainant shall provide a detailed notice, including name, address, telephone number, which can be contacted to the receipt channel as required by the Company.

#### **Principle 7: Ensure disclosure and financial integrity**

The Board of Directors has determined to supervise the compliance with laws and regulations relating to the disclosure by the Company will focus on the disclosure of accurate, complete and transparent information of the Company as well as financial information, general information and non-financial information so that all relevant people are aware of the information equally.

The Board of Directors is responsible for the preparation of the Annual Report, Form 56-1, the Company's financial report and financial information that appears in the Annual Report. The preparation of financial reports is prepared in accordance with generally certified accounting standards, choosing the appropriate accounting policies and regular lists, and carefully exercises disinformation in preparation, as well as requiring adequate disclosure of important information in the notes to the financial statements. The Board of Directors assigned the Audit Committee to oversee the quality of financial reports and to comment on the Board of Directors.

In addition, the Board of Directors has placed importance on the financial liquidity of the Company and the company's debt repayment capabilities and report to the Board of Directors on a quarterly basis.

After being the listed company in the Stock Market of Thailand, the Company will publish the information of the Company to shareholders through channels and dissemination media of the Stock Exchange of Thailand and the Company's website and assigned Mr. Sorawat Nakmanee to contact and provide information to shareholders, investors, securities analysts or related entities, as well as any person with accurate, complete and true information.

#### **Principle 8: Ensure engagement and communication with shareholders**

The Board of Directors has emphasized on the rights of shareholders without any actions to violate or deprive shareholders' rights except the basic rights of shareholders such as the right to buy, sell or transfer shares they hold, the right to receive a share of profits from the Company, the right to attend the Shareholders' Meeting. The Company has focused on the rights of shareholders to obtain the Company's information properly, complete, adequately and equally in order to make decisions on all matters.

1. The Company shall arrange the Shareholders' Meeting to allow shareholders to consider important matters as required by law or that may affect the Company's business operations.
2. The Company will send the notice of the meeting with the accompanying information to shareholders prior to the meeting according to the meeting at the legal period. The Company will allow shareholders to complete the study of the information prior to the date of the Shareholders' Meeting, as well as the Company will allow shareholders to submit questions in advance of the meeting, and will set out the criteria to submit questions and publish such guidelines on the Company's website and the Company will gather to bring important questions to inquiries at the meeting.

3. The Company will allow minority shareholders to nominate candidates to nominate as Directors or propose additional agendas before the Shareholders' Meeting which will be assigned as clear guidelines and disclose the criteria to shareholders in advance and will provide reasons not to bring the agenda proposal of shareholders as an agenda of the Company to the Shareholders' Meeting at that time.
4. In case that the shareholders are unable to attend the meeting on their own, the Company will facilitate shareholders who are not able to attend the meeting on their own to be able to proxy at least one individual or appoint at least one independent Director to attend the meeting and vote on behalf of such shareholders by informing the list with the information of such independent Directors in the notice of the Shareholders' Meeting.
5. In case that the Company has foreign shareholders, the Company will make a notice of the meeting with the accompanying information of the entire meeting in English and deliver it to foreign shareholders with the delivery of the Thai version.
6. Add channels to acknowledge shareholder news via the Company's website after the Company is registered as a listed company on the Stock Exchange of Thailand, the Company will continue to publish the notice of the Shareholders' Meeting at least 14 days prior to the date of the meeting so that shareholders can easily and complete the information of the agenda.
7. The Company will facilitate all shareholders equally to attend the meeting in both location and time.
8. At the Shareholders' Meeting, the meeting will be conducted in accordance with the laws and regulations of the Company. It will consider and vote on the agenda set out in the order. It cannot change the matter, or add the agenda unnecessarily and to allow shareholders to have the equal rights in question, leaving a comment and recommendations.
9. The Company will use ballots on important agendas and provide independent parties such as external auditors, legal advisers, as auditors of voting at the meeting.
10. The Company will encourage all Directors and executives involved to attend the meeting to respond to questions from shareholders simultaneously.
11. Take note of the minutes of the meeting completely, accurately, transparently, and record the list of Directors and executives attending the meeting, how to vote and count votes resolutions of the meeting, the results of the vote, including important questions and comments in the minutes of the meeting so that shareholders can be completed within 14 days from the date of the Shareholders' Meeting. In addition, the Company will provide a video of the meeting to preserve the reference, and after the Company is registered as a listed company on the Stock Exchange of Thailand, the Company will send the minutes of the meeting to the Stock Exchange of Thailand or related entities within the specified time, as well as to bring the minutes of the Shareholders' Meeting published on the Company's website for shareholders to consider.

## 6.2 Code of Conduct

In order to operate the Company's business in accordance with the principles of good Corporate Governance, the Company has set the Code of Conduct which is a guideline for Directors, executives and employees at all levels as follows;

### 1. Integrity

Directors, executives and employees must demonstrate honesty, ethics, transparency, including obeying the law and regulations related to business operations, not doing any acts which are corrupt, corrupt, bribery by offering or promising to give money, property, things or benefits Including giving an advantage to others to motivate themselves or others from benefit they should not get, including must strictly adhere to anti-corruption measures.

In addition, Directors, executives or employees must not provide support or participate in any participations that will lead to bribery or various forms of corruption for the benefit of oneself, family, friends and acquaintances.

### 2. Objectivity

Executives and employees shall act with fairness, honesty, free from prejudice and prejudice, and maintain impartiality in the exercise of discretion in performance.

### 3. Independence

Directors, executives and employees must be independent in performing their duties and using comments and suggestions regardless of personal and family interests, as well as not being under the influence of a person or any group of people and without any situation that can force them not to comment as they should be.

### 4. Knowledge and competence

Directors, executives and employees should use the knowledge, abilities, skills and experience necessary to perform their jobs. They should not accept or perform work in which they do not have the knowledge and competence unless they have been advised or supported to have sufficient knowledge and competence in performing their work.

### 5. Confidentiality

Directors, executives and employees should keep the information they receive in their operations. And should not disclose information without the permission of authorized persons Except in the case of legal disclosure and it is forbidden to use confidential information obtained in the performance of duties for personal gain, friends and relatives.

### 6. Carefulness

Director, executives and employees should act with caution in the use of knowledge., competency, skills, judgment and conduct.

### 7. Political relevance

The Company is politically neutral without committing to or supporting any political party or anyone with political power, and the Company also respects the right to freedom of political rights of employees, such as voting or being membership of political parties.

Directors, executives and employees should avoid serving as committee of political parties or representing politicians in various activities or be a member of a local government organization and avoid making political opinions in the workplace and in the workplace and at work times that may cause conflicts. It also prohibits the use of company resources to support political activities, either directly or indirectly.

#### **8. Respect for Principle of International Human Rights**

Directors, Executives and Employees should respect each person's dignity, independence, privacy and dignity, legitimate rights and human rights and benefits of stakeholders including maintaining human rights in accordance with labor laws and regulations related equally and fairly decision-making of Director, management and staff. They should be impartial and treat everyone equally without gender classification or race. In addition, Directors, Executives and Employees must strictly adhere to human rights principles, which is considered as part of the operation and does not support activities that violate international human rights principles.

**Details of Code of Conduct for stakeholders that Directors, executives and employees are responsible as the following:**

##### **1. Code of Conduct on responsibility to the Company**

- 1.1 Perform duties responsibly, taking the Company's interests as a priority.
- 1.2 Do not conduct or take any competitive action or may cause competition with the Company's business.
- 1.3 Perform duties with integrity.
- 1.4 Responsible for making the most of the use and preservation of the Company's assets, including not for personal or other benefits other than the Company's business.
- 1.5 Work with the best knowledge and experience to fully benefit the Company.
- 1.6 Strictly follow the rules, regulations and articles of association of the Company.
- 1.7 Avoid exercising their authority or allowing others to rely on their authority, whether directly or indirectly, to exploit oneself or others.
- 1.8 Avoid adoption in a manner that exceeds normal relationships from other persons whose business is related to the Company's work.
- 1.9 Avoid commenting to third parties in matters that may affect the Company's reputation and operations.
- 1.10 Do not use the Company's sensitive information or news for profit or other benefits, directly or indirectly, and maintain the Company's confidentiality by taking care and being careful not to provide confidential documents or news of the Company that should not be disclosed to third parties in strictly accordance with the Company's Data Confidentiality, Policy and Disclosure Policy, which appears in Section 3 of this manual.
- 1.11 Whistleblowing or complaints when seeing clues of illegal acts, ethics or behaviors that indicate corruption or misconduct of people in the organization both from employees and other stakeholders, including incorrect financial reports or the internal control system that is defective for the benefit of the Company in accordance with the complaints of the Company which is strictly shown in Section 5 of this manual.

## **2. Code of Conduct on responsibility to Shareholders**

- 2.1 Perform duties with honesty within the legal framework and regulations of the Company by adhering to this code of conduct in conducting various transactions and in every decision-making activity, in order to operate the business in good faith, transparency and accountability.
- 2.2 Perform duties with full knowledge and capabilities as professional by using knowledge experience in performing their duties fully.
- 2.3 Commit to treating of shareholders' information by protecting confidentiality and maintaining trust as if they are treating their own information.
- 2.4 Disclosure of the Company's information accurately, adequately and timely in accordance with the rules of the Office of the Board of Directors, SEC and The Stock Exchange of Thailand.

## **3. Code of Conduct on responsibility to employees**

- 3.1 Provide fair and suitable compensation and provide adequate welfare in accordance with situation for employees.
- 3.2 Maintain a safe working environment for life and property of its employees.
- 3.3 The appointment, relocation of employees, including awarding and punishing employees, must be done with equality, integrity and based on knowledge, competence and appropriateness.
- 3.4 Give importance to development, knowledge transfer of employees by giving employees thorough and consistent opportunities.
- 3.5 Provide training and seminars regularly to develop knowledge and working skills of employees.
- 3.6 Protect the privacy of employees. Do not disclose personal information such as salary, medical history, family history to third parties.
- 3.7 Listen to opinions and suggestions from employees of all levels equally and equitably. Employees are given opportunities to clarify or complain about wrongdoing, incidents or situations that affect their work or decisions of employees in accordance with the receipt of complaints of the Company in Section 5 of this manual.

## **4. Code of Conduct on responsibility to customers**

- 4.1 Treat customers fairly in terms of products and services.
- 4.2 Disclose product information and services accurately and completely.
- 4.3 Maintain confidential information and customer information
- 4.4 Educate customers to develop products and services.
- 4.5 Provide a channel for customers to complain about products and services in accordance with the complaints of the Company in section 5 of this manual.

## **5. Code of Conduct on responsibility to business partners**

- 5.1 Treat trade partners fairly, fairly and on the basis of fair compensation to both parties.
- 5.2 Strictly comply with the agreed contracts or conditions. In case of inability to comply with the conditions, we will immediately notify the partner to find a solution.

## **6. Code of Conduct on responsibility for competitors**

- 6.1 Practice within the framework of good competition.



6.2 Do not seek confidential information of competitors through dishonest or inappropriate means.

6.3 Do not damage the reputation of competitors by making malicious accusations.

#### **7. Code of Conduct on responsibility to Trade Creditors**

7.1 Treat trade creditors equally, fairly and on the basis of fair returns to both parties.

7.2 Strictly comply with the agreed contracts or conditions. In case of inability to comply with the conditions, the creditors will be notified immediately to find a solution.

#### **8. Code of Conduct on social responsibility and education**

8.1 Do not take any action that will affect the damage to society.

8.2 Raise awareness of social responsibility to employees at all levels.

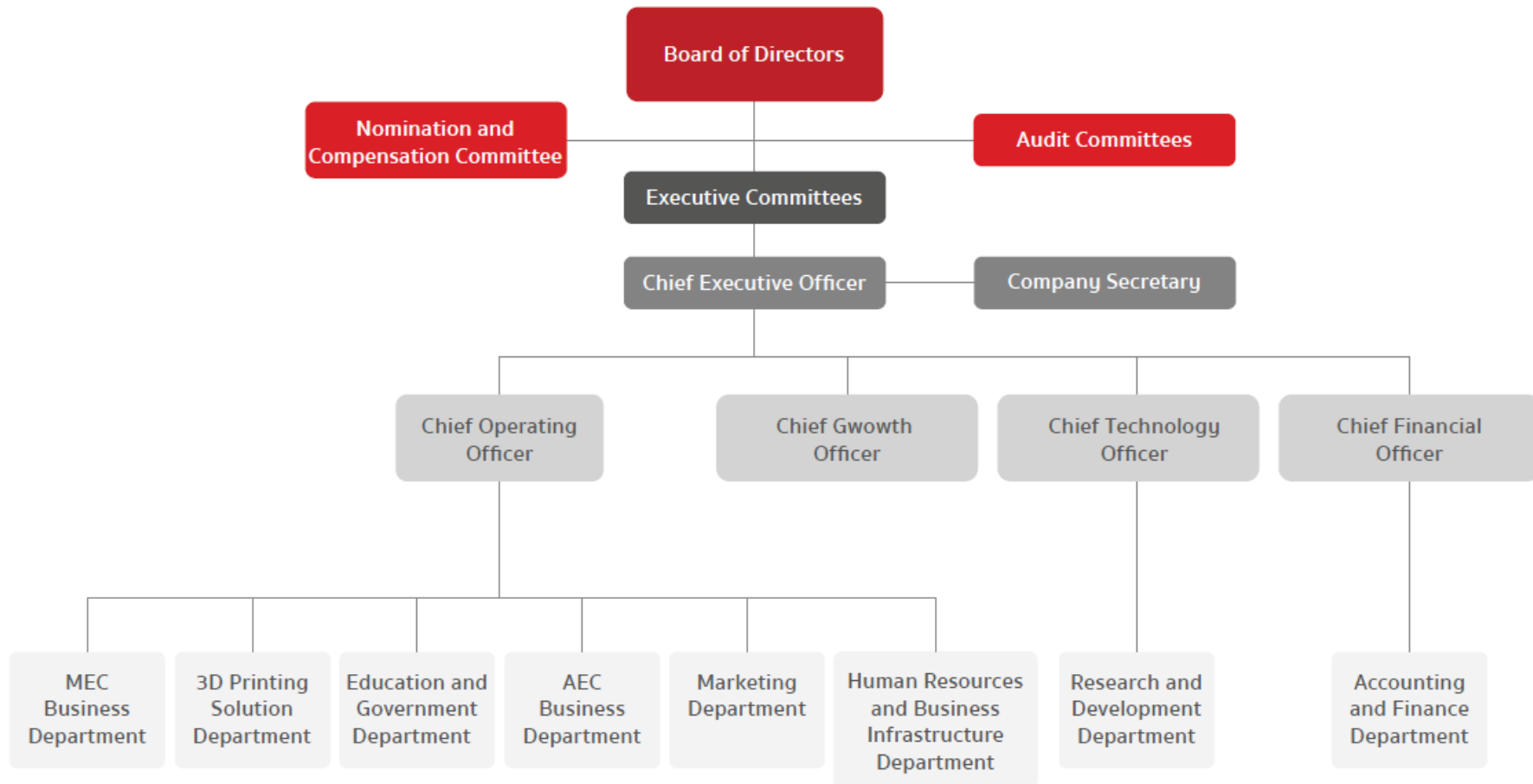
8.3 Promoting the development of social quality by focusing on education, knowledge development for employees.

### **6.3 Other actions according to the principles of good Corporate Governance**

- -None-

## 7. Corporate Governance Structure and Important Information about the Board of Directors, Sub-committees, executives, employees and others

### 7.1 Corporate Governance Structure



Remark: The Company employed P&L Internal Audit Public Company to check the internal control of the Company.

## 7.2 Information about the Board of Directors

### 7.2.1 Composition of the Board of Directors

The Company's board consists of individuals who are recognized for their knowledge and expertise. They are primarily responsible for making decisions that benefit the company, its shareholders, and all stakeholders. They play a role in setting the Company's direction and goals, working alongside with senior executives to formulate strategies and policies for both short-term and long-term operations. This includes setting financial policies, risk management, and overseeing the organization's overall framework. They also regularly review the Company's key policies and plans every year, playing a significant role in allocating essential resources according to goals, as well as supervising, auditing, and evaluating the Company's performance and the CEO's execution of plans.

The Board is diverse in gender and comprises members with a variety of qualifications, knowledge, expertise, and experiences that are essential and beneficial for the Company's business. It maintains a balanced composition, with half of the board members being independent directors or 50% (4 out of 8 members) and the other half being non-executive directors or 50% (4 out of 8 members). Additionally, there are 3 female directors out of a total of 8, making up 37.5% of the board.

Currently, as of December 31, 2023, the Board members listed have a diverse range of qualifications and specialized knowledge that the company needs. This enables the board to effectively and efficiently set strategies, policies, and oversee operations.

Skills and Expertise	Accounting, Finance, Economics or Business Administration	Information Technology / IT Disruption / IT Governance	Risk Management	administration and Management / Supervision / Law	Marketing / Communication / Digital Marketing
1. Asso. Prof. Dr. Prasert Kantamanon		✓	✓	✓	✓
2. Dr. Isra Akarapitak	✓	✓	✓	✓	✓
3. Mr. Somsak Woraraksa		✓		✓	
4. Ms. Thitiporn Charthisong	✓			✓	✓
5. Ms. Siriporn Tangadulrat				✓	
6. Mrs. Bongkot Rungkompaisan	✓		✓	✓	✓
7. Mr. Thanin Pornsiritivet	✓		✓	✓	
8. Dr. Niti Nerngchamnon		✓	✓	✓	✓
Total	4	4	5	8	5

Note: The expertise in each area is based on the educational background, work experience, and specialized knowledge of the board members.

### 7.2.2 Board Information

The Company's management structure includes the Board of Directors and 3 sub-committees: the Audit Committee, the Nomination and Compensation Committee, and the Executive Committee. The Board of Directors consists of qualified individuals who meet the complete qualifications under Section 68 of the Public Limited Companies Act, B.E. 2535 (1992), and related announcements by the Securities and Exchange Commission.

#### Board of Directors

The Board of Directors has 8 members, including 4 independent directors. Independent directors must fully meet the qualifications set by the Securities and Exchange Commission regulations and the requirements of the Office of the Securities and Exchange Commission. They also have the scope of authority, responsibilities, and obligations as defined by the Stock Exchange, and each board member possesses the complete qualifications and does not have any prohibitions under the law regarding Public Limited Companies, B.E. 2535 (1992), as amended, the Securities Act, or any other related laws and regulations set by the Office of the Securities and Exchange Commission.

As of December 31, 2023, the list of the Board of Directors includes a total of 8 members.

Name – Last name	Position
1. Asst. Prof. Dr. Prasert Kanthamanon	Chairman of the Board of Directors and Independent Director
2. Dr. Isra Akrapitak	Director and Nomination and Compensation Committee
3. Mr. Somsak Worraraksa	Director
4. Ms. Thitiporn Chartaisong	Director
5. Ms. Siriporn Tangadulrat	Director
6. Mrs. Bongkot Rungkompaisan	Chairman of the Audit Committee and Independent Director and Nomination and Compensation Committee
7. Mr. Thanin Pornsiritivet	Audit Committee and Independent Director and Chairman of Nomination and Compensation Committee
8. Dr. Niti Nerngchamngong	Audit Committee and Independent Director

And Mr. Sorawat Nakmanee is a company secretary.

#### The authorized director of the Company

- (1) Dr. Isra Akrapitak signs together with Ms. Thitiporn Chartaisong and the seal of the Company or
- (2) Dr. Isra Akrapitak or Ms. Thitiporn Chartaisong signs together with Mr. Somsak Worraraksa as two directors and the seal of the Company.

### Scope of responsibilities of the Board of Directors

1. The Committee shall have the power, duties and responsibilities of the management and operations of the Company according to the laws, the Articles of Association of the Company as well as the resolutions of the Shareholders' Meeting with honesty and careful to maintain the Company's interests.
2. Arrange the board meeting at least 3 months at a time
3. Perform the appropriate and efficient accounting systems and provide reliable financial reporting and auditing, as well as provide adequate and appropriate internal control systems and internal audit systems.
4. Arrange the balance sheet and income statement of the Company as at the end of the accounting period of the company verified by the auditor and present to shareholders for consideration and approval.
5. Set goals, policies, plans business, the Company's budget as well as monitoring and supervision of administration and management of the Company and its subsidiaries in accordance with the policies, plans, budgets and compliance with applicable laws, as well as the notifications, regulations and relevant guidelines of the Capital Market Commission, the Securities and Exchange Commission, the Stock Exchange of Thailand such as the related party transaction, acquisition or disposal of major assets as far as non-conflicting or controversial to other laws.
6. Review and approve policy directions, strategies, business operations of the Company proposed by management.
7. Continuously monitor operations in accordance with roadmap and budget.
8. Consider and define the risk management policy to cover both the organization and supervise the system or process of risk management, with support measures and control methods to reduce the impact on the Company's business properly.
9. Consider and establish the management structure, the power to appoint the subcommittee, the chief executive officer and other subcommittees as appropriate including the scope of the authority of such persons.

In this regard, the delegation stipulated by the scope of the authority must not be as a delegation that makes the subcommittee, chief executive officer and other subcommittees can consider and approve potential conflicts of interest, interest or any other conflicts of interest with the Company or its subsidiaries, except as an approval of items in accordance with the policies and guidelines already considered and approved by the Board of Directors.

10. Prepare the annual report and be responsible for the preparation and disclosure of financial statements to reflect the financial operating results in the past year and presented to the meeting of shareholders for consideration and approval.
11. The Board of Directors may authorize one or several directors or any other person to perform on behalf of the Board of Directors under the control of the Board of Directors or provide the authority to have such persons as the Board of Directors deemed appropriate within the period of time that the Board

of Directors deems appropriate, which the Board of Directors may revoke, change or amend the authority when deemed appropriate.

In this regard, the authorization is not allowed for such people to consider and approve their projects or individuals that may be conflicts of interest, interest or any other conflicts of interest with the Company or its subsidiaries as such definition in notification of the Capital Market Commission and/or the Securities and Exchange Commission and/or the Stock Exchange of Thailand except as an approval of items in accordance with the policies and guidelines already considered and approved by the Board of Directors.

### Board Members' Positions in Other Companies

The Company recognizes the value of the experiences gained by board members through their roles in other organizations. However, to ensure that directors can fulfill their duties and allocate their time sufficiently, the corporate governance policy has been set to limit each director to holding positions in no more than 5 other listed companies. In 2023, no board member held positions in more than 5 listed companies.

### 7.3 Information about Sub-Committees

In addition to the Board of Directors, the Company's management structure includes 3 sub-committees: the Audit Committee, the Nomination and Remuneration Committee, and the Executive Committee.

#### 1. Audit Committee

The Audit Committee consists of 3 independent directors who meet the full qualifications as stipulated by the Securities and Exchange Act, announcements from the Securities and Exchange Commission, as well as rules and/or regulations of the Stock Exchange. At least one member of the Audit Committee must be knowledgeable or experienced in accounting and finance, capable of reviewing the reliability of the financial statements.

As of December 31, 2023, the Audit Committee comprises 3 members.

Name – Last name	Position
1. Mrs. Bongkot Rungkompaisan	Chairman of the Audit Committee and Independent Director
2. Mr. Thanin Pornsiritivet	Audit Committee and Independent Director
3. Dr. Niti Nerngchamnong	Audit Committee and Independent Director

Mrs. Bongkot Rungkompaisan and Mr. Thanin Pornsiritivet possess the knowledge and experience in financial statement review and have sufficient expertise in accounting and finance to perform their duties in reviewing the reliability of the company's financial statements. Additionally, Dr. Niti Nuengjamnong has legal expertise that benefits the company. Mr. Sorawat Nakmanee serves as the secretary of the Audit Committee.

### Scope of responsibilities of the Audit Committee

1. To review the financial reporting of the Company to be accurate and adequate.
2. To review the system of internal control (Internal Control) and internal audit (Internal Audit) of the Company to be appropriate and effective and consider the independence of the internal audit agency, as well as to approve the appointment, transfer, dismissal of the head of the internal audit agency or any other agency responsible for internal audit.
3. To review the management, practices and policies, risk management (Risk Management) as required.
4. To review the Company to comply with the Securities and Exchange Commission law, terms of the Stock Exchange and laws related to the Company's business.
5. Consider, select, propose, appoint an independent person to act as auditor of the Company and offer the remuneration of such persons, as well as attend meetings with the auditor without management at least once a year.
6. Consider the related party transactions or transactions that may have a conflict of interest in accordance with the laws and requirements of the Stock Exchange in order to ensure that such transactions are reasonable and in the best interests of the Company.
7. Prepare the Report of the Audit Committee disclosed in the annual report of the Company. The report must be signed by the Chairman of the Audit Committee and must contain at least the 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 terms of the Stock Exchange or the laws relating to the Company's business
  - d) Opinions about the appropriateness of the auditor
  - e) Opinion on transactions that may have a conflict of interest
  - f) Number of Audit Committee meetings and attendance of each audit committee
  - g) Overall opinion or observations received by the Audit Committee from charter
  - h) Other items that see that shareholders and investors should know under the scope of duties and responsibilities assigned by the Board of Directors.
8. Have the right to be independent of any professional consultant's fees as deemed necessary by the Company.
9. Perform other duties as the Board of Directors approved with the opinion of the Audit Committee.

### 2. Nomination and Remuneration Committee

The Company's board places high importance on adhering to good corporate governance policies, thus resolving to establish the Nomination and Remuneration Committee. This committee consists of 2 independent directors and 1 company director, tasked with setting criteria and procedures for nominating and selecting individuals for board positions, various sub-committees, and the CEO position, ensuring transparency in line with good governance practices.

As of December 31, 2023, the Nomination and Remuneration Committee comprises a total of 3 members.

Name – Last name	Position
1. Mr. Thanin Pornsiritivet	Chairman of the Nomination and Compensation Committee
2. Mrs. Bongkot Rungkompaisan	Nomination and Compensation Committee
3. Dr. Isra Akrapitak	Nomination and Compensation Committee

And Mr. Sorawat Nakmanee is a secretary of Nomination and Compensation Committee.

### Scope of responsibilities of the Nomination and Compensation Committee

1. Consider the structure, composition and qualifications of the Company's directors and senior management of the Company.
2. Determine the vision and strategy of human resources and the Company's senior management development plan.
3. Ensure that the Board of Directors of the Company has appropriate sizes and components for the organization, including modification in accordance with the changing environment.
4. Determine policies, rules, procedures and processes that are clear, transparent, appropriate and beneficial to the organization in the recruitment, dismissal or dismissal of directors and high-level executives of the Company and propose to the Board of Directors of the Company for approval in order for the Company to have qualified board members and executives with appropriate knowledge and experience in the operation of the Company to be more effective and successful.
5. Establish guidelines, criteria, methods and processes that are effective in evaluating the performance of the Board of Directors and senior management of the Company by comparing with the annual target that is related to the jointly set business plan to consider adjusting the annual return. It has to take into account the duties, responsibilities and risks involved, as well as pay attention to the increase in shareholders' equity in the long term in consideration of the evaluation.
6. Determine compensation policies and strategies, including salary, meeting allowances, allowances, bonuses or other types of benefits, including the amount of remuneration and other benefits to the directors and senior management of the Company to propose to the Board of Directors for approval with clear and transparent rules and suitable duties and responsibilities and based on performance to be able to induce, maintain and motivate personnel with high potential and required qualifications.
7. Provide a succession plan for important management positions and to be reviewed regularly by assessing the importance of the position, recruiting and developing so that there are successors in management who have knowledge, abilities, experience and other qualifications that meet the needs and benefit the organization for efficiency Productivity and the Company's growth.



8. Select and nominate qualified persons to hold positions of directors and high-level executives of the Company by inviting specialists to participate in the recruiting process as needed at the Company's expense.
9. Disclosure of various compensation policies, including the amount of directors' remuneration in the Company's annual report.
10. Evaluate the performance of the Nomination and Remuneration Committee and report to the Board of Directors for the year.
11. Perform any other duties as assigned by the Board of Directors.

### 3. Executive Committee

The Executive Committee was established to support the Board of Directors in managing the company's affairs in accordance with policies, regulations, and any directives, as well as the goals set within the framework assigned by the Board of Directors and/or the company's shareholders' meetings.

As of December 31, 2023, the company has a total of 6 members on the Executive Committee.

Name – Last name	Position
1. Dr. Isra Akrapitak	Chief Executive Officer
2. Mr. Somsak Worraraksa	Executive Director
3. Ms. Thitiporn Chartaisong	Executive Director
4. Mr. Prakit Laobooncharoen	Executive Director
5. Mr. Jeerawat Kulsapudom	Executive Director
6. Ms. Siriporn Tangadulrat	Executive Director

And Mr. Sorawat Nakmanee is a secretary of Executive Committee.

#### Scope of responsibilities of the Executive Committee

1. To consider the proposal of the management and present the business plan, including the Company's annual budget to the Board of Directors to approve.
2. To supervise the Company's business operations in accordance with the policy, goals, business plans, and budgets that are defined and supervise quality and efficiency operations.
3. To consider and approve normal business operations such as investments in accordance with investment statements or budgets approved by the Board of Directors, order products, sales order and so on. The limit for each item is in accordance with the approval table approved by the Board of Directors.
4. To establish the employment rate and consider adjusting the salary, employee bonus from the chief operating officer level, as well as to consider approving the capacity of people who are not in the annual budget in accordance with the approval table approved by the Board of Directors.
5. To consider the profits and losses of the Company, proposal of annual dividend or interim dividend payment to propose to the Board of the Company to approve.

6. To give the power to authorize any other person to one person or several people operating one under the control of the executive committee or may authorize the authority to grant such person the authority as deemed appropriate, and within the time of the executive committee deems appropriate. The executive committee may cancel, revoke, change or modify the person who has been authorized or authorized to be authorized as deemed appropriate.
7. Perform other duties according to the Board of Directors assigned from time to time.

In this regard, the assignment of authority and responsibility of the executive committee shall not be as authorized or sub-authority that allows the authorized person stake from the executive committee to approve transactions of which they or the person may have conflicts (according to the definition of the notification of the Capital Market Commission and/or the Securities and Exchange Commission and/or the Stock Exchange of Thailand and/or related agencies), interests or may have any other conflict of interest with the Company or its subsidiaries and/or related companies. The executive committee does not have the authority to approve the operation of such matters. This must be proposed to the Board of Directors' Meeting and/or the meeting of shareholders (as a case) for further approval, except as an approval of transactions in accordance with normal business and regular trading conditions in accordance with the notification of the Capital Market Commission and/or the Securities and Exchange Commission and/or the Stock Exchange of Thailand and/or related agencies.

## 7.4 Information of Executives

### 7.4.1 List and Positions of Executives

As of December 31, 2023, the company has a total of 10 executives.

Name – Last name	Position
1. Dr. Isra Akrapitak	Chief Executive Officer and Acting Chief Operating Officer
2. Ms. Thitiporn Chartaisong	Chief Financial Officer
3. Mr. Jeerawat Kulsapudom	Chief Growth Officer
4. Mr. Somsak Worraraksa	Director of AEC Business Department
5. Mr. Thussanai Paisiriyayong	Managing Director, Rabbit Prototype Co., Ltd
6. Mr. Kirkrit Jearnkamonchuen	Director of MEC Business Department Director of 3D Printing Solution Department
7. Mr. Chayo Petcharat	Director of Research and Development Department
8. Mrs. Khwanchai Viriyasumon	Accounting manager - AppliCAD Public Company Limited
9. Miss Phiemzetha Zibhunyarnt	Accounting manager - Subsidiaries
10. Mrs. Ms. Kulisara Laorpansakul	Managing Director, Rabbit Prototype Co., Ltd

Note: Mr. Thustsanai Praisiriyong resigned from his position on October 13, 2023, due to retirement age, and Mrs. Kulisara Laorpanthuskul was appointed according to the resolution of the 11th meeting of the Executive Committee in 2023.

### Scope of Authority, Duties and Responsibilities of the Chief Executive Officer

1. Supervise the operation and/or daily administration of the Company
2. Prepare the business plans as well as the Company's business strategy and annual budget to propose to the Executive Committee and the Board of Directors of the Company for further approval.
3. To supervise the operation or performance of the Company according to the policies, plans and budgets approved by the Board of Directors of the Company and to monitor and evaluate the performance of the Company according to the policy and consistent with good governance as well. And report the performance of management including progress in the implementation to the executive committee, Audit Committee and the Board of Directors.
4. To consider and approve regular business operations in accordance with investment statements or budgets approved by the Board of Directors. The limit for each item is in accordance with the approval table approved by the Board of Directors. However, it shall not exceed the annual budget approved by the Board of Directors including the agreement relating to such matters.
5. Have the authority to consider and approve the Company's regular business operations in accordance with the budget approved by the Board of Directors and in accordance with the approval authority approved by the Board of Directors.
6. Have the authority to approve manpower, employment, packing employee, determining wages and bonuses, remuneration and appointment of employee as well as determining the duties and responsibilities of each department and position for the deputy director downward.
7. Have the power to issue orders, regulations, announcements and records for the operations of the Company according to the policies and interests of the Company and to maintain discipline within the organization.
8. Have the authority to appoint committee or other working groups for the benefit and efficiency of good management and transparency and have the power to authorize any other person to one person or several people operating one under the control of the Chief Executive Officer or may authorize the authority to grant such person the authority as deemed appropriate and within the appropriate time. The chief executive officer may cancel, revoke, change or modify the person who has been authorized or authorized to be authorized as deemed appropriate.
9. Perform other duties as assigned by the Executive Committee or the Board of Directors.

In this regard, the implementation of the chief operating officer or a person authorized by the chief executive officer, or a person who may have conflicts of interest (in accordance with the notification of the Capital Market Commission and/or the Securities and Exchange Commission and/or the Stock Exchange of Thailand and/or related agencies) interests or may have any other conflict of interest with the Company or its subsidiaries and/or related companies. The chief executive officer does not have the authority to approve the operation of such matters. This must be proposed to the Board of Directors' Meeting and/or the meeting of shareholders (as a case) for further approval, except as an approval of transactions in accordance with normal business and regular trading conditions in accordance with the notification of the Capital Market Commission and/or the Securities and Exchange Commission and/or the Stock Exchange of Thailand and/or related agencies.

### The authority of approval

The company has approved the operations as follows;

List	Chief Executive Officer	Executive Committee	Board of Directors
1. Approval of the investment exceeded the investment budget approved	10% And report to the Board of Directors	20% And report to the Board of Directors	> 20%
2. Approval of the investment plan apart from budget plan	≤ 1 million baht And report to the Board of Directors	≤ 10 million baht And report to the Board of Directors	> 10 million baht
3. Approval of the order to sell	≤ 5 million baht	≤ 30 million baht	> 30 million baht
4. Approval of the non-product orders to sell	≤ 1 million baht	≤ 30 million baht	> 30 million baht
5. Sales approval	≤ 5 million baht	≤ 30 million baht	> 30 million baht

#### 7.4.2 Executive Compensation

In 2021, 2022, and 2023, the Company paid compensation to its executives totaling 22.61 million baht, 23.30 million baht, and 27.07 million baht, respectively. This compensation includes salary, bonuses, contributions to pension funds, and commissions.

Year	No. of executive (Person)	Compensation (Baht)
2021	10	22,618,963.79
2022	9	23,297,193.7
2023	9	27,070,841.71

#### 7.5 Information of Employees

##### 7.5.1 Number of Personnel

As of December 31, in 2021, 2022, and 2023, the Company and its subsidiaries had a total of 377, 373, and 371 employees, respectively, categorized by their departments.

Business unit	Number of employees		
	31 Dec 2021	31 Dec 2022	31 Dec 2023
1. Executives	10	8	8
2. Management	4	4	5
3. 3D Printing Solution Department	33	36	36
4. Education and Government Department	11	12	11
5. AEC Business Department	57	46	48
6. Marketing Department	22	21	19

Business unit	Number of employees		
	31 Dec 2021	31 Dec 2022	31 Dec 2023
7. MEC Business Department	92	91	95
8. Accounting and Finance	24	27	29
9. Human Resources and Business Infrastructure	19	19	19
10. Research and Development Department	31	30	20
11. Subsidiaries' employee	82	81	81
<b>Total</b>	<b>385</b>	<b>375</b>	<b>371</b>

### Personnel development Policy

The Company has realized that the personnel are the significant resources in the organization. Therefore, the Company has emphasized and focused on the human resource management by defining the human resource management policy as the key principle as follows;

1. The Company will manage human resources to support and comply with and the vision, policy as well as the strategy of the Company.
2. The Company will establish a clear, transparent and fair human resource management system and can be adjusted in accordance with current circumstances.
3. The company will focus on recruitment by providing a fair and efficient recruitment and selection system to provide talent to be consistent with the organization's culture.
4. The Company will focus on the personnel development to be more knowledgeable and capable by arranging the training in various ways regularly.
5. The Company will manage the wages and benefits to the employees by considering the duties and responsibilities of each position, ability of each employee as well as the ability to compete in the market.
6. The Company will allocate welfare appropriately. In addition, the Company's Board of Directors is considering the benefits and necessities of the personnel in accordance with the Company's capabilities, the nature of the business by considering to be improved in line with the changes in the economic and social conditions.
7. The Company focuses on creating a welcoming atmosphere and creating a better understanding as well as arranging the environment to be safe to operate in order to make the relationship between the Company and employees and between employees and employees run smoothly and friendly including hearing problems, and resolve to cooperate with the employees like the family.

In 2023, the Company organized 58 training courses for employees to enhance their skills and work potential. On average, employees participated in 13 hours of training or knowledge development activities per person per year, exceeding the target of 12 hours per person per year.

### 7.5.2 Monetary Compensation

From 2021 to 2023, the Company and its subsidiaries paid compensation to employees and staff (excluding company executives) totaling 201,397,030.09 baht, 204,782,854.81 baht, and 262,224,251.06 baht, respectively. This compensation included salaries, commissions, overtime pay, bonuses, contributions to the social security fund, and contributions to the provident fund.

### 7.5.3 Other Compensation

- None

### 7.5.4 Significant Labor Disputes in the Last 3 Year

- None

## 7.6 Other important information

### 7.6.1 Company Secretary

Name – Last name	Position
1. Mr. Sorawat Nakmanee	Company Secretary

Board of Directors define the responsibilities of the company secretary as follows;

1. To supervise and advise directors and executives regarding compliance, regulations, rules, articles of association as well as to monitor the right practices correctly and consistently.
2. To be responsible for the board of directors' meetings and shareholders' meetings, as well as the coordination of such meetings as the rules of the meeting.
3. To supervise the information disclosure and reporting in the responsible section in accordance with rules and regulations of the Stock Exchange of Thailand and Securities and Exchange Commission, as well as related laws.
4. To prepare and store the following document;
  - 1 Registration of Director
  - 2 Notice and report of the Board of Directors' meeting
  - 3 Notice and report of the Shareholders' meeting
  - 4 Annual Report
  - 5 Stakeholder report of executive directors

### 7.6.2 Investor Relations

Name – Last name	Position
1. Ms. Kanyarat Kampankaew	Investor Relations

If any investors require more information, please contact investor relations as following information;

Address: 69, Sukhumvit 68, Sukhumvit rd., Bangnaneua, Bangna, Bangkok, 10260

Telephone Number: 0-2744-9045 #903 Email: ir@applicadthai.com

### 7.6.3 Audit Fee

For the fiscal year ending on December 31, 2023, the company paid an audit fee of 2,050,000 baht to its auditor, Grant Audit Ltd. This fee covers the audit and review of interim financial statements for both the Company and its subsidiaries, as well as the consolidated financial statements. Apart from this compensation, the Company did not incur any other service fees payable to Karin Audit Company Limited.

## 8. Report on performance of important corporate governance

### 8.1 Summary of the Board's Performance Over the Past Year

The Company steadfastly follows and implements the principles of good corporate governance for listed companies as outlined by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand, along with the guidelines from the Corporate Governance Report of Thai Listed Companies (CGR) by the Thai Institute of Directors (IOD). For any good practices not yet adopted by the Company to align with the principles of good corporate governance for listed companies, appropriate alternative measures have been established.

Consequently, the Board of Directors plays a crucial role in setting the Company's policies in collaboration with the Executive Committee, including defining values, vision, organizational culture, mission, business objectives, financial policies, risk management, strategies, operational plans, and annual budgets. This ensures that the strategy formulation and annual planning align with the Company's objectives and key goals, incorporating an analysis of the environment, challenges, and opportunities affecting the business, enhancing competitive capabilities, and supervising the adequacy of internal control systems to prioritize strategic objectives and key strategies.

The Company ensures that Board meetings are held in accordance with the company's regulations, relevant laws for public limited companies, and stock market regulations, with special meetings convened as necessary. The Board Chairman fosters prudent discretion and allocates sufficient time for management to present issues and for thorough discussion of significant matters by all members. The company mandates at least four meetings per year and more as required, with a schedule and agenda set for the entire year. Meeting invitations, along with the agenda and documentation, are sent to Board members at least seven days in advance, and directors are obligated to attend all meetings unless unavoidably prevented. Furthermore, the Company ensures accurate and complete recording of meeting minutes for verification purposes.

Over the past year, the Company's Board of Directors held a total of 6 meetings and considered various significant matters as follows:

- The Board was responsible for ensuring the preparation of financial reports, including the Company's financial statements, consolidated financial statements of the Company and its subsidiaries, and financial information presented in the annual report. These financial reports were prepared in accordance with generally accepted accounting standards in Thailand, using appropriate and accepted accounting policies and consistently applied practices, as well as exercising prudent judgment in the preparation and disclosure of essential information in the notes to the financial statements.

- The Company required directors, executive directors, and executives to report their interests and those of related persons upon assuming their positions and whenever there are changes to this information, as well as to report annually, in line with the Company's Board's policies and reporting procedures for directors' and executives' interests. The Company secretary is responsible for forwarding these interest reports to the Chairman of the Board and the Chairman of the Audit Committee.
- The Board oversaw the Company's business operations, management, and performance to ensure alignment with the company's vision, mission, business strategies, direction, policies, goals, guidelines, operational plans, and budgets as set by the Board, effectively ensuring their implementation.
- The Board ensured the Company had adequate and effective internal control and internal audit systems, including regular assessment processes for the adequacy of the Company's internal control system.
- The Board established a risk management policy to provide a clear operational framework for the company's risk management processes, aligning with the organization's objectives and main goals, and communicated this to employees.
- The Board established policies for reviewing and updating the company's good governance practices, business ethics for directors, executives, and employees, the company's anti-corruption policies, as well as the charters of the Board and its sub-committees, to keep them current and in line with the Company's operational plans, short-term and long-term strategies, and in accordance with the principles of good corporate governance for listed companies and the best practices issued by the Thai Institute of Directors (IOD).
- In 2023, the Board reviewed the charters of the Board and its sub-committees, various policies, the company's business direction and strategies, and also reviewed the Company's business goals for 2024. The objectives and goals were communicated across the organization through various channels, such as Town Hall meetings. Additionally, the Board carefully considered and vetted various company projects and plans, prioritizing the interests of shareholders and the Company.

### 8.1.1 Recruitment, Development, and Evaluation of Board Performance

#### 1. Independent Directors

In the recruitment and selection of independent directors, the Nomination and Remuneration Committee considers individuals who meet the qualifications of independent directors as defined by the Company. The Company has a policy of appointing at least one-third of the total number of directors as independent directors, with a minimum of three independent directors. These qualifications are in line with the requirements set by the Securities and Exchange Commission.

Currently, the Company has four independent directors, constituting 50% of the board. They are Asso. Prof. Dr. Prasert Kantamanon, Ms. Bongkot Rungkornpaisarn, Mr. Thanin Pornsiritthivet, and Dr. Niti Nuengjamnong. These independent directors are free from any significant relationship with the Company's



major shareholders and management and meet all the qualifications set forth above. In the past fiscal period, the independent directors had no business relationships or professional services provided to the Company.

Furthermore, the Company has set a policy that independent directors can hold their positions for a continuous term of not more than 9 years from the date they were first appointed. If an independent director is to be reappointed after this term, the Board of Directors will reasonably consider the necessity of such an appointment. Currently, there are two independent directors who have exceeded the specified term, but due to their profound knowledge, abilities, understanding of the company's business, experience, and expertise, particularly beneficial to the Company's operations, and having undergone a thorough and cautious review process by the Nomination and Remuneration Committee and the Board of Directors, their continued appointment has been justified.

## **2. Recruitment of Directors and Top Executives**

### **● Recruitment of Directors**

The selection of individuals to be appointed as directors of the company is conducted through a shareholders' meeting. The Company's Board of Directors will consider and select candidates based on their experience, knowledge, abilities, and qualifications as prescribed by law, given that the company does not yet have a Nomination Committee to select individuals for these positions. The shareholders' meeting will then elect directors based on the criteria and procedures set forth in the Company's regulations.

#### **The composition and appointment of the Board of Directors.**

1. Shareholders shall consider and approve the appointment of the Board of Directors.
2. The Board of Directors consists of at least 5 directors and not less than half of the total number of directors must be resident in the Kingdom and must meet the required laws.
3. The Company has a policy that Chairman and chief operating officer shall not be the same person to achieve clarity on the responsibilities between policy making, governance and management.
4. The Board of Directors structure shall consist of independent directors in the right amount to supervise the activities which is not less than one-third of the total board of directors, but not less than 3 persons, in accordance with the requirements of the Securities and Exchange Commission.
5. The appointment of directors in accordance with the Articles of Association of the Company and related laws which must be transparent and clear in the nomination of directors and the consideration should require a person's history, education and experience, and the professional of the person with sufficient details for the purpose of decision-making of the Board of Directors and shareholders.
6. Directors who retired by rotation may be re-elected to such position.

#### **The composition and appointment of Independent Directors.**

The Board of Directors will jointly consider the qualifications of the person who will be Independent Directors based on the qualifications and characteristics of the Directors under the notification of the Capital Market Commission, the Securities and Exchange Commission, the Stock Exchange of Thailand including the

announcement, regulations and/or related regulations. In addition, the Board of Directors will consider selecting independent directors from qualified people. It will then be presented to the meeting of shareholders to consider the appointment of the Company's directors. The Company has a policy to appoint at least one-third of the total director and must not be less than 3 persons.

#### **Qualification of Independent Director**

1. Holding not over 1% of the shares with voting rights of the Company, its subsidiaries, associated companies or juristic person of the person who may have conflict including shares held by the relevant person.
2. Not being or having been a director, an employee, staff, consultant with a salary or controlling authority of the Company, the parent company, its subsidiaries, associates, same subsidiaries or juristic persons who may conflict unless they have been removed from such characteristics for at least 2 years prior to the submission date of application to the Securities & Exchange Commission.
3. Not a person with a bloodline relationship or by legal registration in a parent, spouse, brothers and children, including spouses of executives, major shareholders, control authorities or persons who will be offered as executives or control authorities of the Company or its subsidiaries.
4. Not being or have been a business relationship with the Company, the parent company, its subsidiaries, associates or potentially conflicting entities in a manner that may hinder the use of independent judgment including not being or as a major shareholder, directors who are not independent directors or executives of those with business ties with the Company, parent companies, subsidiaries, the company or juristic person who may have conflicts unless it has been removed from such characteristics for at least 2 years prior to the submission date of application to the Securities & Exchange Commission.
5. Not being or have been an auditor of the Company, the parent company, its subsidiaries, associates or potentially conflicting entities in a manner that may hinder the use of independent judgment including not being or as a major shareholder, directors who are not independent directors, executive or managing partner of the Audit Office, which has the company's auditors, the parent company, its subsidiaries, associates or juristic persons who may have conflicts unless they have been removed from such characteristics for at least 2 years prior to the submission date of application to the Securities & Exchange Commission.
6. Not being or have been any professional service providers including providing legal advisors or financial advisors, which are charged more than 2 million baht per year from the Company, parent company, its subsidiaries, associates, or juristic person that may have conflict of interest. In the event that a professional service provider is a juristic person, including being a major shareholder, directors who are not independent directors, executive or the manager partner of the professional service provider, unless it has been removed from such characteristics for at least 2 years prior to the submission date of application to the Securities & Exchange Commission.
7. Not being a director appointed as a representative of the Board of Directors of the Company, its major shareholder or shareholders who are related to the major shareholders of the Company.

8. Do not operate in the same nature and be a significant competition with the affairs of the applicant or its subsidiaries, or not as an implied partner in the partnership or as an executive director, employees, staff, consultants who receive regular salaries or hold more than 1% of the total voting rights of third parties, which operate in the same nature and are significant competition with the Company's business or its subsidiaries.
9. Not having any characteristics which make it impossible to comment freely about the operations of the Company.

**The composition and appointment of the Audit Committee.**

1. The Board of Directors shall appoint the audit committee of at least three persons and each director must be independent directors.
2. The Board of Directors or the audit committee shall select 1 member of the audit committee to serve as chairman of the audit committee.
3. The audit committee shall have at least one person with knowledge or experience in accounting or finance and knowledgeable about the reason for the change of financial reporting.

In this regard, each audit committee shall have the term of office for 3 years or equal to the term of director of the Company.

**The composition and appointment of the Nomination and Compensation Committee.**

1. The Nomination and Remuneration Committee shall be appointed by the Board of Directors in order to promote good corporate governance principles which is responsible for formulating criteria and policies in recruiting and also determine the remuneration of the Company's directors and sub-committees, including nominating, selecting and proposing suitable persons to serve as the Company's directors, including senior management positions of the Company and method of determining remuneration in a methodical and transparent manner as well as performing other tasks as assigned and presented to the Board of Directors and/or the shareholders' meeting.
2. The Board of Directors shall appoint the Nomination and Remuneration Committee, comprising not more than 4 directors, of which more than half of them must be independent directors. In this regard, there must be at least one director who has knowledge, capability or expertise in personnel management. The Chairman of the Nomination and Remuneration Committee must be an independent director.
3. Be Able to devote sufficient time to work.

In 2023, the Company had 2 directors whose terms were due to expire at the annual shareholders' meeting for the year 2023. The Nomination and Remuneration Committee, together with the Company's Board of Directors, carefully reviewed the qualifications of the directors in various aspects, including individual performance in their duties as directors, with diligence and caution. It was proposed at the 2023 annual shareholders' meeting to reappoint the 2 directors whose terms had expired for another term, namely:

1. Dr. Niti Nuengjamnong - Audit Committee member and Independent Director
2. Dr. Isra Akarapitak - Director and Nomination and Compensation Committee member

- **Recruitment of Top Executives**

The Nomination and Remuneration Committee is responsible for considering the criteria and methods for recruiting individuals with suitable qualifications to hold top executive positions and for proposing candidates deemed appropriate along with their justifications for the Board of Directors to consider for appointment. The recruitment process involves careful consideration and screening of candidates who are fully qualified, suitable, knowledgeable, skilled, and experienced, and who can contribute significantly to the company's operations, have a deep understanding of the company's business, and can manage to achieve the objectives set by the Board of Directors.

In the recruitment of top executives, the management team searches for, selects, and nominates individuals with the appropriate qualifications, knowledge, skills, and experience beneficial to the Company's operations, and presents them to the Nomination and Remuneration Committee and the Board of Directors for consideration. In 2023, the Company appointed Mrs. Kulisara Laorpanthuskul to be Managing Director, Rabbit Prototype Co., Ltd according to the resolution of the 11th meeting of the Executive Committee in 2023. The criteria and process for recruitment are documented under corporate governance, specifically in the section regarding the recruitment and appointment of directors and top executives.

### 3. Development of Knowledge for Directors and Executives

The Company's Board of Directors and top executives prioritize regular participation in training programs related to the development of knowledge and skills necessary for their roles. The Company's directors have participated in training with the Thai Institute of Directors (IOD) in courses related to director responsibilities. 100% of the board members have attended relevant IOD courses, including the Directors Certification Program (DCP), Directors Accreditation Program (DAP), and Audit Committee Program (ACP), as well as various seminars. Further details are provided in the directors' biographies.

In 2023, the Company's directors and top executives participated in training programs offered by the Thai Institute of Directors (IOD) as follows:

Name	Training Course
Mrs. Bongkot Rungkompaisarn	Advanced Audit Committee Program Class 48/2023
Mr. Thanin Pornsirithivet	Board Nomination and Compensation Program Class 17/2023
Ms. Siriporn Tangadulrat	Directors Accreditation Program Class 209/2023

### 4. Performance Evaluation of the Board of Directors

The Company has established in its good governance policy that the Board of Directors should self-assess their performance at least once a year. This regular assessment uses a self-assessment form (Board Self-Assessment) that aligns with the guidelines updated by the Stock Exchange of Thailand. This process helps the Board to review their performance, consider the achievements, issues, and obstacles faced during the past year, and make necessary adjustments and improvements to align with the set policies.

The company secretary sends out the board performance evaluation forms to all directors for their annual self-assessment, both as a group and individually. After each director completes their evaluation, the forms are returned to the company secretary, who then compiles the scores and summarizes the performance evaluation of the Board for the year. These results are reported back to the Board for consideration to achieve the aforementioned objectives. The survey for the Board's self-assessment requires each director to respond and submit their answers to the company secretary, who will then compile and present the results at the Board meeting. This evaluation helps to consider the composition's appropriateness of the Board, review the achievements, issues, and obstacles faced during the past year, and enhance the Board's effectiveness. It also aids in improving the relationship between the Board and the management team.

The Board has approved the evaluation form, which has been refined and endorsed by the Nomination and Remuneration Committee. The evaluation is divided into three forms: a self-assessment for the entire Board, a self-assessment for each sub-committee, and a self-assessment for individual directors. The scoring criteria for the Board's performance evaluation are divided into 5 levels.

Point	Level
4.51 – 5.00	Excellent
3.51 – 4.00	Very Good
2.51 – 3.50	Good
1.51 – 2.50	Satisfactory
0.00 – 1.50	Needs Improvement

In 2023, the performance evaluation concluded that the Company's Board of Directors acted in accordance with the principles of good corporate governance and the company's good governance manual. Moreover, their operations were efficient, comprehensive, and appropriate for the current situation. The performance results were as follows:

#### **Self-Assessment of the Entire Board**

The overall self-assessment of the Board for the year 2023 indicated that the performance was in the "Excellent" range, with an average score of 4.84. The evaluation results by topic are as follows:

- Board structure and qualifications: Average score 4.81
- Roles, duties, and responsibilities of the Board: Average score 4.90
- Board meetings: Average score 4.83
- Performance of duties by directors: Average score 4.88
- Relationship with management: Average score 4.93
- Self-development of directors and executive development: Average score 4.70

**Self-Assessment of Individual Directors** The overall self-assessment of individual directors for the year 2023 also indicated that the performance was in the "Excellent" range, with an average score of 4.89. The evaluation results by topic are as follows:

- Board structure and qualifications: Average score 4.94
- Board meetings: Average score 4.94
- Roles, duties, and responsibilities of the Board: Average score 4.80

Self-Assessment of Sub-Committees as a Whole The overall self-assessment of the sub-committees for the year 2023 indicated that the performance was in the "Excellent" range. The scores for each committee are as follows:

- Audit Committee: Average score 4.93
- Nomination and Remuneration Committee: Average score 4.78
- The structure and qualifications of the committees are appropriate and effective: Average score 4.71
- The sub-committee meetings have been conducted on the following matters to ensure the committees perform their duties efficiently: Average score 4.96

It is noted that there has not been an assessment for the Executive Committee in the past, but the company has planned to conduct such assessments for the Executive Committee in 2024.

### **8.1.2 Meetings' Attendance and Compensation for Individual Directors**

#### **Meetings' Attendance**

The Company ensures the organization of Board meetings in compliance with the Company's regulations, the laws relevant to public limited companies, and the regulations of the Stock Exchange. Special meetings are arranged as necessary. The Board Chairman, serving as the meeting chair, promotes the use of prudent discretion and allocates sufficient time during meetings to allow management to present issues and for a thorough discussion of critical matters by all members. The Company mandates at least 4 meetings per year and more if required, with a scheduled agenda set in advance for the entire year. Meeting invitations, along with the agenda and relevant documents, are sent to the Board members at least seven days before the meeting date. Directors are obliged to attend all Board meetings unless there are compelling reasons for absence. Furthermore, the Company ensures accurate and complete recording of meeting minutes for verification.

In 2023, the Board of Directors and various sub-committees held meetings in both physical and E-Meeting formats. The details of each director's meeting attendance, comparing the years 2022 and 2023, are summarized as follows:

#### **Board of Directors Meetings**

In 2022 and 2023, the Company organized 6 Board of Directors meetings each year. The attendance details for each director are as follows:

Name – Last name	Position	No. of meeting attended/ total No. of meeting	
		2022	2023
1. Asst.Prof.Dr. Prasert Kanthamanon	Chairman of the Board of Directors and Independent Director	6/6	6/6
2. Mr. Prapas Tangadulrat	Director	2/2	-
3. Dr. Isra Akrapitak	Director	2/2	6/6
4. Mr. Somsak Worraraksa	Director	6/6	-
5. Ms. Thitiporn Chartaisong	Director	6/6	6/6
6. Ms. Siriporn Tangadulrat	Director	4/4	6/6
7. Dr. Sunee Sornchaitanasuk	Chairman of the Audit Committee and Independent Director	4/4	-
8. Mrs. Bongkot Rungkornpaisan	Chairman of the Audit Committee and Independent Director	2/2	6/6
9. Mr. Thanin Pomsiritivet	Audit Committee and Independent Director	6/6	6/6
10. Dr. Niti Nerngchamnong	Audit Committee and Independent Director	6/6	6/6

Note:

Mr. Prapas Tangadulrat resigned from his position on June 29, 2022, and Dr. Isra Akrapitak was nominated for the committee according to the resolution of the 4<sup>th</sup> board meeting of 2022.

Dr. Sunee Sornchaitanasuk resigned from her position on August 10, 2022, and Mrs. Bongkot Rungkornpaisan was proposed to be appointed as an audit committee member and independent director according to the resolution of the 4<sup>th</sup> board meeting of 2022.

### **Audit Committee Meetings**

In 2022 and 2023, the company held 4 audit committee meetings each year, respectively. The attendance details for each committee member are as follows:

Name – Last name	Position	No. of meeting attended/ total No. of meeting	
		2022	2023
1. Dr. Sunee Sornchaitanasuk	Chairman of the Audit Committee	3/3	-
2. Mrs. Bongkot Rungkornpaisan	Chairman of the Audit Committee	1/1	4/4
3. Mr. Thanin Pomsiritivet	Audit Committee	4/4	4/4

4. Dr. Niti Nerngchamnong	Audit Committee and Independent Director	4/4	4/4
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Note: Dr. Sunee Sornchaitanasuk resigned from the positions on 10 August 2022 and Mrs. Bongkot Rungkorpaisan was appointed as an Audit Committee and Independent Director according to the resolution of the Board of Directors Meeting No. 4/2022.

### **Nomination and Remuneration Committee Meetings**

In 2022 and 2023, the company organized 4 and 2 nomination and remuneration committee meetings, respectively. The attendance details for each committee member are as follows:

Name – Last name	Position	No. of meeting attended/ total No. of meeting	
		2022	2023
Dr. Sunee Sornchaitanasuk	Chairman of the Nomination and Compensation Committee	3/3	2/2
Mr. Thanin Pomsiritivet	Chairman of the Nomination and Compensation Committee	4/4	2/2
Mrs. Bongkot Rungkorpaisan	Nomination and Compensation Committee	1/1	2/2
Dr. Isra Akrapitak	Nomination and Compensation Committee	4/4	2/2

Note: Dr. Sunee Sornchaitanasuk resigned from her position on August 10, 2022, and Mrs. Bongkot Rungkorpaisan was proposed for appointment according to the resolution of the 4th board meeting of 2022

In support of good corporate governance principles, in 2023, the Company also organized a meeting for non-executive directors once, along with 2 Board Strategic meetings between directors and executives to define strategies and business directions. These meetings further contributed to fostering positive relations between the directors and the executives.

### **Director Remuneration**

To ensure that the determination of director remuneration is carried out with clear principles and transparency, in line with good corporate governance practices, the Nomination and Compensation Committee has considered guidelines for setting remuneration, including other benefits for directors and senior executives, to be proposed to the Company's board meeting and/or shareholder meeting for approval.

The Nomination and Compensation Committee evaluates director remuneration by considering the structure and rates to be appropriate with the responsibilities and to motivate the Company's board and executives to lead the organization towards achieving both short-term and long-term goals. The



remuneration of directors and executives must align with the Company's strategies and long-term objectives, their experience, responsibilities, scope, roles, and the expected benefits from each director and executive, and should be comparable to those in the technology industry of the same category. The process of determining remuneration is entrusted to the Nomination and Compensation Committee to evaluate and propose an appropriate amount to the Company's board for endorsement before being submitted for shareholder approval annually.

#### Director Compensation for the Company

In 2023, the Nomination and Remuneration Committee and the company's board proposed the director remuneration for the year 2023 to the Annual General Meeting of Shareholders for approval on April 26, 2023, with the following details: Other benefits: None, Non-monetary compensation: None.

(Unit: Baht)

Position	meeting allowance / person / one time
<b><u>Board of Directors</u></b>	
- Chairman of the Board of Directors	30,000
- Director who is not executive	17,500
- Director who is executive	5,000
<b><u>Audit committee</u></b>	
- Chairman of the Audit Committee	30,000
- Audit Committee	17,500
<b><u>Nomination and Compensation Committee</u></b>	
- Chairman of the Nomination and Compensation Committee	20,000
- Nomination and Compensation Committee	10,000
- Nomination and Compensation Committee	5,000

#### Director Compensation

The table below shows the total monetary remuneration for the company's board of directors for the year 2023, ending on December 31, 2023. The Company paid remuneration in the form of meeting allowances to directors, with the details as follows:

(Unit: Baht)

Name – Last name	Meeting Compensation
1. Asst. Prof. Dr. Prasert Kanthamanon	180,000
2. Dr. Isra Akrapitak	254,000
3. Mr. Somsak Worraraksa	215,000
4. Ms. Thitiporn Chartaisong	175,000
5. Ms. Siriporn Tangadulrat	70,000
6. Mrs. Bongkot Rungkornpaisan	60,000

7. Mr. Thanin Pornsiritivet	60,000
8. Dr. Niti Nerngchamnong	105,000

### Summary Comparison of Director Remuneration for the Years 2021-2023

Name – Last name	2021	2022	2023
1. Mr. Prasert Kanthamanon	150,000	180,000	180,000
2. Mr. Prapas Tangadulrat	25,000	20,000	-
3. Mr. Somsak Worraraksa	25,000	60,000	60,000
4. Ms. Thitiporn Chartaisong	25,000	60,000	60,000
5. Mr. Prakit Laobooncharoen	87,500	-	-
6. Ms. Siriporn Tangadulrat	-	52,500	105,000
7. Dr. Sunee Sornchaitanasuk	240,000	232,500	-
8. Mrs. Bongkot Rungkornpaisan	-	75,000	254,000
9. Mr. Thanin Pornsiritivet	167,500	225,000	215,000
10. Mr. Jeerawat Kulsapudom	87,500	-	-
11. Dr. Niti Nerngchamnong	35,000	175,000	175,000
12. Dr. Isra Akrapitak	5,000	20,000	70,000
<b>Toal</b>	<b>847,500</b>	<b>1,100,000</b>	1,110,000

#### 8.1.3 Supervision of the operation of subsidiaries and affiliates.

The Company will invest in companies with the same business objectives as the Company's core business or similar business or business supporting the Company's business which will increase its turnover or profitability or invest in synergy businesses for the Company by supporting the Company's core business operations to increase the Company's competitiveness. The Board of Directors may consider investing in other businesses than the Company's core business. If the Board of Directors sees such business as a potential business and such investment is beneficial to the Company and its shareholders.

To supervise the subsidiaries and associates, the Company will send directors or executives with the right qualifications and experience to conduct business to represent the management of the subsidiary and its associates to formulate important policies and control the business of such subsidiaries and/or associates. Directors representing the Company shall act in supervising subsidiaries and/or associates to manage or perform various operations in accordance with the Company's policies as well as to exercise their discretion in accordance with the resolutions of the Board of Directors and/or the meeting of shareholders of the Company to approve the critical matters of subsidiaries and/or associates to maximize the benefit of the Company and to achieve sustainable growth of the Company.

#### 8.1.4 Monitoring compliance with policies and practices in corporate governance

The Company prioritizes corporate governance by establishing related policies and practices in a manual and promoting their true implementation to build confidence among all stakeholders.

In 2023, the Company monitored the adherence to the code of ethics and governance principles, covering key issues such as fair treatment of stakeholders, respect for human rights, employee care and non-discrimination, promotion of safety and occupational health, social, community and environmental care, information security, protection of stakeholders' personal data, and ensuring that operations are conducted transparently, including:

- **Governance and prevention of conflicts of interest**

The company emphasizes transparent consideration of various matters that benefit the company primarily. Therefore, it focuses on preventing matters that may constitute a conflict of interest, related parties transactions, or inter-company transactions, and has established policies and practices regarding conflicts of interest for directors, executives, and all employees to acknowledge and comply with, following these key principles:

1. Directors and executives must inform the Company of any relationships or related transactions that may lead to conflicts of interest.
2. Avoid engaging in transactions related to directors, executives, or related parties that may cause conflicts of interest with the company. In cases where such transactions are necessary, they should be presented to the Audit Committee for review and advice before seeking approval from the company's board of directors and/or shareholders' meeting, as appropriate. This should be done in accordance with the related transaction guidelines set by the securities market regulators and following good corporate governance practices. In any case where a director has an interest in a matter being considered, that director shall not have the right to vote on such matter. Additionally, the company's board has established policies and procedures to prevent executives and related parties from using the company's internal information for personal gain.
3. Executives and employees must adhere to the Company's regulations and business ethics, which are critically important to maintain the trust and confidence of all stakeholders. The Company also ensures that information and understanding of these practices are disseminated throughout the organization.

In 2023, the Company ensured that all directors and executives provided comprehensive reports on their interests. Moreover, the Company received no complaints regarding any misconduct by directors and executives related to the misuse of insider information or conflicts of interest. There were no violations or non-compliance with policies related to conflicts of interest, no related transactions that could significantly cause conflicts of interest, and no breaches of related transaction guidelines.

The Company stipulates that individuals with vested interests related to specific transactions should not have decision-making authority over those transactions. The Company has formulated policies setting forth guidelines on related transactions and conflicts of interest as defined by the Securities and Exchange Commission, to serve as a guide for handling related transactions and conflicts of interest. Additionally, the Company arranges for the review of related transactions, with the internal audit

department reporting to the Audit Committee and establishing control measures to ensure random reviews of transactions for accuracy and compliance with contracts, policies, or conditions.

The Company has a policy to disclose information on transactions that may present conflicts of interest, related transactions, or interrelated transactions, following accounting standards and the guidelines set by the Securities and Exchange Commission. This information is disclosed in the annual information form and annual report.

The Company communicates its corporate governance policies, business ethics, insider information usage policies, conflict of interest policies, and other significant policies through the Intranet and the Company's website. This ensures that directors, executives, and employees at all levels understand and are aware of the importance of good corporate governance, business ethics, and can effectively apply these principles in their operations.

- **Management of insider information usage**

The Company recognizes and sees the importance of adhering to Good Corporate Governance principles to reinforce confidence among shareholders, investors, and all related parties in its ongoing operations. This includes considering the long-term growth of the Company's value. Additionally, the Board of Directors is aware of the importance of not using the Company's insider information for personal gain. Therefore, the Board and executives have deemed it appropriate to establish measures to control the use of the Company's insider information to ensure transparent operations in accordance with Good Corporate Governance principles. The details are as follows:

1. Directors, executives, and employees must maintain the confidentiality of the Company and its subsidiaries' insider information and must not disclose or seek personal gain or benefit others, directly or indirectly, regardless of whether compensation is received.
2. The Company ensures that significant undisclosed information is kept confidential, accessible only to executives and disclosed to Company officials as necessary.
3. In cases where the Company must disclose insider information to a wide range of employees, the Company must inform the employees that the information is confidential and its use is restricted.
4. Directors, executives, employees, and contractors of the Company and its subsidiaries, including their spouses, cohabiting partners, and underage children, are prohibited from using insider information of the Company and its subsidiaries, which may impact the price of the Company's securities and has not been disclosed to the public, for buying, selling, offering to buy or sell, or encouraging others to buy, sell, offer to buy, or sell the Company's securities, directly or indirectly, before such information is disclosed to the public. This applies whether the actions are for personal benefit or others, or to enable others to do so for compensation. Violators will be subject to the Company and its subsidiaries' disciplinary measures.
5. The Company prohibits directors, executives, and employees of the Company and its subsidiaries who are privy to insider information from disclosing it to outsiders or unrelated individuals, and prohibits directors and executives of the Company, including their spouses, cohabiting partners, and underage

children, from trading the Company's shares during the 1-month period before the Company publishes financial statements or other significant information to the public.

6. The Company educates its directors and executives about their duty to report their securities holdings, including those of their spouses, cohabiting partners, and underage children, in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (1992) and its amendments, and the Securities and Exchange Commission Notification No. TorJor. 12/2552 regarding the preparation and disclosure of securities holding reports by directors, executives, and auditors, including penalties under Section 275 of the Securities and Exchange Act B.E. 2535 (1992).
7. The Company requires directors and executives to report changes in their securities holdings to the Securities and Exchange Commission in accordance with Section 59 of the Securities and Exchange Act and the Securities and Exchange Commission Notification No. TorJor. 12/2552 regarding the preparation and disclosure of securities holding reports by directors, executives, and auditors, and to submit a copy of this report to the Company on the same day it is submitted to the Securities and Exchange Commission.

In 2023, directors and executives engaged in securities transactions and reported to the Securities and Exchange Commission (SEC) a total of 39 times. Upon review, it was found that they had complied with the Company's established policies correctly and in full, with no violations related to the use of insider information.

### **Anti-corruption**

The Company's Board of Directors places a high priority on conducting business transparently and combating corruption by establishing preventative guidelines to ensure that the Company, its subsidiaries, and associated companies are not involved in corruption. This includes identifying corruption risks, setting out risk mitigation strategies, enhancing internal control processes, communicating with both internal staff and external stakeholders, and reviewing the adequacy and completeness of these processes.

### **Policy**

The Board has established an anti-corruption policy and measures, which are reviewed annually, to ensure that the Company and its subsidiaries operate transparently and are not involved in corruption, whether it involves soliciting, accepting, or offering bribes to public officials.

### **Practices Under the Anti-Corruption Policy**

The Board of Directors, executives, and employees must strictly adhere to the anti-corruption policy, avoiding any involvement with corruption in all its forms, both directly and indirectly, as follows:

1. Refrain from any behavior that indicates an intent to engage in corruption, including giving or receiving bribes to or from government officials, private sector personnel, or any parties related to the Company, to obtain or maintain business or competitive advantages, or for personal or associated benefits.
2. Do not ignore or overlook any acts of corruption related to the Company; it is a duty to report such incidents to supervisors or responsible persons and to cooperate in investigating the facts.

3. The Company will ensure fairness and protection for individuals who refuse to participate in corruption or who report corruption incidents to the Company, as specified in the whistleblower protection measures.
4. Individuals involved in corruption will be considered in violation of the ethical code and will be subject to disciplinary action as per the Company's employee disciplinary regulations and may face legal penalties if the act is unlawful.
5. The Company acknowledges the importance of disseminating, educating, and understanding the duties related to the Company or that may affect the Company in matters that must be conducted in accordance with this anti-corruption policy.
6. The Company has established auditing processes and an effective and consistent internal control system to prevent corruption.
7. To ensure clarity in handling high-risk corruption activities, the Company's directors, executives, and employees must perform their duties with caution.

### Whistleblowing and Complaint Channels

The Company provides a variety of communication channels to allow employees and stakeholders to report whistleblowing cases or file complaints. The whistleblower or complainant must provide details of the issue they wish to report, along with their name, address, and a telephone number where they can be contacted. These can be sent through the following channels specified by the Company:

**Channel 1: Direct communication can be made with:**

- Chief Executive Officer
- Supervisors at all levels whom the individual trusts
- Deputy Director of Human Resources
- Audit Committee via the Company Secretary
- Company Secretary

**Channel 2:** E-mail to: E-mail to [independent@applicadthai.com](mailto:independent@applicadthai.com)

**Channel 3:** Postal mail addressed to the Chief Executive Officer, Director of Human Resources, Audit Committee via the Company Secretary, or Company Secretary at:

Applicad Public Company Limited

69 Soi Sukhumvit 68, Sukhumvit Road, Bangna Nuea, Bangna, Bangkok 10260, Thailand

The Company consistently follows up on and reports whistleblowing cases, complaints, and feedback. In 2023, there were no complaints or whistleblowing reports from either within or outside the organization.

## 8.4 Report of the Audit Committee

### To Shareholders

The Audit Committee of AppliCAD Public Company Limited ("the Company") consists of three independent directors who possess expertise in accounting, finance, law, and business. All members fully meet the qualifications set by the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand, including Mrs. Bongkot Rungkornpaisarn, Mr. Thanin Pornsirivithitwet, and Dr. Niti Nuengjamnong. The committee was appointed by the company's board of directors to operate within the scope, duties, and responsibilities specified in the Audit Committee Charter, which is reviewed at least annually to ensure compliance with best practices and regulatory standards.

In 2023, the Audit Committee held a total of four meetings, attended by all members, equivalent to 100% attendance. Discussions were held with the management team, internal auditors, external auditors, and reports were presented to the company's board as a regular agenda item. The committee's key activities included the following:

1. Review of Financial Reports:

The committee reviewed quarterly and annual financial information for 2023, in collaboration with the company's management and auditors. They inquired about the accuracy and completeness of the financial statements, significant adjustments affecting financial data, and Key Audit Matters (KAM) as reported by the auditors. The committee concluded that the financial statements were correctly prepared, timely, reliable, and in accordance with financial reporting standards, beneficial for the users. The auditors issued an unqualified opinion, and the assessment of control systems was deemed adequate with no evidence of information concealment, allowing for independent operation. Additionally, the committee met once without the presence of company management to discuss the audit scope and inquire about potential risks or anomalies encountered during the audit.

2. Related Transactions and Potential Conflicts of Interest:

The committee reviewed company disclosures in cases of related transactions or potential conflicts of interest, adhering to the principles of business normalcy, transparency, and sufficient disclosure, as would be done with external parties. The committee found the company's disclosures to be adequate and in compliance with the regulatory standards of the Securities and Exchange Commission and the Stock Exchange of Thailand.

3. Risk Management Review:

The committee reviewed the company's risk management for 2023, considering the economic situation post-COVID-19 pandemic and the impacts of currency volatility. The committee evaluated potential economic risks, such as financial liquidity, debtor management, payment collection, and asset impairment assessment. The committee consistently reviewed and evaluated the adequacy and effectiveness of the risk management process, offering recommendations for improvements.

4. Review of Internal Audit Oversight:

The committee reviewed and evaluated the adequacy of the company's internal control system in collaboration with the internal audit function, which is independent and reports directly to the committee. Follow-ups were conducted on corrective actions based on audit findings and committee

feedback. The committee also ensured that the internal control system was updated to reflect changing circumstances, concluding that the company has an adequate and effective internal control system, following the principles of the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

5. Good Corporate Governance Review:

The committee reviewed the adherence to the Code of Conduct to ensure systematic good corporate governance and reviewed the whistleblowing policy and procedures to facilitate consistent reporting of legal and business misconduct. The committee monitored changes in regulations to ensure strict compliance by the company, promoting transparency, ethics, and confidence among shareholders, investors, business partners, and all stakeholders.

6. Consideration of Auditor Appointment and Audit Fee Determination:

The committee evaluated and selected auditors, considering readiness, service scope, auditor independence, and appropriateness of audit fees. The committee recommended the appointment of Grant Thornton Limited as the company's auditor for 2024 to the annual general meeting of shareholders, following the list of auditors approved by the Securities and Exchange Commission and the Stock Exchange of Thailand.

In summary, the Audit Committee believes that the company's financial statements are prepared according to financial reporting standards, related transactions are conducted on reasonable business terms with adequate transparency and disclosure. Risk management and internal control systems are sufficient and effective, and the company has complied fully with relevant regulations.



Mrs. Bongkot Rungkornpaisarn  
Chairperson of Audit Committee



## 9. Internal control and Related part transection

### 9.1 Internal control and Related parties transection and Risk Management

#### 1 The opinion of Borad of Directors on the Internal control of the Company

According to the resolution of the meeting of Board of Directors No.1/2024 on 19 February 2024 with 3 Audit Committees attended the meeting, the Board of Directors has evaluated the adequacy of the internal control of the Company by requesting information from the management which can be concluded that the assessment of internal controls of the Company consists of 5 parts in various fields as follows;

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

The Board of Directors has agreed that the Company has the adequate and appropriate internal control system. The Company has provided sufficient personnel to operate the system effectively. The Company's business operations are in line with good corporate governance and transparency. In addition, the Company has provided a monitoring system to oversee the Company's operations to ensure that it can protect the Company's assets from the misuse or without authority of director or executive as well as adequate control system for transactions with conflict-related persons or related parties.

#### Head of Internal Audit of the Company

The Company has employed P&L International Audit Co., Ltd., an external unit to monitor the Company's internal control system from 2014 to the present. P&L International Audit Co., Ltd., has assigned Mr. Thanabhat Wongwit, Assistant Vice President to be the head of internal audit.

The Board of Directors has considered the quality of Mr. Thanabhat Wongwit and agreed that he has the sufficient quality to perform such duties due to independence. Knowledge, competence and experience in internal audit operations.

Therefore, the consideration and approval of appointment, transfer, dismissal of the head of internal audit of the company must obtain the approval or the agreement of the Audit Committee.

## 9.2 Details of transaction

In 2023, the Company and its subsidiaries have transactions with people who may have conflicted with the details of the transaction as follows;

Persons who may have conflict	transaction	Transaction Value (Million Baht)			Necessity and rationality of transection	Opinion of Audit Committee
		2023	2022	2021		
Mr. Prapas Tangadulrat - Chief Executive Officer of the Company, holding 55.03% of the issued shares.	Rental of land and building	0.66	0.63	0.60	The Company has leased land and buildings from Mr. Prapas Tangadulrat to be used as a storage of facility and parking lot of the Company with a 3-year lease period starting 1 June 2022 to 30 June 2025 at the rental rate of 55,000 bah/month (area 1,504 sqm. as 36.57 baht per one sqm.) such rental rate when compared with the area value of the Company, rental of parking spaces in similar areas from third parties which are 1. Mr. Tongdee Busaratepkul with the monthly rental of 28,021.05 baht (area 1,196 sqm. as 23.43 baht per one sqm.), 2. Mrs. Sritong Busaratepkul with the monthly rental of 34,736.84 baht (area 1,196 sqm. as 29.04 baht per one sqm.). the rental which the Company has paid to Mr. Prapas is higher than both persons above due to the rental of showroom with parking and it is located next to the office building of the Company.	It is in accordance with the nature of general trading business. And there is a clear policy for entering into related party transactions. This is the arm's length basis of the business. It complies with the rules of the Stock Exchange of Thailand. and the Company's related-party transaction policy.
Magnolia Quality Development Co., Ltd. -Mr.Thanin Pornsirithivej Independent Director of the Company Being as a director of Magnolia Quality Development Company Limited	Sales Revenue	0.028	0.00	0.00	The company distributes 3D design software to Magnolia Quality Development Company Limited which is an arm's length basis. In terms of price, it is the same price as sold to Foundry Company Limited and the same terms of trade.	

### **Measures and procedures to approve the Related Parties Transaction**

The Company has imposed measures to enter transactions between the Company and its subsidiaries and related parties, and the Audit Committee shall comment on the necessity, reasonableness and price suitability of the transaction, based on conditions in accordance with the normal trading practices at the market price. This can be compared to the price incurred to third parties. In the event that the Audit Committee does not have the expertise to consider the transactions of the following transactions. The Company shall provide individuals with special knowledge, such as auditors, property appraisals, law firms, etc. which is independent of the Company and those who may have conflicts to comment on such transactions to make the decision of the Audit Committee to allow the Audit Committee to present to the Board of Directors or shareholders as a case.

In addition, the Company and its subsidiaries have imposed measures not to allow executives or stakeholders to participate in the approval of transactions they have directly and indirectly. The Board of Directors shall ensure that the Company shall comply with the Securities and Exchange Commission and the Articles of Association, announcements, orders or requirements of the Capital Market and the Stock Exchange of Thailand as well as to comply with the disclosure of transactions in the notice of the relevant transaction and the acquisition of significant assets of the Company and its subsidiaries. Moreover, it shall comply with the accounting standards set by the Federation of Accounting Professions under the Royal Patronage and will disclose the transactions between each other in the notes to the financial statements reviewed by the Company's auditors.

### **Policies and trends in future Related Parties Transaction**

The Company and/or its subsidiaries may continue to make transactions with each other in the future, which will be in accordance with the nature of the general trade business and clearly establish the transaction policy which will be the usual price and trading terms of the business which is similar to the appointment of unrelated individuals and/or companies, such as buying or selling, providing or receiving rental services, guarantees by major shareholders and/or directors, etc. The transactions between the upcoming parties are necessary to conduct the Company's business and/or its subsidiaries and to the benefit of the Company and/or its subsidiaries. The Audit Committee will consider reviewing the compliance and commenting on the reasonableness of the transactions that occur every quarter.

For transactions that do not comply with normal business that may occur in the future, the Company shall conduct an audit committee to review the compliance with the guidelines and show the reasons for such transactions before the Company or its subsidiaries enter such transaction by taking the following measures and procedures to approve the transaction as specified above. However, related parties' transactions that may cause a potential conflict of interest in the future. The Board of Directors shall comply with the laws of the Securities and Exchange Commission and the Articles of Association, announcements, orders or requirements of the Capital Market and the Stock Exchange of Thailand as well as to comply with the disclosure of transactions in the notice of the relevant transaction and the acquisition of significant assets of the Company and its subsidiaries. Moreover, it shall comply with the accounting standards set by the Federation of Accounting Professions under the Royal Patronage.

## Part 3: Financial Statements

## INDEPENDENT AUDITOE'S REPORT

To the Shareholders of AppliCAD Public Company Limited

### Opinion

I have audited the financial statements of AppliCAD Public Company Limited and its subsidiaries (the Group Company) which comprise the consolidated and separate statements of financial position as at 31 December 2023 and the consolidated and separate statements of comprehensive income changes in shareholders' equity and cash flows for the year then ended and notes to the consolidated and separate financial statements including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of AppliCAD Public Company Limited and its subsidiaries as at 31 December 2023 their consolidated and separate financial performance and the consolidate and separate of cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current year. 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.

### Impairment of its subsidiary-invested assets (Investments, loans, and other accounts receivables)

#### Risk

The financial statements Notes 5 and 11 indicate that the Company may be subject to the impairment of its subsidiary-invested assets. Because of the calculation of the anticipated value of recovery an estimate of anticipated future cash flows discounted to their present value is used to compute it. The information on the cash flow prediction was prepared at the management's discretion. This has an impact on how the above assets impairment is recorded. I think it's crucial to employ this kind of discretion. As a result, I think this is a significant issue for audit.

#### Risk Responses of Auditor

My audit procedures responded to the risk referred to above are summarized as follows:

- Evaluate the appropriateness of identifying cash-generating units.
- Compare the expected recoverable amount with the assets that the Company invests in subsidiaries at the end of the accounting period. By expected recoverable amount consider from Based on the book value of Net asset or the estimated future cash flow value which is discounted to the present value. whichever is higher.
- Review the reasonableness of the assumptions used by the management in forecasting the expected future cash flows discounted to the present value.
- Read the minutes of the meeting regarding the expected cash flow projections. To review the reasonableness of the estimates made by the company's management.
- Review the operating results after the end of the period and have the management review the estimate to be close to the actual facts and
- Test calculations to record losses or reverse transfers in the assets in each subsidiary company.

#### **Other Matter**

The financial statements of AppliCAD Public Company Limited as at December 31, 2022, presented herein for comparative purposes, were audited by another auditor in firm as myself, whose audit report date February 17, 2023 and expressed an unqualified opinion.

#### **Other information**

Management is responsible for the other information, including in the annual report but does not include the financial statements and the auditor's report contained in that annual report. I personally believe that the annual report is expected to be delivered to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any reliance on the other information.

My responsibility in connection with the audit of the financial statements is to read and consider whether the other information materially conflicts with the financial statements or my knowledge gained from my audit or it appears that other information is a material misstatement.

When I have read the annual report and if I could conclude that there is a material misstatement, I must communicate the matter to those charged with governance so that those charged with governance would take corrective actions against misstatements.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines 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, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated 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 Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated 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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Thanathit Raksathianraphap.

(Mr. Thanathit Raksathianraphap)

Certified Public Accountant (Thailand) No. 13646

Karin Audit Company Limited

Bangkok, Thailand

19 February 2024



APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
31 DECEMBER 2023  
AND INDEPENDENT AUDITOR'S REPORT

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

(Unit : Baht)

	Notes	Consolidated		Separate	
		As at	As at	As at	As at
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	182,514,019	166,237,358	168,506,649	159,344,769
Trade and other current receivable	5,7	112,560,098	94,374,529	99,799,232	79,484,683
Advance payment for services performed					
at not more than one year	8	128,921,975	106,920,086	127,442,924	108,847,905
Current contract assets	8	1,825,846	1,467,215	1,825,846	1,467,215
Short-term loans	5	-	-	19,185,937	15,630,692
Inventories	9	47,773,538	65,002,210	38,385,665	55,743,077
Current tax assets		3,939,434	5,796,597	3,081,741	3,766,342
Other current financial assets	10	126,502,645	141,816,223	126,502,645	141,816,223
Other current assets		516,518	1,724,203	276,250	1,672,982
<b>Total current assets</b>		<b>604,554,073</b>	<b>583,338,421</b>	<b>585,006,889</b>	<b>567,773,888</b>
<b>Non-current assets</b>					
Investments in subsidiaries	11	-	-	12,615,603	5,786,573
Advance payment for services performed					
-					
at more than one year	8	36,337,950	29,550,143	33,661,692	26,732,471
Long-term loans	5	-	-	4,416,667	-
Property, plant and equipment	12	95,509,044	106,949,979	87,811,248	98,646,735
Right of use assets	13	17,177,849	12,093,734	14,649,861	11,453,818
Other intangible assets	14	25,190,351	24,424,961	25,086,571	24,343,969
Deferred tax assets	22	12,135,198	14,620,534	13,491,891	13,968,738
Other non-current assets		1,246,940	1,459,947	646,395	855,402
<b>Total non-current assets</b>		<b>187,597,332</b>	<b>189,099,298</b>	<b>192,379,928</b>	<b>181,787,706</b>
<b>Total assets</b>		<b>792,151,405</b>	<b>772,437,719</b>	<b>777,386,817</b>	<b>749,561,594</b>

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT 31 DECEMBER 2023

(Unit : Baht)

	Notes	Consolidated		Separate	
		As at	As at	As at	As at
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Current liabilities</b>					
Trade and other current payables	15	116,968,216	125,691,093	103,722,608	111,367,079
Current contract liabilities	8	183,523,978	189,607,820	178,289,231	185,180,204
Current portion of lease liabilities	16	5,871,007	3,849,573	4,688,494	3,361,924
Corporate income tax payable		-	-	-	-
Current provisions for employee benefit	17	8,126,703	3,132,387	6,365,366	1,654,244
Other current liabilities		-	190,000	-	190,000
<b>Total current liabilities</b>		<b>314,489,904</b>	<b>322,470,873</b>	<b>293,065,699</b>	<b>301,753,451</b>
<b>Non-current liabilities</b>					
Lease liabilities	16	12,196,148	8,644,266	10,776,874	8,432,711
Non-current contract liabilities	8	57,019,849	44,315,852	54,231,443	41,270,359
Non-current provisions for employee benefit	17	50,508,042	50,221,374	44,525,848	43,888,677
Decommissioning funds obligations		1,104,249	1,085,419	697,250	678,419
<b>Total non-current liabilities</b>		<b>120,828,288</b>	<b>104,266,911</b>	<b>110,231,415</b>	<b>94,270,166</b>
<b>Total liabilities</b>		<b>435,318,192</b>	<b>426,737,784</b>	<b>403,297,114</b>	<b>396,023,617</b>

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT 31 DECEMBER 2023

	Notes	(Unit : Baht)			
		Consolidated		Separate	
		As at	As at	As at	As at
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
<b>Shareholders' equity</b>					
Share capital					
Authorized share capital					
280,000,000 ordinary shares of Baht					
0.50 each		140,000,000	140,000,000	140,000,000	140,000,000
Issued and paid share capital					
280,000,000 ordinary shares of Baht					
0.50 each		140,000,000	140,000,000	140,000,000	140,000,000
Share Premium (discount) on ordinary shares		146,725,000	146,725,000	146,725,000	146,725,000
Surplus (deficit) from business combinations					
under common control		954,644	954,644	-	-
Retained earnings					
Appropriated-Legal reserve		14,000,000	14,000,000	14,000,000	14,000,000
Unappropriated		54,559,194	43,035,859	73,364,703	52,812,977
Other components of shareholders' equity		646,588	1,210,724	-	-
<b>Total equity attributable to owners of the company</b>		<b>356,885,426</b>	<b>345,926,227</b>	<b>374,089,703</b>	<b>353,537,977</b>
Non-controlling interests		(52,213)	(226,292)	-	-
<b>Total shareholders' equity</b>		<b>356,833,213</b>	<b>345,699,935</b>	<b>374,089,703</b>	<b>353,537,977</b>
<b>Total liabilities and shareholders' equity</b>		<b>792,151,405</b>	<b>772,437,719</b>	<b>777,386,817</b>	<b>749,561,594</b>

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENTS OF COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 31 DECEMBER 2023

		(Unit : Baht)			
		Consolidated		Separate	
Notes	2023	2022	2023	2022	
<b>Revenue</b>					
Revenue from sales	448,020,423	466,011,886	391,367,161	425,349,188	
Revenue from services	435,098,927	409,155,166	404,047,390	352,349,608	
Other income	22,982,183	14,532,117	31,911,195	22,330,032	
<b>Total revenue</b>	<b>906,101,533</b>	<b>889,699,169</b>	<b>827,325,746</b>	<b>800,028,828</b>	
<b>Expenses</b>					
Cost of sales	(263,370,317)	(293,983,983)	(231,257,041)	(272,270,621)	
Costs of rendering services	(250,729,388)	(226,334,939)	(238,789,532)	(187,415,695)	
Distribution costs	(197,660,611)	(198,946,287)	(178,853,234)	(181,180,743)	
Administrative expenses	(124,019,748)	(111,832,540)	(102,753,704)	(97,985,116)	
<b>Total expenses</b>	<b>(835,780,064)</b>	<b>(831,097,749)</b>	<b>(751,653,511)</b>	<b>(738,852,175)</b>	
<b>Profit (loss) from operating activities</b>	<b>70,321,469</b>	<b>58,601,420</b>	<b>75,672,235</b>	<b>61,176,653</b>	
Finance costs	(758,212)	(669,589)	(621,322)	(584,334)	
Gains and reversals of Expected Credit Loss (Expected Credit Loss)					
which is in accordance with TFRS 9	(181,384)	221,611	(174,733)	(789,345)	
<b>Profit (loss) before income tax expenses</b>	<b>69,381,873</b>	<b>58,153,442</b>	<b>74,876,180</b>	<b>59,802,974</b>	
Tax income (expense)	22 (18,484,459)	(11,654,591)	(15,124,454)	(12,520,942)	
<b>Profit (loss) for the year</b>	<b>50,897,414</b>	<b>46,498,851</b>	<b>59,751,726</b>	<b>47,282,032</b>	
<b>Other comprehensive income :</b>					
<b>Components of other comprehensive income that will be reclassified to profit or loss :</b>					
Exchange differences on translating financial statement	(564,136)	(803,802)	-	-	
<b>Total components of other comprehensive income that will be reclassified to profit or loss</b>	<b>(564,136)</b>	<b>(803,802)</b>	<b>-</b>	<b>-</b>	
<b>Components of other comprehensive income that will not be reclassified to profit or loss:</b>					
Gains (losses) re-measurement of defined employee benefit plans	-	(1,205,050)	-	(1,565,880)	
<b>Total components of other comprehensive income that will not be reclassified to profit or loss</b>	<b>-</b>	<b>(1,205,050)</b>	<b>-</b>	<b>(1,565,880)</b>	
<b>Total comprehensive income (expense) for the year</b>	<b>50,333,278</b>	<b>44,489,999</b>	<b>59,751,726</b>	<b>45,716,152</b>	
<b>Profit (loss) attributable to :</b>					
Owners of parent	50,723,335	46,473,736	59,751,726	47,282,032	
Non-controlling Interests	174,079	25,115			
	<b>50,897,414</b>	<b>46,498,851</b>			
<b>Total comprehensive income (expense) attributable to :</b>					
Owners of parent	50,159,199	44,464,884	59,751,726	45,716,152	
Non-controlling Interests	174,079	25,115			
	<b>50,333,278</b>	<b>44,489,999</b>			
<b>Basic earnings (loss) per share</b>					
Profit (loss) from continuing operations (baht per share)	23 0.18	0.17	0.21	0.17	

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENTS OF CHANGES IN  
 SHAREHOLDERS' EQUITY  
 FOR THE YEAR ENDED  
 31 DECEMBER 2023

(Unit : Baht)

Consolidated												
Equity attributable to owners of the Company's shareholders												
Notes	Issued and paid share capital	Share Premium (discount) on ordinary shares	Deficit from business combinations under common control	Retained earnings		Financial statement conversion	Other components of shareholders' equity			Total shareholders' equity of parent company	Non-controlling Interests	Total shareholders' equity
				Appropriated	Unappropriated		Gains (losses) re-measurements of defined employee benefit plans	Surplus from change in shareholding percentage in subsidiaries	Total other components of shareholders' equity			
<b>Beginning balance as at 1 January 2022</b>	140,000,000	146,725,000	954,644	14,000,000	53,767,173	654,522	-	1,360,004	2,014,526	357,461,343	(251,407)	357,209,936
Dividend	19	-	-	-	(56,000,000)	-	-	-	-	(56,000,000)	-	(56,000,000)
Total comprehensive income (expense) for the year	-	-	-	-	46,473,736	(803,802)	(1,205,050)	-	(2,008,852)	44,464,884	25,115	44,489,999
Transferred to retained earnings	-	-	-	-	(1,205,050)	-	1,205,050	-	1,205,050	-	-	-
<b>Ending balance as at 31 December 2022</b>	140,000,000	146,725,000	954,644	14,000,000	43,035,859	(149,280)	-	1,360,004	1,210,724	345,926,227	(226,292)	345,699,935
Dividend	19	-	-	-	(39,200,000)	-	-	-	-	(39,200,000)	-	(39,200,000)
Total comprehensive income (expense) for the year	-	-	-	-	50,723,335	(564,136)	-	-	(564,136)	50,159,199	174,079	50,333,278
<b>Ending balance as at 31 December 2023</b>	140,000,000	146,725,000	954,644	14,000,000	54,559,194	(713,416)	-	1,360,004	646,588	356,885,426	(52,213)	356,833,213

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)  
 FOR THE YEAR ENDED 31  
 DECEMBER 2023

(Unit : Baht)

	Not es	Separate						
		Issued and paid share capital	Share Premium (discount) on ordinary shares	Retained earnings		Other components of shareholders' equity		
				Appropriated	Unappropriat ed	Gains (losses) re-measurements of defined employee benefit plans	Total other components of shareholders' equity	Total shareholders' equity
<b>Beginning balance as at 1</b>								
January 2022		140,000,000	146,725,000	14,000,000	63,096,825	-	-	363,821,825
Dividend	19	-	-	-	(56,000,000)	-	-	(56,000,000)
Total comprehensive income (expense) for the year		-	-	-	47,282,032	(1,565,880)	(1,565,880)	45,716,152
Transferred to retained earnings		-	-	-	(1,565,880)	1,565,880	1,565,880	-
<b>Ending balance as at 31</b>								
December 2022		140,000,000	146,725,000	14,000,000	52,812,977	-	-	353,537,977
Dividend	19	-	-	-	(39,200,000)	-	-	(39,200,000)
Total comprehensive income (expense) for the year		-	-	-	59,751,726	-	-	59,751,726
<b>Ending balance as at 31</b>								
December 2023		140,000,000	146,725,000	14,000,000	73,364,703	-	-	374,089,703

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	(Unit : Baht)			
		Consolidated		Separate	
		2023	2022	2023	2022
<b>Cash flows from operating activities</b>					
Profit (loss) before income tax for the year		69,381,873	58,153,442	74,876,180	59,802,974
<b>Adjustment of profit (loss) on cash received (paid)</b>					
Adjustment on Financial cost		758,212	669,589	621,322	584,334
Adjustment on Trade and other current receivable (increase) decrease		(36,489,400)	(33,171,734)	(35,712,779)	(30,237,143)
Adjustment on Trade from other operating activities (increase) decrease		(6,787,807)	(12,482,209)	(6,929,220)	(9,384,745)
Adjustment on Inventories (increase) decrease		15,696,918	(19,733,204)	15,754,159	(16,298,483)
Adjustment on Other assets (increase) decrease		3,129,326	(4,480,181)	2,980,902	(3,628,587)
Adjustment on Trade and other current account payable increase (decrease)		(9,020,192)	23,756,296	(7,941,786)	19,051,723
Adjustment on Trade from other operating activities increase (decrease)		12,703,997	14,586,178	12,961,084	12,116,768
Adjustment on Other liabilities increase (decrease)		(6,273,844)	(517,557)	(7,080,972)	190,000
Depreciation Depletion and Amortization charge	12,13,14	28,700,927	25,351,831	23,950,813	20,846,940
Adjustment for loss on impairment of assets (reversal)	5, 11	-	-	(8,250,210)	(1,840,974)
Adjustment on Reduction of inventories to net realisable value (reversal)	9	1,531,753	1,566,997	1,603,253	1,530,946
Adjustment on Provisions liabilities (reversal)		7,696,726	7,527,365	6,152,703	7,474,586
Adjustment on Unrealized Loss (Gain) on exchange rate		368,157	(285,881)	368,157	(285,881)
Adjustment Bad debts and allowance for doubtful accounts (reversal)	7	(242,292)	1,582,837	(152,108)	571,880
Adjustment on Loss (Gain) from sales of non-current assets					
- Property, plant and equipment	12	(3,441,862)	(2,370,630)	(3,988,778)	(2,388,178)
Other Adjustment on Cash generated from investments		(4,035,179)	(1,147,926)	(5,274,259)	(1,623,920)
Other Adjustment - Amortization assets	12,14	1,344,144	951,289	1,284,422	951,289
<b>Cash provided from (used in) operating activities</b>		<b>75,021,457</b>	<b>59,956,502</b>	<b>65,222,883</b>	<b>57,433,529</b>
Interest income		644,523	704,300	619,783	700,852
Income tax recoverable (paid out)		(18,451,288)	(18,625,125)	(17,729,347)	(19,317,367)
Cash received (paid) from other activities - Provision for employee benefits		(2,396,912)	(1,551,308)	(785,580)	(1,425,804)
<b>Net cash provided from (used in) operating activities</b>		<b>54,817,780</b>	<b>40,484,369</b>	<b>47,327,739</b>	<b>37,391,210</b>
<b>Cash flows from investing activities</b>					
Cash received from the sale of property, plant and equipment	12	6,754,547	4,531,547	6,538,810	4,523,898
Cash paid for purchase of property, plant and equipment	12	(11,539,007)	(27,793,224)	(9,312,620)	(27,140,443)
Cash paid for purchase of intangible assets	14	(3,154,817)	(8,528,170)	(3,046,447)	(8,407,598)
Advance payments and loans to other persons or related parties	5	-	-	(6,000,000)	-
Cash received from advance payment and loans to other persons or related parties	5	-	-	338,144	7,047,011
Interest income		-	-	1,925,943	357,299
Other cash (paid) from investing activities - financial assets	10	15,313,578	(140,816,222)	15,313,578	(140,816,222)
<b>Net cash flows provided from (used in) investing activities</b>		<b>7,374,301</b>	<b>(172,606,069)</b>	<b>5,757,408</b>	<b>(164,436,055)</b>



## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2023

		(Unit : Baht)			
		Consolidated		Separate	
	Notes	2023	2022	2023	2022
<b>Cash flows from financing activities</b>					
Interest expense	16	(758,212)	(669,589)	(621,322)	(584,335)
Dividend	19	(39,200,000)	(56,000,000)	(39,200,000)	(56,000,000)
Cash paid for lease liabilities	16	(5,393,072)	(4,992,348)	(4,101,945)	(3,701,221)
<b>Net cash flows provided from (used in) financing activities</b>		<b>(45,351,284)</b>	<b>(61,661,937)</b>	<b>(43,923,267)</b>	<b>(60,285,556)</b>
<b>Cash and cash equivalents increase (decrease) before exchange</b>					
rate effects		16,840,797	(193,783,637)	9,161,880	(187,330,401)
Impact of exchange rate on cash and cash equivalents		(564,136)	(803,802)	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>16,276,661</b>	<b>(194,587,439)</b>	<b>9,161,880</b>	<b>(187,330,401)</b>
<b>Cash and cash equivalents - beginning balance</b>		<b>166,237,358</b>	<b>360,824,797</b>	<b>159,344,769</b>	<b>346,675,170</b>
<b>Cash and cash equivalents - ending balance</b>		<b>182,514,019</b>	<b>166,237,358</b>	<b>168,506,649</b>	<b>159,344,769</b>

**Additional information for cash flows**

1. For the purpose of preparing the statement of cash flows, cash and cash equivalents items include cash and banks deposits and short-term investment in promissory notes which are due within 3 months.
2. During the period 2022, the company has transferred of advance expenses - research and development in other receivable in the amount of Baht 0.77 million to intangible assets. (Note 14)
3. During the period 2022, the group company has agreement property and equipment has financial lease in financial statements in the amount of Baht 13.43 million. (Notes 13)
4. During the period 2023, the company has transferred of advance expenses - research and development in other receivable in the amount of Baht 1.27 million to property, plant and equipment. (Note 12)
5. During the period 2023, the group company has agreement property, equipment and vehicle has financial lease in financial statements in the amount of Baht 10.14 million. (Notes 13)
6. During the period 2023, the company has transferred of advance expenses - research and development in other receivable in the amount of Baht 0.96 million to intangible assets. (Note 14)

**APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2023****1. GENERAL INFORMATION**

AppliCAD Public Company Limited, previously named ("AppliCAD Company Limited"). The Company registered to be a public company limited on 7 December 2018, registration number 0107561000471. The company was established the Company Limited in Thailand. The Company's main business is sale of computer programs and maintenance services for computer programs, machines and equipment to design and development of products and other related services. By the registered address is 69 Soi Sukhumvit 68, Sukhumvit Road, Bangna - Nuea, Bangna, Bangkok 10260 and on 26 May 2022, the company registered an additional branch located at 10, 10/1-4 Soi Kuson Sin, Bangna - Nuea, Bangna, Bangkok 10260.

**2. BASIS FOR FINANCIAL STATEMENTS PREPARATION AND PRINCIPLES OF CONSOLIDATED FINANCIAL STATEMENTS****2.1. Basis for financial statements preparation**

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The financial statements in English language have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or interpretation in two different languages, the Thai version of the financial statements shall main.

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 2.2. Basis of consolidation financial statements

- A) The consolidated financial statements include the financial statements of AppliCAD Public Company Limited and the subsidiaries has control or holds more than 50 percent of the shares with voting rights as follows:

Company's name	Nature of business	Country of incorporation	Nature of business shareholding (%)	
			As at 31 Decemb er 2023	As at 31 Decemb er 2022
Deti Co., Ltd.	Training of computer program	Thailand	100.00	100.00
Rabbit Prototype Co., Ltd.	Hired the production of works pieces	Thailand	100.00	100.00
PT Indonesia AppliCAD Co., Ltd.	Distribution of computer program	Indonesia	67.00*	67.00*

\*The Company owns 180,900 PT Indonesia AppliCAD Company Limited shares, or 67 percent of the company's total issued shares. According to the Articles of Association of PT Indonesia AppliCAD Company Limited, which the Company owns, it is entitled to receive dividends at a rate of 95 percent of PT. Indonesia AppliCAD's declared dividends. It is used in the consolidation of financial accounts The corporation is thought to have invested 95 percent of the total shares.

- B) The Company has combined the subsidiaries financial statements in the consolidated financial statements since the date that the company has the authority to control in the subsidiaries until the end of that authority.
- C) The subsidiaries financial statements have been prepared by using the significant accounting policies which are the same as the company.
- D) The assets and liabilities of the subsidiaries financial statements established in the foreign country has changed the currency into Baht at the end of the reporting period. Moreover, the revenues and expenses have changed into Baht as the monthly average which its difference of the exchange rate is shown as the difference from convention of the financial statements in foreign currencies in the statement of changes in shareholders' equity.

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

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- E) The outstanding balances between the company and its subsidiaries, the significant intercompany transactions have been eliminated from the consolidated financial statements.
- F) The equity of non-controlling stakeholder is the profit or loss and the net assets of the subsidiaries that is not a part of the company and it is shown separately in the consolidated profit or loss and the shareholders equity is shown in the consolidate financial statements.

The Company has prepared the financial statements for the benefits of the public by showing the investment in its subsidiaries as the cost method.

The transections with its subsidiaries that matter have already been deducted from the consolidated financial statements.

The consolidated financial statements have been prepared with the same accounting policies for the separate financial statements for the same accounting transactions or accounting events.

### 2.3. New financial reporting standards

#### A) Financial reporting standards that became effective in the current period

During the year, the group has adopted the revised and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the group's financial statements.

### 2.4. New and amende financial reportings standards that are effective accounting period befinning or after 1 January 2024

Certain amended TFRSs have been issued that are not mandatory for the current reporting period and have not been early adopted by the group.

- A) **Amendment to TAS 1 - Presentation of financial statements** revised the disclosure from 'significant accounting policies' to 'material accounting policies' The amendment also provides guidelines on identifying when the accounting policy information is material. Consequently, immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

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- B) **Amendment to TAS 8 - Accounting policies, changes in accounting estimates and errors** revised to the definition of ‘accounting estimates’ to clarify how the group company should distinguish between changes in accounting policies and changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to transactions, other events and conditions from the date of that change. Whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period as if the new accounting policy had always been applied.
- C) **Amendments to TAS 12 - Income taxes** require companies to recognise deferred tax related to assets and liabilities arising from a single transaction that, on initial recognition, gives rise to equal amounts of taxable and deductible temporary differences. Example transactions are leases and decommissioning obligations.

The amendment should be applied to transactions on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that they can probably be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- Right of use assets and lease liabilities, and
- Decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised at the beginning of retained earnings or another component of equity, as appropriate.

The impact of the amended financial reporting standards is under the management’s consideration.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1. Revenue recognition

##### Revenue from sales

Revenue from sales is recognised at the point in time when control of the asset is transferred to the customer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Revenue arrangements with multiple deliverables are allocated between the element in proportion to the delivered products and the obligations to be performed in providing services

**APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2023**

that are included in the contract. Using the basis of standalone selling prices of different products or services as obligated in the contract.

The recognised revenue which is not yet due per the contracts has been presented under the caption of “Contract asset” in the statement of financial position. The amounts reclassified to other receivables when the Company right to consideration is unconditional.

The obligation to provide to a customer have received from the customer is presented under the caption of “Contract liability” in the statement of financial position. Contract liabilities are recognised as revenue when the company perform under the contract.

**Revenue from service**

Revenue from services is recognised when the company and its subsidiaries has provided the service, by consider the stage of completion which is calculated in accordance with the total cost of service incurred to the total eaitimated cost that will be used inproviding in service under the contract.

**3.2. Cash and cash equivalents**

Cash and cash equivalents are cash and bank deposits and short-term investments with high liquidity which is due to be repaid within a period of not more than 3 months from the date of acquisition and there are no restrictions on withdrawal.

**3.3. Financial instruments**

The group company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

**Impairment on financial assets**

The group company uses a simple method of calculating expected credit losses for trade accounts receivable and contract assets. Therefore, the group company does not follow up changes in credit risk Instead, allowance for losses is recognized on the basis of expected credit losses over the life of trade accounts receivable and contract assets. Based on credit loss data from past experience and adjusted with forward-looking information about the debtor and its economic environment.

**3.4. Advance payment for services performed**

Advance payment for services are service costs that the company has paid in advance to

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

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purchase services for a period. To be consistent with the period of service required which is recorded in liabilities arising from contracts prepaid service costs will be recognized over the contract period using the straight-line method. The duration of the contract is 1-5 years.

**3.5. Contract assets**

Contract assets are the company provides services to customers but the contract condition for issuing an invoice have not yet been reached. The company record revenue and contract assets according to the proportion end of period.

**3.6. Inventory**

Inventories are stated at cost. (First in first out method) or net realizable value whichever is lower. The cost of purchase includes the purchase price and expenses directly related to the purchase of goods, such as import duties and transportation charges, less a discount of payment terms and other discount net realizable value is the estimate of the selling price in the ordinary course of business, less estimated costs to sell.

**3.7. Short-term loans**

Short-term loans into the company separate financial statements reveal the cost and less impairment. (if any)

**3.8. Investments**

Investments in subsidiaries companies into the company separate financial statements reveal the cost and less impairment. (if any)

**3.9. Property, plant and Leasehold improvements and equipment and Depreciation**

Land reveal at cost. Leasehold improvements and equipment reveal at cost less accumulated depreciation and allowance for loss on impairment of assets (if any)

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings	24 - 28	years
Leasehold improvements	5, 10, 20	years
Furniture, fixtures and office equipment	3, 4, 5	years
Tools and Equipment	5, 10	years
Vehicles	5	years

Depreciation included in the calculation of performance.

No depreciation is provided on land and assets under installation

The group company leasehold improvements and equipment are derecognised from the accounts upon disposal or when no expected future economic benefit from its use or disposal.

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

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Any gain or loss on disposal are recognized in profit or loss when the Company and its subsidiaries assets derecognised from the accounts.

**3.10. Leases**

At inception of contact, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company assesses the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercise by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

The Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e., the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use the underlying assets and lease liabilities based on lease liabilities based on lease payments.

**A) Right of use assets**

Right-of-use assets are measured at cost, less any accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Depreciation of right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of their estimated useful lives and the lease term, as follows:

The Right-of-used-land	2 - 3 years
The Right-of-used-building rental area	3 years



## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

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## B) Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the company uses its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

## C) Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

**3.11. Intangible assets and amortizations**

Intangible assets which is computer software are shown the values as the costs deducted the accumulated amortizations and the allowance for impairment of assets (if any).

The Company and its subsidiaries amortized the computer softwares as the straight-line method throughout the useful life approximately about 4 - 5 years. The amortization is including in the performance calculations.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

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- It is technically feasible to complete the software product so that it will be available for use.
- Management intends to complete the software product and use or sell it.
- There is an ability to use or sell the software product.
- It can be demonstrated how the software product will generate probable future economic benefits.
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available.
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of a computer program include the computer program development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an intangible asset in a subsequent period.

The expense of developing a computer program because it is still in development, there is no amortization of intangible assets.

**3.12. Business transactions with related parties**

The related parties with the Company mean the people or the company has control or controlled the company, either directly or indirectly, or under the same control as the Company.

In addition, the related parties include the associated companies and the people which have the rights to vote both directly or indirectly also have significant influence on the Company management, directors or employees of the Company has a power to plan and control the operations of the Company.

**3.13. Foreign currencies**

The Company has presented the consolidated and separate financial statements in Thai Baht, which is the currency used in the operation of the company. The transactions of each business included in the consolidated financial statements are measured by the currency used in the operation of each business.

The foreign currency transactions are converted into Thai Baht by using the exchange rate at the date of the transaction. The monetary assets and liabilities denominated in foreign currencies are converted into Thai Baht by using the exchange rate at the end of the period.

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

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The profits and losses arising from the changes in exchange rate are included in the calculation of operating performance.

**3.14. Impairment of assets**

At the end of the reporting period, the Company and its subsidiaries will evaluate the impairment of leasehold improvement and equipment or other intangible assets and investments of the Company. If there is any indication such of assets may be impaired, the Company and its subsidiaries recognize the impairment losses when the recoverable amount of the assets is lower than the book value of that asset. The recoverable amount is the fair value deducted costs to sell and the value of the assets, whichever is higher.

The Company and its subsidiaries will recognize the impairment losses in profit or loss.

**3.15. Contract liabilities**

Contract liability is an obligation to transfer goods or services to a customer. Contract liabilities are recognized when the services are rendered by the Group over the contract period.

**3.16. Provision for employee benefits***Short-term employee benefits*

*The group company recognizes the salaries, wages, bonus and contributions to the social security fund are recognised as expenses when incurred.*

*Post - employee benefits and other long - term employee benefits**Defined contribution plans*

The Company and its subsidiaries employee have set up a provident fund. The provident fund is monthly contributed by employees and by the Company and its subsidiaries. The provident fund's assets are held in a separate trust fund from the Company and its subsidiaries. The Company and its subsidiaries contributions are recognised as expenses when incurred.

*Post - employment benefits and other long - term employee benefits.*

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The company and its subsidiaries treat these severance payment obligations as a defined benefit plan. In addition, the company and its subsidiaries have other long-term employee benefits plan such as the term performance award program.

The Company and its subsidiaries calculate liabilities under employee post-employment benefit plan and other long-term employee benefits plan. By a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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The results of profit or loss arising from the actuarial science for the employee benefits after leaving are recognized immediately in the other comprehensive income.

The results of profit or loss arising from the actuarial science for the other long-term benefit plans, employees are recognized immediately in the profit and loss.

The liabilities of post employee benefits and the liabilities of the other long-term benefit plans comprise of the present value of obligations under the defined benefit plans which is deducted by the unperceived costs of service in the past and the unperceived actuarial profits or losses.

**3.17. Provisions**

Provisions are recognised when the Company and its subsidiaries has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

**3.18. Income taxes**

The income taxes comprise of the current income taxes and the deferred income taxes.

**The current income taxes**

The Company and its subsidiaries record the the current income taxes as the expected amount to be paid to the tax authorities' government by calculating of the taxable income in accordance with the tax law.

**The deferred income taxes**

The Company and its subsidiaries record the the deferred income taxes of the temporary differences between the carrying amounts of assets and liabilities as the end of the reporting period the taxes based of the assets and the liabilities concerned.

The Company and its subsidiaries recognize the deferred income tax liabilities of the temporary differences of all taxable lists but recognize of the deferred tax assets for the deductible temporary tax differences including the tax losses which have not been used as the number of possibilities for the Company and its subsidiaries to receive the sufficient future taxable profits to take the advantages of the temporary differences between the taxes and the unused tax losses.

The Company and its subsidiaries will review the book value of the deferred tax assets at the end of the reporting period and will reduce the book value thereof. If there is the possibility of the Company and its subsidiaries have not the sufficient taxable profits for the deferred tax assets completely or partially for utilization.

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

The Company and its subsidiaries will record the deferred taxes directly to the shareholder's equity if the taxes relate to the transactions that are recorded directly to shareholder's equity.

**4. DISCRETION AND ESTIMATION OF SIGNIFICANT ACCOUNTING**

In order to prepare the financial statements in accordance with the Financial Reporting Standards, the management has to inherently use the discretion and estimation about the uncertainties. The discretion and estimation above will affect the amounts shown in the financial statements and the information presented in the notes to the financial statements. Actual result may differ from the estimated amount. Discretion and estimation of significant are as follows:

**Determining the lease term with extension and termination options - The Group as a lessee**

In determining the lease term, the management is required to exercise judgment in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease, considering all relevant factors and circumstances that create an economic incentive for the Group to exercise either the extension or termination option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

**Allowance for expected credit losses of trade receivables and contract assets**

In determining an allowance for expected credit losses of trade receivables and contract assets, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

**Allowances for product value to decreases**

To provide the financial statements showing the real value of inventories and the Company's operating performances, the Company has reconsidered the policy guidelines for impairment of inventories to cover all types of products as the finished products, spare parts and consumables by considering the book value of the assets above which higher than the value of products that are expected to be returned including the impairment of such the assets according to the age of holding dept for a long time and no movement in some cases.

**Leasehold improvements and equipment and depreciation**

In calculating the depreciation of leasehold improvements and equipment, the management is required to estimate the useful life and the residual values after using of leasehold improvements and equipment and has to review the useful life and the residual value if the changes occur.

**APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2023**

Moreover, the management is required to review the impairment of the leasehold improvements and equipment in each period and they have to record the losses from the impairments that are expected to be lower than the book value of such the assets. In this case, the management is required to use the discretion related the forecast of the future incomes and expenses associated with the assets.

**Allowance for impairment of investments in subsidiaries**

In the estimation of allowance for impairment of investments in subsidiaries, management considers the information of losses from the previous operating and that is expected to occur in the future according to estimates including other factors.

**Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

**Deferred tax assets**

The Company and its subsidiaries will perceive the deferred tax assets of the temporary differences for the tax deductions and the unused tax losses when there is the possibility that the Company and its subsidiaries will receive the sufficient future taxable profits to take the advantages of the temporary differences and the losses. In this case, the management is required to estimate how

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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much of the deferred tax assets that the Company and its subsidiaries should perceive by considering the amount of taxable profit expected in each future period.

#### Post-employment benefits under defined benefit plans and other long-term employee benefits

The provisions under the defined benefit plans after the employees leave and the other long-term employee benefit plans are estimated as the actuarial science which requires the various assumptions such as the discount rates, the future salary incremental rates, the mortality rates and the changes in the number of employees rates.

#### 5. RELATED PARTY TRANSACTIONS

Related parties and companies have transactions involving related persons, assets, liabilities, income, and expenses occurred from the transactions with the related parties above. These related parties are associated with the shareholders and/or the same group of committees. These financial statements include the results of such transactions as following criteria.

##### Relationship

Name of Company	Relationship
Deti Company Limited	Subsidiaries
Rabbit Prototype Company Limited	Subsidiaries
PT Indonesia AppliCAD Company Limited	Subsidiaries

During the year ended 31 December 2023 and 2022, the Company had significant business transactions with related parties and companies. Such business transactions are subject to commercial terms and criteria agreed between the Company and related parties and companies. The important business transactions with related persons and companies can be summarized as follows:

		(Unit : Baht)	
		Separate	
		For the years ended 31 December	
	Relationship	2023	2022
Revenue from sales	Subsidiaries	4,344,456	3,510,562
Revenue from services	Subsidiaries	210,238	188,504
Other income	Subsidiaries	2,696,194	1,843,692
Purchasing of finished goods	Subsidiaries	143,484	386,628
Purchasing of services	Subsidiaries	30,614,868	25,123,740
Other Expenses	Subsidiaries	645,008	1,337,520
Interest received	Subsidiaries	950,732	893,109

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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The Company has agreed to enter into a service contract with PT Indonesia AppliCAD Company Limited at amount of USD 2,656.25 per month from 1 January 2023 to 31 March 2023 and at amount of USD 3,156.25 per month from 1 April 2023 to 31 December 2023. The contract has a period of 1 year.

The Company has agreed to enter into a service contract with PT Indonesia AppliCAD Company Limited at amount of USD 3,156.25 per month from 1 January 2024 to 31 December 2024. The contract has a period of 1 year.

The Company has renewed land agreement with major shareholder. The rental rate is Baht 55,000 per month. The agreement has a period of 3 years from 1 July 2022 to 30 June 2025.

The balances of the accounts as at 31 December 2023 and at 31 December 2022 between the Company and those related parties are as follows:

	(Unit : Baht)	
	As at 31 December 2023	As at 31 December 2022
<b>Trade and other receivables</b>		
Subsidiaries	3,542,893	3,573,720
<b>Trade and other payables</b>		
Subsidiaries	1,672,169	3,439,029

**Loans and accrued interest receivable to related parties**

Outstanding of loans and accrued interest receivable among company and subsidiaries, related companies and directors as at 31 December 2023 and at 31 December 2022, the movements of loans and accrued interest receivable were as follows:

	(Unit : Baht)			
	Separate			
	As at 31 December 2022	Increase	Decrease	As at 31 December 2023
<b>Short-term loans</b>				
Subsidiaries	21,635,936	1,583,333	(338,144)	22,881,125
Accrued interest receivables	2,435,269	915,578	(61,856)	3,288,991
<u>Less</u> Expected credit loss	(8,440,513)	-	1,800,845	(6,639,668)
<u>Less</u> Discount on loans	-	(344,511)	-	(344,511)
<b>Total</b>	<b>15,630,692</b>			<b>19,185,937</b>



## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

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	(Unit : Baht)			
	Separate			
	As at 31 December 2022	Increase	Decrease	As at 31 December 2023
Long-term loans	-	4,416,667	-	4,416,667
Total	-			4,416,667

As at 31 December 2023, the Company has loans under agreements with relates company amount of Baht 27.30 million, as follows:

1. DETI Company Limited, the agreement has an interest rate of 2.85 percent per annum. Loan payment conditions, when the borrower asked the sum of Baht 2.36 million.
2. Rabbit Prototype Company Limited, the agreement has an interest rate of 1.50 - 5.78 percent per annum. Loan payment conditions, when the borrower asked the sum of Baht 8.84 million.
3. Rabbit Prototype Company Limited, the agreement has an interest rate of 6.80 percent per annum. Loan payment conditions, 11 installments, starting from 31 January 2024 to 30 November 2024, worth Baht 1.00 million.
4. Rabbit Prototype Company Limited, the agreement has an interest rate of 6.80 percent per annum. Loan payment conditions, 24 installments, starting from 31 July 2024 to 30 June 2026, worth Baht 2.00 million.
5. Rabbit Prototype Company Limited, the agreement has an interest rate of 2.25 percent per annum. Loan payment conditions, 36 installments, starting from 31 December 2024 to 30 November 2027, worth Baht 3.00 million.
6. PT Indonesia AppliCAD Company Limited, the agreement has an interest rate of 6.25 and 4.00 percent per annum. Loan payment conditions, when the borrower asked the sum of Baht 7.16 and 2.95 million.

During the year 2023, the Company reversed the allowance for impairment of loan based on the amount received. During the year, the Company received payments about Baht 1.80 million.

The significant transactions between the Group and the companies and related parties which has been included in the financial statements as at 31 December 2023 and at 31 December 2022 as follows:

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
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	(Unit : Baht)			
	Consolidated / Separate			
	As at 31 December 2022	Increase	Decrease	As at 31 December 2023
<u>Lease liabilities</u>				
(Major Shareholder)				
Lease liabilities	1,650,000	-	(660,000)	990,000
Deferred interest expenses	(106,851)	-	66,878	(39,973)
Lease liabilities - net	<u>1,543,149</u>			<u>950,027</u>

**Remuneration of directors and management**

During the years ended 31 December 2023 and 2022, the Company and its subsidiaries had employee benefit expenses paid to directors and management as follows:

	(Unit : Baht)			
	For the years ended 31 December			
	Consolidated		Separate	
	2023	2022	2023	2022
Short-term employee benefits	36,990,777	33,769,674	31,464,567	30,868,312
Post employment benefits	1,071,586	505,722	946,944	442,584
Total	<u>38,062,363</u>	<u>34,275,396</u>	<u>32,411,511</u>	<u>31,310,896</u>

	(Unit : Baht)			
	For the years ended 31 December			
	Consolidated		Separate	
	2023	2022	2023	2022
Provision for employee benefits				
- Management	10,055,483	8,808,970	7,904,297	6,792,786

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 6. CASH AND CASH EQUIVALENTS

As at 31 December 2023 and at 31 December 2022 comprise the following:

(Unit : Baht)

	Consolidated		Separate	
	As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
Cash	45,137	52,144	-	-
Deposits	180,263,760	159,002,520	166,301,527	152,162,075
Check received and still waiting cashing	2,205,122	7,182,694	2,205,122	7,182,694
Total Cash and Cash equivalents	182,514,019	166,237,358	168,506,649	159,344,769

As at 31 December 2023, cash at banks - saving accounts carry interest at the rates of 0.15 - 0.70 per annum. (2022: rates 0.15 - 0.35 per annum) and fixed deposit period is less than 3 months, has an interest rate of 2.15 percent per annum.

## 7. TRADE AND OTHER CURRENT RECEIVABLES

As at 31 December 2023 and at 31 December 2022 comprise the following:

(Unit : Baht)

	Consolidated		Separate	
	As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates not yet due				
Undue	-	-	2,622,683	363,744
Overdue				
Less than 3 months	-	-	532,224	2,640,162
Over 3 months to 6 months	-	-	-	66,683
Total	-	-	3,154,907	3,070,589
<u>Less</u> Expected credit loss	-	-	(2,192)	(1,145,045)
Total trade receivables - related parties	-	-	3,152,715	1,925,544
<u>Trade receivables - unrelated parties</u>				

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

(Unit : Baht)

	Consolidated		Separate	
	As at	As at	As at	As at
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Aged on the basis of due dates not yet due				
Undue	69,066,780	60,174,707	59,312,647	47,654,600
Overdue				
Less than 3 months	27,190,169	24,506,232	25,910,915	22,737,632
Over 3 months to 6 months	1,358,178	717,609	1,231,834	407,980
Over 6 months to 12 months	1,401,546	80,009	1,368,358	68,346
Over 12 months	1,261,672	389,518	700,540	40,125
Total	100,278,345	85,868,075	88,524,294	70,908,683
<u>Less</u> Expected credit loss	(2,734,508)	(2,924,210)	(2,445,926)	(1,240,779)
Total trade receivables - unrelated parties	97,543,837	82,943,865	86,078,368	69,667,904
Other receivables - related parties	-	-	387,986	503,131
<u>Less</u> Expected credit loss	-	-	(2,511)	(164,323)
Net	-	-	385,475	338,808
Other receivables - unrelated parties	15,016,261	11,483,254	10,182,674	7,605,017
<u>Less</u> Expected credit loss	-	(52,590)	-	(52,590)
Net	15,016,261	11,430,664	10,182,674	7,552,427
Total trade and other current receivables	112,560,098	94,374,529	99,799,232	79,484,683

During the year 2023, the company has transferred of advance expenses - research and development. Among other receivables, the amount of Baht 954,742 is intangible assets under development. (Notes 14)

During the year 2022, the company has transferred of advance expenses - research and development. Among other receivables, the amount of Baht 771,908 is intangible assets under development. (Notes 14)

Expected credit loss for accounts receivable has changed as follows:

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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(Unit : Baht)

	Consolidated		Separate	
	As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
Beginning balance	(2,976,800)	(1,393,963)	(2,602,737)	(2,030,857)
Increase	(6,650)	(1,582,837)	-	(571,880)
Decrease	248,942	-	152,108	-
Ending balance	<u>(2,734,508)</u>	<u>(2,976,800)</u>	<u>(2,450,629)</u>	<u>(2,602,737)</u>

The Company records or reverses allowance for expected credit losses of trade receivables based on the calculation of credit losses of trade receivables.

**8. ADVANCE PAYMENT FOR SERVICES PERFORMED / CONTRACT LIABILITIES**

As at 31 December 2023 and 31 December 2022 comprise the following:

(Unit : Baht)

	Consolidated		Separate	
	As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
Advance payment for services performed				
Contract assets	1,825,846	1,467,215	1,825,846	1,467,215
Advance payment for services performed	<u>165,259,925</u>	<u>136,470,229</u>	<u>161,104,616</u>	<u>135,580,376</u>
Total	167,085,771	137,937,444	162,930,462	137,047,591
Contract assets	(1,825,846)	(1,467,215)	(1,825,846)	(1,467,215)
Advance payment for services performed at not more than one year	<u>(128,921,975)</u>	<u>(106,920,086)</u>	<u>(127,442,924)</u>	<u>(108,847,905)</u>
Advance payment for services performed at more than one year	<u>36,337,950</u>	<u>29,550,143</u>	<u>33,661,692</u>	<u>26,732,471</u>
Contract liabilities				
Deferred Incomes	<u>240,543,827</u>	<u>233,923,672</u>	<u>232,520,674</u>	<u>226,450,563</u>

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
Total contract liabilities	240,543,827	233,923,672	232,520,674	226,450,563
Current contract liabilities	(183,523,978)	(189,607,820)	(178,289,231)	(185,180,204)
Non-current contract liabilities	57,019,849	44,315,852	54,231,443	41,270,359

Outstanding aging of contract assets.

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
Contract assets				
Outstanding debt expires				
from the contract date				
Undue	910,881	-	910,881	-
Overdue				
Less than 3 months	-	-	-	-
Over 3 months to 6				
months	507,108	1,467,215	507,108	1,467,215
Over 6 months to 12				
months	407,857	-	407,857	-
Over 12 months	-	-	-	-
Total	1,825,846	1,467,215	1,825,846	1,467,215

During the year 2023, the group company know that opening amount of lease agreement to income amount of Baht 170.86 million. (separate financial statements: amount of Baht 163.84 million.)

As at 31 December 2023, the group company expects to realize future revenues for contractual obligations with customers that have not yet performed or not completed amount of Baht 240.54 million. (separate financial statements : amount of Bath 232.52 million.), which the group company expects to complete the obligations under the said contract within 4 years and 9 months.

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 9. INVENTORIES

As at 31 December 2023 and 31 December 2022 comprise the following:

(Unit : Baht)

	Consolidated					
	Cost		Adjustment of cost deduction to net realizable value		Inventories - Net	
	As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
	Material	15,007,167	17,497,662	-	-	15,007,167
Work in process	64,226	18,133	-	-	64,226	18,133
Finished goods	36,831,928	43,877,243	(7,850,985)	(6,319,232)	28,980,943	37,558,011
Good in Transit	3,721,202	9,928,404	-	-	3,721,202	9,928,404
<b>Total</b>	<b>55,624,523</b>	<b>71,321,442</b>	<b>(7,850,985)</b>	<b>(6,319,232)</b>	<b>47,773,538</b>	<b>65,002,210</b>

(Unit : Baht)

	Separate					
	Cost		Adjustment of cost deduction to net realizable value		Inventories - Net	
	As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
	Finished goods	42,056,637	51,042,847	(7,392,174)	(5,788,921)	34,664,463
Good in Transit	3,721,202	10,489,151	-	-	3,721,202	10,489,151
<b>Total</b>	<b>45,777,839</b>	<b>61,531,998</b>	<b>(7,392,174)</b>	<b>(5,788,921)</b>	<b>38,385,665</b>	<b>55,743,077</b>

Allowance for impairment of consumables and inventories has been changed during the year as follows:

(Unit : Baht)

	Consolidated		Separate	
	As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
Beginning balance	(6,319,232)	(4,752,235)	(5,788,921)	(4,257,975)
Increase	(1,531,753)	(1,566,997)	(1,603,253)	(1,530,946)
Decrease	-	-	-	-
<b>Ending balance</b>	<b>(7,850,985)</b>	<b>(6,319,232)</b>	<b>(7,392,174)</b>	<b>(5,788,921)</b>

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

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## 10. OTHER CURRENT FINANCIAL ASSETS

As at 31 December 2023 and 31 December 2022, the Company has fixed deposits with a financial institution amount of Baht 126.50 million and amount of Baht 141.82 million and for a period of 6 and 12 months at an interest rate of 1.75 - 4.48 percent per annum and 0.75 - 1.30 percent per annum.

## 11. INVESTMENTS IN SUBSIDIARIES

As at 31 December 2023 comprise the following:

(Unit : Baht)

Company's name	Percentage		Separate		Total investment in subsidiaries - Net	Non-controlling interests
	of shareholdin g	Paid-up share capital	Cost	Impairmen t loss on investmen ts		
Deti Co., Ltd.	99.98	1,000,000	1,123,675	-	1,123,675	-
Rabbit Prototype Co., Ltd.	100.00	5,000,000	5,380,192	-	5,380,192	-
PT Indonesia AppliCAD Co., Ltd.	67.00*	270,000 USD	6,111,736	-	6,111,736	(52,213)
<b>Total</b>					<b>12,615,603</b>	<b>(52,213)</b>

During the year 2023, the company provided a loan to subsidiary in the amount of Baht 3 million. (Note 5) The interest rate is 2.25 percent, which is lower than the market interest rate of 6.80 percent. The difference between the contract interest rate is lower than the market interest rate. According to Financial Reporting Standards No.9, Financial Instruments Considered as additional investment in subsidiaries, affecting the increase in investment of Baht 0.38 million.

During the year 2023, the company management determined the recoverable amount of the subsidiaries. The method is used to estimate the expected future cash flows discounted to the present value. In such matters, the Company management has to make significant judgments and estimates amount of allowance for impairment of investments in subsidiaries However, the expected recoverable value sufficient for the investment account therefore consider the reversal Allowance for impairment of investments of PT Indonesia AppliCAD Co., Ltd. amount of Baht 6.15 million and Rabbit Prototype Co., Ltd. amount of Baht 0.34 million.



## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

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As at 31 December 2022 comprise the following:

(Unit : Baht)

Company's name	Separate			Impairment loss on investments	Total investment in subsidiaries - Net	Non-controlling interests
	Percentage of shareholding	Paid-up share capital	Cost			
Deti Co., Ltd.	99.98	1,000,000	1,123,675	-	1,123,675	-
Rabbit Prototype Co., Ltd.	100.00	5,000,000	5,000,527	(337,629)	4,662,898	-
PT Indonesia AppliCAD Co., Ltd.	67.00*	270,000 USD	6,111,736	(6,111,736)	-	(226,292)
<b>Total</b>					<b>5,786,573</b>	<b>(226,292)</b>

\*The Company owns 180,900 shares of PT. Indonesia AppliCAD's Series B, accounting for 67 percent of the company's total issued shares. The Company's Series B shares will be entitled to a dividend at a rate of 95 percent of the dividend announced by PT. Indonesia AppliCAD, as provided in the Company's Articles of Association.

According to the Board of Directors Meeting No. 4/2018 held on 7 August 2018, it was decided to approve the change in shareholding in PT. AppliCAD Indonesia (APP Indo) from 99 percent to 67 percent in order to comply with the Indonesian law changes regarding foreign ownership stakes in distribution businesses. The Company has appointed a legal counsel to ensure that the maximum percentage of foreign owners is not more than 67 percent of the total number of shares sold (Distributor's sale not associated with production). To advise the company on how to comply with such rules and regulations. It will be able to keep the same level of control and benefits from APP Indo as previously.

In this context, the legal counsel has advised APP Indo to reclassify the company's shares as follows:

Shareholder	Type	No. of Shares	%
Mr. Ibnu Afi Sena (Local Shareholder)	Series A Shares	89,100	33.00
AppliCAD Co., Ltd.	Series B Shares	180,900	67.00
<b>Total Shares</b>		<b>270,000</b>	<b>100.00</b>

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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Series B shareholders have the right to receive dividends before Series A shareholders at a rate of 95 percent of APP Indo's payouts. To clarify the structure of APP Indo's shareholders, it is proposed that the meeting consider and approve the sale of 89,100 shares or 33 percent of the total issued shares of APP Indo, which are Series A shares with a 5 percent dividend right and the portion to be held by Indonesian shareholders to Mr. Ibnu Afi Sena at a price of USD 13,500 which reflects the right to receive dividends of such shares.

During the year 2022, An administrative of company has consider the recoverable amount of subsidiaries. So, an allowance of investment of subsidiaries that has estimated receivable mount of discount of cash flow to the present. Then an administrative has to make significant judgments and estimate amount allowance of investment of subsidiaries. However, the receivable amount does have loans account takes into account the allowance of investment of subsidiaries of Deti Co., Ltd. amount of Baht 1.12 million and Rabbit Prototype Co., Ltd. amount of Baht 1.81 million.

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

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## 12. PROPERTY, PLANTS AND EQUIPMENT

Property, plants and equipment as at 31 December 2023 and 2022 comprise the following:

(Unit : Baht)

	Consolidated							Total
	Land	Property	Rent buildings improvement	Office Equipment	Tool and Equipment	Vehicles	Work in Progress Building improvements	
<b>Cost</b>								
As at 1 January 2023	19,918,461	31,316,435	27,843,717	51,580,428	58,933,125	8,153,672	905,400	198,651,238
Additions	-	-	607,623	6,097,695	4,794,589	39,100	-	11,539,007
Distribution	-	-	(658,488)	(765,611)	(8,334,903)	(1,135,858)	-	(10,894,860)
Transfer in (out)	-	-	-	(787,063)	1,274,111	-	-	487,048
Amortization	-	-	-	(857,150)	(74,482)	(30,000)	(905,400)	(1,867,032)
As at 31 December 2023	19,918,461	31,316,435	27,792,852	55,268,299	56,592,440	7,026,914	-	197,915,401
<b>Accumulated Depreciation</b>								
As at 1 January 2023	-	6,143,355	13,565,042	42,081,324	26,292,670	4,077,166	-	92,159,557
Depreciation for the year	-	1,223,064	2,425,127	5,210,426	10,519,401	1,296,719	-	20,674,737
Depreciation for distribution	-	-	(250,136)	(730,779)	(5,465,404)	(1,135,856)	-	(7,582,175)
Depreciation for amortization	-	-	-	(855,344)	(15,605)	(29,999)	-	(900,948)
As at 31 December 2023	-	7,366,419	15,740,033	45,705,627	31,331,062	4,208,030	-	104,351,171
<b>Differences on translating financial statement</b>								1,944,814
<b>Book Value</b>								
As at 31 December 2023	19,918,461	23,950,016	12,052,819	9,562,672	25,261,378	2,818,884	-	95,509,044
<b>Depreciation for the year 2023</b> (amount of Baht 2.35 million included in the service costs. The rest is included in sales and administrative expenses)								20,674,737

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

(Unit : Baht)

	Consolidated							Total
	Land	Property	Rent buildings improvement	Office Equipment	Tool and Equipment	Vehicles	Work in Progress Building improvements	
<b>Cost</b>								
As at 1 January 2022	19,918,461	31,316,435	22,803,586	48,430,507	47,070,467	8,909,531	586,620	179,035,607
Additions	-	-	1,544,631	4,906,167	15,264,503	1,809,143	4,268,780	27,793,224
Distribution	-	-	-	(480,037)	(3,163,529)	(2,565,002)	-	(6,208,568)
Transfer in (out)	-	-	3,950,000	-	-	-	(3,950,000)	-
Amortization	-	-	(454,500)	(1,276,209)	(238,316)	-	-	(1,969,025)
As at 31 December 2022	19,918,461	31,316,435	27,843,717	51,580,428	58,933,125	8,153,672	905,400	198,651,238
<b>Accumulated Depreciation</b>								
As at 1 January 2022	-	4,920,003	11,634,798	38,881,024	17,757,974	5,345,980	-	78,539,779
Depreciation for the year	-	1,223,352	2,273,452	4,909,103	9,767,345	1,283,817	-	19,457,069
Depreciation for distribution	-	-	-	(454,801)	(1,040,219)	(2,552,631)	-	(4,047,651)
Depreciation for amortization	-	-	(343,208)	(1,254,002)	(192,430)	-	-	(1,789,640)
As at 31 December 2022	-	6,143,355	13,565,042	42,081,324	26,292,670	4,077,166	-	92,159,557
<b>Differences on translating financial statement</b>								458,298
<b>Book Value</b>								
As at 31 December 2022	19,918,461	25,173,080	14,278,675	9,499,104	32,640,455	4,076,506	905,400	106,949,979
<b>Depreciation for the year 2022</b> (amount of baht 2.03 million included in the service costs. The rest is included in sales and administrative expenses)								19,457,069

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

(Unit : Baht)

	Separate							Total
	Land	Property	Rent buildings improvement	Office Equipment	Tool and Equipment	Vehicles	Work in Progress Building improvements	
<b>Cost</b>								
As at 1 January 2023	19,918,461	31,316,435	25,296,916	36,876,344	46,907,945	7,595,131	905,400	168,816,632
Additions	-	-	607,623	3,975,012	4,690,885	39,100	-	9,312,620
Distribution	-	-	-	(297,455)	(6,158,295)	(606,987)	-	(7,062,737)
Transfer in (out)	-	-	-	(787,063)	1,274,112	-	-	487,049
Amortization	-	-	-	(676,996)	(10,200)	-	(905,400)	(1,592,596)
As at 31 December 2023	19,918,461	31,316,435	25,904,539	39,089,842	46,704,447	7,027,244	-	169,960,968
<b>Accumulated Depreciation</b>								
As at 1 January 2023	-	6,143,355	11,880,792	30,753,768	17,986,469	3,405,513	-	70,169,897
Depreciation for the year	-	1,223,065	2,164,084	3,600,848	8,928,110	1,262,655	-	17,178,762
Depreciation for distribution	-	-	-	(292,977)	(3,612,741)	(606,987)	-	(4,512,705)
Depreciation for amortization	-	-	-	(676,036)	(10,198)	-	-	(686,234)
As at 31 December 2023	-	7,366,420	14,044,876	33,385,603	23,291,640	4,061,181	-	82,149,720
<b>Book Value</b>								
As at 31 December 2023	19,918,461	23,950,015	11,859,663	5,704,239	23,412,807	2,966,063	-	87,811,248
<b>Depreciation for the year</b>								
2023 (amount of Baht 0.22 million included in the service costs. The rest is included in sales and administrative expenses)								17,178,762

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

(Unit : Baht)

	Separate							Total
	Land	Property	Rent buildings improvement	Office Equipment	Tool and Equipment	Vehicles	Work in Progress Building improvements	
<b>Cost</b>								
As at 1 January 2022	19,918,461	31,316,435	20,256,785	34,209,651	35,107,287	8,350,990	586,620	149,746,229
Additions	-	-	1,544,631	4,315,386	15,202,503	1,809,143	4,268,780	27,140,443
Distribution	-	-	-	(401,325)	(3,163,529)	(2,565,002)	-	(6,129,856)
Transfer in (out)	-	-	3,950,000	-	-	-	(3,950,000)	-
Amortization	-	-	(454,500)	(1,247,368)	(238,316)	-	-	(1,940,184)
As at 31 December 2022	19,918,461	31,316,435	25,296,916	36,876,344	46,907,945	7,595,131	905,400	168,816,632
<b>Accumulated Depreciation</b>								
As at 1 January 2022	-	4,920,003	10,242,344	28,822,596	11,030,550	4,710,317	-	59,725,810
Depreciation for the year	-	1,223,352	1,981,656	3,557,622	8,188,569	1,247,827	-	16,199,026
Depreciation for distribution	-	-	-	(401,286)	(1,040,219)	(2,552,631)	-	(3,994,136)
Depreciation for amortization	-	-	(343,208)	(1,225,164)	(192,431)	-	-	(1,760,803)
As at 31 December 2022	-	6,143,355	11,880,792	30,753,768	17,986,469	3,405,513	-	70,169,897
<b>Book Value</b>								
As at 31 December 2022	19,918,461	25,173,080	13,416,124	6,122,576	28,921,476	4,189,618	905,400	98,646,735
<b>Depreciation for the year</b>								
2022 (amount of Baht 0.15 million included in the service costs. The rest is included in sales and administrative expenses)								16,199,026

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During the year 2023, the company has considered transfer office equipment because the asset is under a lease contract that should be recorded as a right-of-use asset in the amount of Baht 0.78 million. (Note 13)

During the year 2023, the company and the group company, there were sold machinery, office equipment, computers and tools and equipment to individuals that have non-relationship to the Company. The assets that were sold have a book value of Baht 3.29 million and amount of Baht 3.23 million of gain from asset sales were recognized in the statement of comprehensive income.

During the year 2023, the company and the group company, there were sold vehicles, computers, office equipment and tools and equipment to persons related to the company. The assets that were sold have a book value of Baht 0.02 million and amount of Baht 0.21 million of gain from asset.

During the year 2023, the company has amortization computers, office equipment and tools and equipment and machinery. The assets that were written off have a book value of Baht 0.69 million because they cannot be repaired. so the management to consider writ off assets from the property register and

The company has amortized work in progress building improvements. The assets that were written off have a book value of Baht 0.91 million because the company's building structure. The Bangna District Office does not allow renovations or additions. This caused the management to consider requesting to discontinue the improvement of the project and writ off from the property register.

During the year 2023, the group company has amortization of machinery, computers and tools and equipment. The assets that were written off have a book value of Baht 0.06 million because some items were not found from random observation of the assets. Some items of property are found but are in an unusable condition and cannot be repaired to bring them back to use as before.

As at 31 December 2023, land and buildings are valued at cost in the consolidated financial statements in the amount of Baht 23.91 million. (2022: the amount of Baht 23.91 million) Which is the net value after accumulated depreciation in the consolidated financial statements amount of Baht 20.17 million. (2022: the amount of Baht 20.67 million) Which has been mortgaged as collateral for contingent liabilities. (Note 25.2, 25.3, 25.4)

During the year 2022, the company and subsidiaries sold Office equipment, vehicles and tools to persons related to the company. The book value of Baht 42 amount of Baht 25,195 and amount of Baht 12,370 with a profit from selling assets amount of Baht 28,318 amount of Baht 1,649 and a loss from selling assets amount of Baht 20,055 respectively, which were recorded in the statement of comprehensive income.

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 13. RIGHT OF USE ASSETS

The movement transactions of right of use assets for the year ended 31 December 2023 and 2022 as follow:

	Consolidated				(Unit : Baht)
	Right of use land	Right of use building rental area	Right of use office equipment	Right of use vehicles	Total
<b>Cost</b>					
As at 1 January 2022	4,148,813	5,933,817	-	-	10,082,630
Add increase	1,828,259	10,922,674	677,889	-	13,428,822
As at 31 December 2022	5,977,072	16,856,491	677,889	-	23,511,452
Add increase	-	2,867,662	3,190,933	4,085,792	10,144,387
Less decrease	-	-	(432,244)	-	(432,244)
As at 31 December 2023	5,977,072	19,724,153	3,436,578	4,085,792	33,223,595
<b>A c c u m u l a t e d depreciation</b>					
As at 1 January 2022	2,353,545	4,115,021	-	-	6,468,566
Depreciaion for the year	1,266,524	3,096,987	585,641	-	4,949,152
As at 31 December 2022	3,620,069	7,212,008	585,641	-	11,417,718
Depreciaion for the year	1,294,250	3,347,879	350,047	68,096	5,060,272
Less Accumulated depreciation	-	-	(432,244)	-	(432,244)
As at 31 December 2023	4,914,319	10,559,887	503,444	68,096	16,045,746
<b>Book value</b>					
As at 31 December 2022	2,357,003	9,644,483	92,248	-	12,093,734
As at 31 December 2023	1,062,753	9,164,266	2,933,134	4,017,696	17,177,849



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(Unit : Baht)

	Separate				Total
	Right of use land	Right of use building rental area	Right of use office equipment	Right of use vehicles	
<b>Cost</b>					
As at 1 January 2022	4,148,813	1,754,399	-	-	5,903,212
Add increase	1,828,259	10,922,674	677,889	-	13,428,822
Less decrease	(2,094,323)	(1,754,399)	-	-	(3,848,722)
As at 31 December 2022	3,882,749	10,922,674	677,889	-	15,483,312
Add increase	-	-	3,001,775	4,085,792	7,087,567
Less decrease	-	-	(432,244)	-	(432,244)
As at 31 December 2023	3,882,749	10,922,674	3,247,420	4,085,792	22,138,635
<b>Accumulated depreciation</b>					
As at 1 January 2022	2,353,545	1,749,232	-	-	4,102,777
Depreciaion for the year	1,266,524	1,923,274	585,641	-	3,775,439
Less Accumulated depreciation	(2,094,323)	(1,754,399)	-	-	(3,848,722)
As at 31 December 2022	1,525,746	1,918,107	585,641	-	4,029,494
Depreciaion for the year	1,294,250	2,184,535	344,643	68,096	3,891,524
Less Accumulated depreciation	-	-	(432,244)	-	(432,244)
As at 31 December 2023	2,819,996	4,102,642	498,040	68,096	7,488,774
<b>Book value</b>					
As at 31 December 2022	2,357,003	9,004,567	92,248	-	11,453,818
As at 31 December 2023	1,062,753	6,820,032	2,749,380	4,017,696	14,649,861

As at 31 December 2023, the Company and its subsidiaries has entered into a land lease agreement, building area lease agreement, office equipment lease agreement and vehicles lease agreement as follows:

1. The Company has entered into a land lease agreement with non-related companie for a period of 3 years, with a period of which the agreement is from 1 March 2021 to 28 February 2024 and rental rate Baht 28,021 per month.

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2. The Company has entered into a land lease agreement with non-related company for a period of 3 years, with a period of which the agreement is from 1 January 2021 to 31 December 2023 and rental rate Baht 34,737 per month.
3. The Company has entered into a land lease agreement with major shareholder for a period of 3 years, with a period of which the agreement is from 1 July 2022 to 30 June 2025 and rental rate Baht 55,000 per month.
4. The Company has entered into a building area lease agreement with non-related company for a period of 5 years, with a period of which the agreement 3 years is from 1 March 2022 to 28 February 2025 and rental rate Baht 200,000 per month and a period of which the agreement 2 years is from 1 March 2025 to 28 February 2027 and rental rate Baht 220,000 per month.
5. The Company has entered into a photocopier lease agreement with non-related company, totaling 3 machines, for a period of 3 years, with a period of which the agreement is from 1 April 2023 to 31 March 2026 and rental rate Baht 5,700 per month.
6. The Company has entered into a photocopier lease agreement with non-related company, totaling 1 machine, for a period of 4 years, with a period of which the agreement is from 1 April 2023 to 31 March 2027 and rental rate Baht 5,800 per month.
7. The Company has entered into a rental hire purchase a strainer with non-related company, totaling 13 machines, for a period of 5 years, with a period of which the agreement is from 17 June 2023 to 16 June 2028, totaling 11 machines, and a period of which the agreement is from 25 June 2023 to 24 June 2028, totaling 2 machines, and rental rate Baht 1,250 per month. (VAT included)
8. The Company has entered into a telephone lease agreement with non-related company, totaling 71 machines, for a period of 1 year 10 months, with a period of which the agreement is from 1 December 2023 to 30 September 2025 and rental rate Baht 849 per month.
9. The Company has entered into a telephone lease agreement with non-related company, totaling 44 machines, for a period of 1 year 10 months, with a period of which the agreement is from 1 December 2023 to 30 September 2025 and rental rate Baht 599 per month.
10. The Company has entered into an electric vehicles lease agreement with non-related company, totaling 6 cars, for a period of 5 years, with a period of which the agreement is from 1 December 2023 to 30 November 2028 and rental rate Baht 13,500 per month.
11. The group company has entered into a building lease agreement with non-related company for a period of 2 years, with a period of which the agreement is from 1 February 2023 to 31 January 2025 and rental rate Baht 52,632 per month.
12. The group company has entered into a building area lease agreement with non-related company for a period of 1 years, with a period of which the agreement is from 31 July 2023 to 30 June 2024 and rental rate Baht 33,194 per month. However, The management intends to renew this lease agreement for the next 5 years.

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13. The group company has entered into a telephone lease agreement with non-related company for a period of 2 years 11 months, with a period of which the agreement is from 1 December 2023 to 31 October 2026 and rental rate Baht 5,995 per month.

**14. OTHER INTANGIBLE ASSETS**

The movements of intangible assets for the year ended 31 December 2023 and 2022 comprise the following:

	(Unit : Baht)	
	Consolidated	Separate
<b>Cost</b>		
As at 1 January 2022	21,237,520	21,060,899
Additions	8,528,170	8,407,598
Accept transfer (Notes 7)	771,908	771,908
Transfer	(771,908)	(771,908)
As at 31 December 2022	29,765,690	29,468,497
Additions	3,154,817	3,046,447
Accept transfer (Notes 7)	954,742	954,742
Transfer	(378,060)	(378,060)
As at 31 December 2023	33,497,189	33,091,626
<b>Amortization</b>		
As at 1 January 2022	(4,392,963)	(4,252,053)
Amortization for the year	(945,610)	(872,475)
As at 31 December 2022	(5,338,573)	(5,124,528)
Amortization for the year	(2,965,918)	(2,880,527)
As at 31 December 2023	(8,304,491)	(8,005,055)
Differences on translating financial statement 2022	(2,156)	
Differences on translating financial statement 2023	(2,347)	
<b>Book value</b>		
As at 31 December 2022	24,424,961	24,343,969
As at 31 December 2023	25,190,351	25,086,571

As at 31 December 2023, amortization in the consolidated and separate financial statements amount of Baht 0.38 million and amount of Baht 0.38 million, respectively, it will be recorded in administrative expenses in full.

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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## 31 DECEMBER 2023

As at 31 December 2022, amortization in the consolidated and separate financial statements amount of Baht 0.77 million and amount of Baht 0.77 million, respectively, it will be recorded in administrative expenses in full.

As at 31 December 2023, the Company has no intangible assets that are still under development and have not yet begun to be amortized. (As at 31 December 2022 amount of Baht 20.29 million)

During the year of 2022, the company has been recorded expenses directly related to get intangible assets as following salary improvement program amount of Baht 8.26 million.

## 15. TRADE AND OTHER CURRENT PAYABLES

As at 31 December 2023 and at 31 December 2022 comprise the following:

	(Unit : Baht)			
	Consolidated		Separate	
	As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
Trade				
- Related parties	-	-	1,672,169	3,438,412
- Unrelated parties	62,899,562	70,688,478	56,284,710	63,807,469
Other Trade payables	15,848,029	19,904,982	11,976,481	12,936,249
Accrued expenses	38,220,625	35,097,633	33,789,248	31,184,949
Total Trade and other current payables	<u>116,968,216</u>	<u>125,691,093</u>	<u>103,722,608</u>	<u>111,367,079</u>

## 16. LEASE LIABILITIES

As at 31 December 2023 and at 31 December 2022 comprise the following:

	(Unit : Baht)			
	Consolidated		Separate	
	As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
As at 1 January	12,493,839	3,770,153	11,794,635	1,865,076
Addition/lease term reconsidering	10,208,176	13,046,445	7,151,356	13,046,445
Accretion of interest	758,212	669,589	621,322	584,335

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## NOTES TO THE FINANCIAL STATEMENTS

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(Unit : Baht)

	Consolidated		Separate	
	As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
As at 1 January	12,493,839	3,770,153	11,794,635	1,865,076
Payments	(5,393,072)	(4,992,348)	(4,101,945)	(3,701,221)
As at 31 December	18,067,155	12,493,839	15,465,368	11,794,635
<u>Less</u> Current portion due within one year	(5,871,007)	(3,849,573)	(4,688,494)	(3,361,924)
Finance lease liabilities - net of current portion due more than one year	12,196,148	8,644,266	10,776,874	8,432,711

Expenses for the year ended 31 December 2023 and 2022 about the rental contract recognised in profit or loss:

(Unit : Baht)

	Consolidated		Separate	
	As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
Depreciation of right-of-use assets	5,060,272	4,949,152	3,891,524	3,775,439
Interest expense on lease liabilities	758,212	669,589	621,322	584,335
Total	5,818,484	5,618,741	4,512,846	4,359,774

## 17. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

As at 31 December 2023 and at 31 December 2022 comprise the following:

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	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	31	31	31	31 December
	December	December	December	2022
	2023	2022	2023	
The benefit obligations at the				
beginning of the year	53,353,761	46,693,467	45,542,921	38,215,207
Current service costs	5,889,270	5,806,358	5,269,523	5,359,442
Interest costs	1,788,626	845,588	864,350	808,446
Differences actuarial science	-	1,559,656	-	1,957,351
Transfer employees	-	-	-	628,279
Benefits paid during the year	<u>(2,396,912)</u>	<u>(1,551,308)</u>	<u>(785,580)</u>	<u>(1,425,804)</u>
The benefit obligations at the end of the year	<u>58,634,745</u>	<u>53,353,761</u>	<u>50,891,214</u>	<u>45,542,921</u>
The benefit obligations	58,634,745	53,353,761	50,891,214	45,542,921
<u>Less</u> Current portion of long-term	<u>(8,126,703)</u>	<u>(3,132,387)</u>	<u>(6,365,366)</u>	<u>(1,654,244)</u>
The benefit obligations - Net	<u>50,508,042</u>	<u>50,221,374</u>	<u>44,525,848</u>	<u>43,888,677</u>

During the year 2022, the company had employee was transferred 2 people from Rabbit Prototype Company Limited, resulting in a loss of Baht 628,279 in the provision for employee benefits.

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## NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2023

Expenses relating to long-term employee benefits recognized in profit or loss.

(Unit : Baht)

	Consolidated		Separate	
	As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
Cost of Selling and Service	615,054	634,180	187,296	144,587
Selling and Administrative expenses	7,062,842	6,017,766	5,946,577	6,023,301
Total	7,677,896	6,651,946	6,133,873	6,167,888

As at 31 December 2023, the weighted average duration to pay the long-term benefits of employees of the Company and its subsidiaries approximately about 14.3 years (2022: 14.3 years)

The key assumptions for estimation as the actuarial science to calculate the provisions for employee's benefits are as follows:

	Consolidated	
	As at 31 December 2023	As at 31 December 2022
Discount rate (percent per annum)	0.51 - 7.1	0.51 - 3.25
Average salary increases rate (percent per annum)	4.5 - 7.0	4.5 - 7.0
Turnover rate	0 - 16	0 - 16
Retirement	55	55
	Separate	
	As at 31 December 2023	As at 31 December 2022
Discount rate (percent per annum)	0.51 - 3.25	0.51 - 3.25
Average salary increases rate (percent per annum)	4.5 - 7.0	4.5 - 7.0
Turnover rate	0 - 16	0 - 16
Retirement	55	55

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The analysis of the sensitivity of the key assumptions as the actuarial science which affects the increases (decreases) of the employee's benefit obligations as at 31 December 2023 are as follows:

(Unit : Baht)

	Changes in present value of employee benefit obligations increased (decreased)			
	Consolidated		Separate	
	Increase 1.00%	Decrease 1.00%	Increase 1.00%	Decrease 1.00%
Discount rate	(4,592,852)	5,282,069	(4,035,694)	4,648,922
Future Salary increase rate	5,854,115	(5,113,078)	5,162,821	(4,503,156)

(Unit : Baht)

	Changes in present value of employee benefit obligations increased (decreased)			
	Consolidated		Separate	
	Increase 20.00%	Decrease 20.00%	Increase 20.00%	Decrease 20.00%
Employee turnover rate	(4,749,386)	5,611,958	(4,210,654)	4,992,369

The analysis of the sensitivity above might not show the actual changes in the employee's benefit obligations because it is difficult to change the various assumptions that arise separately from the other assumptions which may be relevant.

The analysis of the due of the amount of the benefit payables in the future before the discount as at 31 December 2023 are as follows:

(Unit : Baht)

	Consolidated	Separate
	Within 1 year	7,294,899
More than 1 year but not over 5 years	18,379,487	16,261,466
More than 5 years	123,091,810	108,756,809

**18. LEGAL RESERVE**

Under the Public Limited Companies Act, the Company is required to set aside as a legal reserve at least 5 percent of its net profit after accumulated deficit brought forward until the reserve is not less than 10 percent of the registered capital. The legal reserve is not distributable as a dividend.



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31 DECEMBER 2023

## 19. DIVIDEND

Dividend	Approved by	Dividend payment (Million Baht)	Dividend payment per share (Baht)	Due date
Dividend from profit 2022	The Board of Directors Meeting No.1/2023 On 17 February 2023	39.20	*0.14	15 May 2023
Dividend from profit 2021	The Board of Directors Meeting No.1/2022 On 25 February 2022	56.00	**0.20	23 May 2022

\* Documents from the shareholders' 2023 Annual General Meeting, which was held on 26 April 2023. The approval of dividend payment from the Company's operating performance for the year ended 31 December 2022 at the amount of Baht 0.14 per share as the total amount of Baht 39,200,000 on 8 May 2023, dividends will be paid to stockholders who are eligible on 22 May 2023.

\*\*Documents from the shareholders' 2022 Annual General Meeting, which was held on 28 April 2022. The approval of dividend payment from the Company's operating performance for the year ended 31 December 2021 at the amount of Baht 0.20 per share as the total amount of Baht 56,000,000 on 23 May 2022, dividends will be paid to stockholders who are eligible on 6 May 2022, the record date for dividend payments.

## 20. EXPENSES BY NATURE

The following significant expenditure items, classified by nature are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2023	2022	2023	2022
<i>Salaries and other employees</i>				
benefits	204,804,979	183,401,768	172,525,541	154,179,927
Commission	57,419,272	56,677,078	51,459,424	52,653,083
Depreciation and amortization	28,700,927	25,351,832	23,950,813	20,846,940
Goods and services	167,545,924	556,241,568	119,483,388	501,978,533
Changes in inventories	(17,536,649)	(18,166,207)	(17,357,412)	(14,767,536)

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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31 DECEMBER 2023

## 21. PROVIDENCE FUND

The Company and the employees of the Company have established the providence fund as the Provident Fund Act, B.E. 2530. The Company and the employees will monthly pay the contributions to the fund at the rate of 2 - 15 percent of salary. This providence fund is under the management of Kasikomthai Asset Management Company Limited and these contributions will be paid back to the employees when resigning as the regulations of the Company's fund. In during the year 2023, the Company and its subsidiaries acknowledge these contributions as the amount of Baht 0.95 million and Baht 1.07 million, respectively.

## 22. INCOME TAX

Income tax expense for the years ended 31 December 2023 and 2022 are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2023	2022	2023	2022
<b>Current income tax:</b>				
Income tax for the years	16,015,658	14,245,539	14,647,606	13,514,641
<b>Deferred income tax:</b>				
Deferred income tax from temporary differences and reversal of temporary differences	2,468,801	(2,590,948)	476,848	(993,699)
<b>Income tax expense shown in statement of comprehensive income</b>	<b>18,484,459</b>	<b>11,654,591</b>	<b>15,124,454</b>	<b>12,520,942</b>

The reconciliations between accounting profits and income tax expenses are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2023	2022	2023	2022
Accounting profit before income tax	69,375,970	58,153,441	74,876,180	59,802,973
Division of accounting profit before income tax in each income tax's rate of the Company and its subsidiaries are as follows				
Exemption of income tax	-	-	-	-
Income tax rate of 20 percent	69,375,970	58,153,441	74,876,180	59,802,973
Accounting profit before income tax Multiplied by the tax rate	14,893,507	12,893,953	14,975,236	11,960,594

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

	(Unit : Baht)			
	Consolidated		Separate	
	2023	2022	2023	2022
Tax impact for:				
Expenses cannot be deducted as				
expenditure for tax	3,111,096	4,018,734	2,595,022	3,578,649
Losses carried forward	(1,444,874)	(759,953)	-	-
Tax Losses carried forward	2,662,718	1,119,882	-	-
Tax loss of subsidiaries that has not been				
Recorded as deferred assets	-	(719,537)	-	-
The expense account with more deductions	(3,206,789)	(2,307,541)	(2,922,652)	(2,024,602)
Total	16,015,658	14,245,538	14,647,606	13,514,641
Deferred tax arising from temporary differences and reversal of temporary differences	2,468,801	(2,590,947)	476,848	(993,699)
Income tax expense show in statement of Comprehensive income	18,484,459	11,654,591	15,124,454	12,520,942

The components of deferred tax assets and the deferred tax liabilities comprise of the following:

	(Unit : Baht)			
	Consolidated		Separate	
	As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
<b>Deferred tax assets</b>				
Allowance for doubtful accounts - loans to subsidiaries	-	-	1,327,933	1,688,102
Allowance for doubtful accounts	767,355	520,547	490,126	520,548

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	31	31	31	31
	December	December	December	December
	2023	2022	2023	2022
Allowance for product impairment	1,570,197	1,263,847	1,478,435	1,157,784
Allowance for impairment of investment in subsidiaries	-	-	-	1,289,873
Provision for long-term employee benefits	8,577,357	11,071,683	10,178,243	9,108,584
Short-term provisions	-	-	-	-
Provision for liabilities from demolition	220,850	217,084	139,450	135,684
Right of use	(128,826)	69,165	(115,265)	68,163
Investment in subsidiaries	-	-	(7,031)	-
Unused cumulative tax losses	1,128,265	1,478,208	-	-
<b>Total</b>	<b>12,135,198</b>	<b>14,620,534</b>	<b>13,491,891</b>	<b>13,968,738</b>

As at 31 December 2023, The group company has deferred tax assets which are made up of accumulated tax losses but have not yet been shown in the financial statements. Amount of Baht 1.64 million because deferred tax assets have to be documented with the expectation of certain tax benefits in accordance with Accounting Standard No. 12.

**23. EARNING PER SHARE**

Basic earnings per share are calculated by dividing profit for the years attributed to equity holders of the company (Excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	(Unit : Baht)			
	Consolidated		Separate	
	2023	2022	2023	2022
<b>For the years ended 31 December</b>				
Profit (loss) attributable to equity holders of the Company (Baht)	50,723,335	46,473,736	59,751,726	47,282,032

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

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	(Unit : Baht)			
	Consolidated		Separate	
	2023	2022	2023	2022
Effect of dilutive potential ordinary shares (shares)	280,000,000	280,000,00	280,000,00	280,000,00
Basic earnings (loss) per shares	0.18	0.17	0.21	0.17

**24. FINANCIAL STATEMENTS BY SEGMENT**

This operating segment information presented is consistent with internal report which the board of directors have been regularly reviewed. This is used to make decisions about allocating resources to the segment and evaluating the performance of the segment. The top decision maker for the company's operations is the Board of Directors.

For administrative purposes, the Company and its subsidiaries are structured as a business unit by type of products and services. The Company and its subsidiaries have three reportable segments as follows:

1. Computer software sales division it is a sales division of computer programs for specific applications and peripherals.
2. Sale division of machinery, equipment and other products as part of sale division of machinery, computer parts, spare parts, materials and other product.
3. Service division as part of computer maintenances services, design and manufacture of industrial parts and prototypes and other services.

The top decision makers review the performance of each business unit separately for the purpose of making decision regarding resource allocation and performance appraisal. The Company evaluated the performance of the segment by considering from operating profit or loss and total assets measured by using the same criteria used to measure profit or loss from operations and total assets in the financial information. However, the Company and its subsidiaries have central management which manages finance (including financial expenses and financial income) and the income tax of the whole group. Such revenues and expenses are not allocated to each operating segment.

Accounting for transactions between reporting segments is the same as accounting for business transactions with outsiders.

Information of income, profit and total assets of the group company as at 31 December 2023 and 2022 are as follows:

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

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	For the years ended 31 December						(Unit : Million Baht)	
	Sale department / used rental computer program		Sale department machine, equipment and other products		Service department		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Timing of revenue recognition</b>								
Point in time	286	271	162	195	44	38	492	504
Over time	91	60	-	-	300	312	391	372
Total income	377	331	162	195	344	350	883	876
<b>Revenue from sales and services</b>	<u>377</u>	<u>331</u>	<u>162</u>	<u>195</u>	<u>344</u>	<u>350</u>	<u>883</u>	<u>876</u>
<b>Profit of segment</b>	159	126	44	54	166	175	369	355
Unallocated revenue and expenses:								
Other income							23	13
Distribution costs							(198)	(199)
Administrative expenses							(125)	(111)
Finance costs							-	-
Income tax expenses							(18)	(12)
Profit for the years							<u>51</u>	<u>46</u>

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

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Revenue from external customers is based on locations of the customers.

	(Unit : Million Baht)	
	2023	2022
Revenue from external customers		
Thailand	808	820
Indonesia	75	55
Total	<u>883</u>	<u>875</u>

Major customers

In the year 2023 and 2022, the company has not revenue from one customer that is equal to or more than 10 percent of total revenue.

## 25. COMMITMENTS AND CONTINGENT LIABILITIES

**25.1.** As at 31 December 2023 and 31 December 2022, the Company and its subsidiaries have paid minimum amount in the future under operating leases and services are as follows:

	(Unit : Million Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	31	31	31	31
	December	December	December	December
	2023	2022	2023	2022
Payment				
Due within one year	1.90	1.52	1.15	0.38
Due over 1 year but not over 5 years	0.04	0.04	0.01	0.08

Operating lease arrangements covering building leases and service agreements have been entered into by the Company and its subsidiaries. The length of the contract can be one to five years.

### 25.2. Guarantees

As at 31 December 2023, the Company and its subsidiaries were outstanding bank guarantees of approximately amount of Baht 20.10 million to performance guarantee of the contract. (As at 31 December 2022: amount of Baht 20.10 million)

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

(Unit : Baht)

	Consolidated / Separate	
	As at	As at
	31 December 2023	31 December 2022
<b>Used credit to guarantee</b>		
- Performance under contract	3,360,912	7,275,880

**25.3. Letter of credit and trust receipts**

The Company has credit facilities of letters of credit and trust receipts amount of Baht 33 million as at 31 December 2023 the Company has not used such credit lines.

**25.4. Forward foreign currency exchange contracts**

As at 31 December 2023 and 31 December 2022, the company has forward foreign exchange contracts settlement date on open forward contracts ranged 4 months, foreign currency was USD and amounts to be received and contractual exchange rates of the outstanding contracts were:

(Unit : Baht)

Contract periods	Consolidated / Separate					
	Contract amount		Contract exchange rate		As at 31 December 2023	As at 31 December 2022
	As at 31 December	As at 31 December	As at 31 December	As at 31 December		
	2023	2022	2023	2022		
28/10/2022 - 28/02/2023	-	300	-	37.85	-	11,355
3/11/2022 - 3/03/2023	-	200,000	-	37.97	-	7,594,000
7/11/2022 - 7/03/2023	-	130,000	-	37.45	-	4,868,500
29/11/2022 - 29/03/2023	-	200,000	-	35.95	-	7,190,000
8/12/2022 - 10/04/2023	-	37,000	-	35.26	-	1,304,620
2/11/2022 - 4/03/2024	100,000	-	36.08	-	3,608,000	-
26/12/2022 - 26/04/2024	100,000	-	34.76	-	3,476,000	-
3/01/2024 - 3/05/2024	100,000	-	34.28	-	3,428,000	-

**Fair value**

The net fair value of forward foreign exchange contracts as at 31 December 2023, is forward foreign exchange contracts as liabilities amount of Baht 0.30 million and as at 31 December 2022, is forward foreign exchange contracts as liabilities amount of Baht 1.36 million.



## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

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The fair value of forward foreign exchange contracts has been calculated using rate quoted by the counterpart bank to terminate the contract on 31 December 2023. The valuation is classified as level 2 of the fair value hierarchy.

From the under notes about obligations and contingent liabilities (Notes 25.1 - 25.4), the company has used the land and building mortgage as security for contingent liabilities. (Note 12)

**26. FINANCIAL INSTRUMENTS****26.1. Risk Management Policy**

The Company's and its subsidiaries financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade receivables and other receivables, term loans and accrued interest receivable to related parties, short - term borrowings from financial institutions, trade payables and other payables, short - term borrowings and accrued interest payable from related parties, advances received from Directors and Liabilities under finance lease and hire purchase agreements. The Company and its subsidiaries have risk relevant financial instruments and have a risk management policy as follows:

**Credit risk**

The Company and its subsidiaries have credit risk relevant to trade receivables and other receivables and term loans. The management controls the risk by assign appropriate credit control policies and procedures, therefore the company and its subsidiaries do not expect to incur material losses from credit. In addition, the Company and its subsidiaries does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade receivables and other receivables, term loan receivable and accrued interest receivables to related parties as stated in the statements of financial position.

**Interest rate risk**

The Company and its subsidiaries have interest rate risk relates primarily to its deposits at financial institutions, short-term loans and accrued interest receivable to related parties, short-term borrowings from financial institutions and short-term borrowings and accrued interest payable from related parties, mostly financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate in the present. Significant financial assets and liabilities can be classified by interest rate for financial assets and liabilities that carry fixed interest rates can be classified by maturity date or the new interest rate date. (If there is a new interest rate date before) as follows:

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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(Unit : Million Baht)

	Consolidated					
	As at 31 December 2023					
	Fixed interest rate		Interest Rate			
	Within 1 year	Over 1 to 5 years	Up or Down depending on Market Price	None Rate interest	Total	Real interest rate (%)
<b>Financial assets</b>						
Cash and cash equivalents	-	-	182.51	-	182.51	0.15 - 2.15
Trade and other current receivable	-	-	-	112.56	112.56	-
Other curent financial assets	126.50	-	-	-	126.50	1.75 - 4.48
<b>Financial liabilities</b>						
Trade and other current payables	-	-	-	116.97	116.97	-
Lease liabilities	5.87	12.20	-	-	18.07	5.25 - 7.05

(Unit : Million Baht)

	Consolidated					
	As at 31 December 2022					
	Fixed interest rate		Interest Rate			
	Within 1 year	Over 1 to 5 years	Up or Down depending on Market Price	None Rate interest	Total	Real interest rate (%)
<b>Financial assets</b>						
Cash and cash equivalents	-	-	166.24	-	166.24	0.15 - 0.35
Trade and other current receivable	-	-	-	94.37	94.37	-
Other curent financial assets	141.82	-	-	-	141.82	0.75 - 1.30
<b>Financial liabilities</b>						
Trade and other current payables	-	-	-	125.69	125.69	-
Lease liabilities	3.85	8.64	-	-	12.49	6.275

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

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**Foreign exchange risk**

As at 31 December 2023 and 31 December 2022, the group company's exposure to foreign currency risk arises mainly from trading transactions and loans that are denominated in foreign currencies are as follows:

	Currency	As at 31 December 2023	As at 31 December 2022
Accounts receivable in foreign currencies	US Dollar	89,709	91,162
Accounts payable in foreign currencies	US Dollar	489,308	1,500,074
	EURO	4,575	558
	HKD	-	19,051
	CNY	-	20,900

**26.2. Fair value of financial instruments**

Since the majority of the Company's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depend on the nature of the instrument.

**27. CAPITAL MANAGEMENT**

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern and strengthen the value of shareholding to shareholder. According to the statements of financial position as at 31 December 2023, the Group's debt to equity ratio was 1.2:1(as at 31 December 2022: 1.2:1) and separate was 1.1:1 (as at 31 December 2022: 1.1:1)

## APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**28. SUBSEQUENT EVENT**

According to the minutes of the Board of Directors' Meeting held on 19 February 2024, No. 1/2024. It was approved to provide the following summary of significant issues to the 2024 Annual General Meeting of Shareholders as follows:

- To request for permission to schedule the 2024 annual general meeting of shareholders via electronic media, with the meeting holding held on 23 April 2024 from 10:00 a.m. to 12:00 p.m.
- To request for permission to pay dividends, as the business made Baht 59,751,726 in net profit based on this data. For the operating results for the year 2023 that ends on 31 December 2023, the firm wants permission to pay dividends at a rate of 70.29 percent of net earnings. At a price of Baht 0.15 per share, or Baht 42,000,000 in total. The names of the shareholders entitled to these dividends will be announced on 2 May 2024 and the date of the dividend payment will be announced on 17 May 2024. However, the right to be entitled to these dividends remains uncertain, as the shareholders' meeting must approve it.

**29. RECLASSIFICATION**

Certain accounts in the financial statements for the year ended 31 December 2022, have been reclassified to conform to the current year's classification. This does not affect net profit or shareholders' equity.

(Unit : Baht)

Accounts	Consolidated financial statements	Separate financial statements of the company	Original Presentation	New Presentation
Post Date Cheque	7,182,694	7,182,694	Trade and other current receivables	Cash and cash equivalents
Accrued sales income	1,467,215	1,467,215	Trade and other current receivables	Contract assets

**30. APPROVAL OF FINANCIAL STATEMENT**

These financial statements were authorized for issue by the Board of Directors on 19 February 2024.

## Attachment

## Attachment 1 Information of Directors, executives, controlling persons and company secretary

Name – Last name & Position	Age	Education	Shareholding in the Company (30/12/65)	Family Relation with Executives	Working Experience in past 5 years			
					Period	Position	Company	Business type
Asst. Prof. Dr. Prasert Kanthamanon Chairman of the Board of Directors and Independent Director	61	Bachelor of Engineering (Electrical Engineering), King Mongkut's University of Technology Thonburi Ph.D. Computer Engineering, School of Computer Science and Engineering, University of New South Wales, Australia  Directors Certification Program (DCP), Class 151/2018	-	-	2015 - Present	Chairman of the Board of Directors and Independent Director	AppliCAD Public Company Limited	Distribution of complete design solutions
					2019 – Present	Vice Chairman	Innovation Development Foundation	Promoting and developing university innovations
					2015 – 2019	Director	Innovation Development Foundation	Promoting and developing university innovations
					2015 – Present	Director	Nawawiwat Company Limited	Promoting and developing university innovations
					2010 – Present	Senior Vice Rector for Administrative Affairs and Chief Information Officer	King Mongkut's University of Technology Thonburi	University
Dr. Isra Akrapitak Director, member of Nomination and Compensation Committee, Chairperson of Executive Committee, Executive Director and Chief Operating Officer  (Authorized Director)	54	Bachelor of Business Administration, Assumption University  Master of Management, Thames Business School  Master of Business Administration, University of Portsmouth  Doctorate in Business Administration, University VAN Amsterdam	0.71	-	2022 - present	Director and CEO	AppliCAD Public Company Limited	Distribution of complete design software
					2022 – present	Director	Ribbit Prototype Company Limited	Prototype Production
					2021 – present	Nomination and Compensation Committee	AppliCAD Public Company Limited	Distribution of complete design software in Indonesia
					2014 - Present	Chief Operating Officer	AppliCAD Public Company Limited	Distribution of complete design software
					2014 - Present	Director	PT. Indonesia AppliCAD	Distribution of complete design software
					2014 - Present	Director	DETI Company Limited	Software training center

Name – Last name & Position	Age	Education	Shareholding in the Company (30/12/65)	Family Relation with Executives	Working Experience in past 5 years			
					Period	Position	Company	Business type
		Directors Accreditation Program (DAP), Class 81/2009						
Mr. Somsak Worraraksa Director and Executive Director of AEC Business  (Authorized Director)	54	Bachelor of Engineering (Computer Engineering), King Mongkut's University of Technology Thonburi  Directors Accreditation Program (DAP), Class SET/2012	-	-	2012 - Present  2009 - Present	Director  Executive Director of AEC Business Department	AppliCAD Public Company Limited  AppliCAD Public Company Limited	Distribution of complete design solutions  Distribution of complete design solutions
Miss Thitipom Chartaisong Director and Chief Financial Officer  (Authorized Director)	55	Bachelor of Accountancy (Accounting and Finance), Ramkhamhaeng University  Directors Accreditation Program (DAP), Class SET/2012  Company Secretary Program (CSP), Class 48/2012  Driving Company Success with IT Governance (ITG), Class 1/2016  Training of Internal Audit, Class 2 from Federation of Accounting Professions	0.75	-	2012 - Present  2019 - Present  2009 - Present  2013 - Present  2011 - Present	Director  Chief Financial Officer  Executive Director of Central Administration Department  Director  Director	AppliCAD Public Company Limited  AppliCAD Public Company Limited  AppliCAD Public Company Limited  DETI Company Limited  Ribbit Prototype Company Limited	Distribution of complete design solutions  Distribution of complete design solutions  Distribution of complete design solutions  Software training center  Prototype Production
Ms. Sriporn Tangadulrat Director	62	Master's Degree Faculty of Applied Statistics (Computer Science), National Institute of Development Administration  Bachelor of Science (Nursing), Mahidol University	2.30	-	2022 - Present	Director	AppliCAD Public Company Limited	Distribution of complete design software

Name – Last name & Position	Age	Education	Shareholding in the Company (30/12/65)	Family Relation with Executives	Working Experience in past 5 years			
					Period	Position	Company	Business type
		Directors Accreditation Program (DAP), Class 209/2023						
Mrs. Bangkok Rungkornpaisarn Chairman of Audit Committee, Independent Director and Nomination and Compensation Committee	61	Master of Business Administration Chulalongkorn University  Bachelor's Degree Faculty of Commerce and Accountancy Chulalongkorn University  Directors Accreditation Program (DAP) Class 28/2004  Director Certification Program (DCP) Class 147/2011  Role of the Compensation Committee (RCC) Class 13/2011  Monitoring Fraud Risk Management (MFM) Class 8/2012  Advance Audit Committee Programs (AACP) Class 12/2012  Monitoring the Internal Audit Function (MIA) Class 13/2012  Monitoring the System of Internal Control and Risk Management (MIR) Class 13/2012	-	-	2022 - Present	Chairperson of the Audit Committee and Independent Director and Member of Nomination and Compensation Committee	AppliCAD Public Company Limited	Distribution of complete design software
					Present	Executive Vice President of Finance and Director	NFC Public Company Limited	Fertilizer production
					2006 – Present	Director	Rayong Bulk Terminal Company Limited	Operational activities related to port facilities (except loading and unloading)
					2009 – Present	Director	Eltek Power Company Limited	Wholesale of electronic equipment and parts
					2013 – Present	Director	Technor Company Limited	Wholesale of electronic equipment and parts
					2009 – Present	Director	Warachpaisan Office Company Limited	Accounting, accounting and auditing activities, tax consulting
					Present	Director and Executive Vice President	SC Group Company	One-stop office management service activities
					Present	Director	Nicote Trans Siam Company Limited	Transportation and storage management activities
					Present	Director	NFCW Company Limited	Other unclassified warehouse and storage activities  Other unclassified warehouse and storage activities



Name – Last name & Position	Age	Education	Shareholding in the Company (30/12/65)	Family Relation with Executives	Working Experience in past 5 years			
					Period	Position	Company	Business type
		Monitoring the Quality of Financial Reporting (MFR) Class 16/2012  Audit Committee Program (ACP) Class 41/2012  Anti-Corruption for Executive Program (ACEP) Class 13/2014  Role of the Chairman Program (RCP) Class 35/2014  Company Secretary Program (CSP) Class 74/2016  Labour and Human Resources Law Program (LHP) Class 1/2018  Coaching by Visual Thinking Class 1/2019  The Curated Facilitator. (FA)  (Advanced Master of Management Program, AMM) NIDA Class 5  Advanced Audit Committee Program (AACP) Class 48/2023			Present	Director	NFCT Company Limited	Importer and distributor of medical equipment

Name – Last name & Position	Age	Education	Shareholding in the Company (30/12/65)	Family Relation with Executives	Working Experience in past 5 years			
					Period	Position	Company	Business type
Mr. Thanin Pornsiritivet Audit Committee and Independent Director	54	Bachelor of Commerce and Accountancy, Chulalongkorn University Master of Business Administration, St. Louis University, USA  Directors Certification Program (DCP), Class 243/2017  Board Nomination and Compensation Program (BNCP) Class 17/2023	0.0004	-	2022 - present	Chairperson of Nomination and Compensation Committee	AppliCAD Public Company Limited	Distribution of complete design software
					2021 – 2022	Nomination and Compensation Committee	AppliCAD Public Company Limited	Distribution of complete design software
					2012 - Present	Audit Committee and Independent Director	AppliCAD Public Company Limited	Distribution of complete design software
					2017 – Present	Director	Iconsiam Signature Company Limited	Retail
					2016 – Present	Director	Iconsiam Retails Company Limited	Advertising Media
					2015 – Present	Director	ICS Company Limited	Real Estate Development
					2011 – Present	Director	DPAC Corporation Company Limited	Construction & Construction
					2010 - Present	Director	Magnolia Quality Development Corporation Company Limited	Real Estate
					2015 – Present	Chief Financial Officer	DT Group of Companies Corporation Company Limited	Holding Company
2016 - Present	Director	Siam Rivea Company Limited	Restaurant Business					

Name – Last name & Position	Age	Education	Shareholding in the Company (30/12/65)	Family Relation with Executives	Working Experience in past 5 years			
					Period	Position	Company	Business type
					2018 - Present	Director	The Chaopraya River Assets Holdings Company Limited	Real Estate
Dr. Niti Nerngchamnong Audit Committee and Independent Director	43	Doctor of Laws, Sripatum University	-	-	2022 – Present	Director	International Affairs Committee, Lawyers Council of Thailand	Law Firm
		Master of Laws, Assumption University in collaboration with Indiana University			2021 – Present	Audit Committee and Independent Director	AppliCAD Public Company Limited	Distribution of complete design software
		Bachelor of Laws, (Academic Excellence), Assumption University			2015 – Present	Independent Director	Interhyde Public Company Limited	A leading manufacturer of automotive seat leather and steering wheel leather
		Director Leadership Certification Program (DLCP) Class 1/2021			Present	Director	Modernform Health and Care Public Company Limited	Distributor of complete furniture including both office furniture
		Board Nomination and Compensation Program (BNCP) Class 11/2021			Present	Director	Thai Institute of Association Chartered Institute of Arbitrators “CI Arb”	Arbitration Institution
		Advanced Audit Committee Program (AACP) Class 39/2021			Present	Arbitral Tribunal	Thailand Arbitration Center (THAC)	Arbitration Institution
Role of the Chairman Program (RCP) Class 47/2021								
IT Governance and Cyber Resilience Program (ITG) Class 16/2021								
Risk Management Program for Corporate Leaders (RCL) Class 22/2021								
Successful Formulation and Execution of Strategy (SFE) Class 34/2021								
Ethical Leadership Program (ELP) Class 21/2021								

Name – Last name & Position	Age	Education	Shareholding in the Company (30/12/65)	Family Relation with Executives	Working Experience in past 5 years			
					Period	Position	Company	Business type
		Director Certification Program (DCP) Class 300/2020 Director Accreditation Program (DAP) Class 113/2014						
Mr. Jeerawat Kulsapudom Executive committee	53	Bachelor of Engineering (Computer Engineering), King Mongkut's University of Technology Thonburi  Master of Business Administration, Kasetsart University  Directors Accreditation Program (DAP), Class 151/2018	0.02	-	2021 - Present  2012 - 2021  2017 - Present  2002 - 2017	CGO & Member of Executive Committee  Audit Committee and Independent  Director Head of Ecosystem  Audience Evangelism Manager	AppliCAD Public Company Limited  AppliCAD Public Company Limited  Siri Ventures Company Limited  Microsoft (Thailand) Company Limited	Distribution of complete design software  Distribution of complete design software  Corporate Venture Capital  Software & Information Technology
Mr. Kirikrit Jearkamonchuen Director of MEC business And Director of 3D Printer Solution business	44	Bachelor of Engineering Program in Production Engineering, King Mongkut's University of Technology Thonburi	0.0004	-	2015 - Present  2012 - 2015	Director of MEC business and Director of 3D Printer Solution business  Deputy Director of MEC business	AppliCAD Public Company Limited  AppliCAD Public Company Limited	Distribution of complete design software  Distribution of complete design software
Mr. Chayo Petcharat Director of Research and Development	46	Bachelor of Engineering Program in Industrial Engineering, Rajamangala University of Technology  Master of Business Administration in Marketing, Ramkhamhaeng University	0.08	-	2014 - Present	Director of Research and Development	AppliCAD Public Company Limited	Distribution of complete design software
Mrs. Khwanchai Viriyasumon Accounting Manager	48	Bachelor of Business Administration, Accountancy, Ramkhamhaeng University	0.0004	-	2013 - Present	Accounting Manager	AppliCAD Public Company Limited	Distribution of complete design software

Name – Last name & Position	Age	Education	Shareholding in the Company (30/12/65)	Family Relation with Executives	Working Experience in past 5 years			
					Period	Position	Company	Business type
Miss Phiemzetha Zibhunyarnt Accounting Manager	42	Bachelor of Business Administration, Accountancy, Suan Dusit University	-	-	2013 - Present	Accounting Manager	AppliCAD Public Company Limited	Distribution of complete design software
Mrs. Gulisara Laorpansakun Ribbit Prototype Company Limited	43	Bachelor's degree in Business Administration, majoring in Industrial Management Rajamangala University of Technology Thanyaburi  Master of Business Administration, Major in Marketing Ramkhamhaeng University	-	-	2023 – Present	Director	Ribbit Prototype Company Limited	Prototype Production
					2022 – 2023	Deputy Managing Director	Ribbit Prototype Company Limited	Prototype Production
					2021 – 2022	Deputy General Manager	KI-Lat Krabang Company Limited	Production of other parts and accessories for automobiles which are not classified elsewhere
					2012 – 2021	Sale & Marketing Manager	Ribbit Prototype Company Limited	Prototype Production
					2016 - 2019	Business Development Manager	Alumet Company Limited	Production of metal products by means of forging, pressing, stamping and rolling, powder metallurgy

## Attachment 2 Information of Subsidiaries' Directors

Name – Last name	DETI Co.,Ltd.	Rabbit Prototype Co., Ltd.	PT Indonesia AppliCAD
1. Mr. Prapas Tangadulrat			/, AD
2. Miss Thitiporn Chartaisong	/, AD	/, AD	
3. Dr. Isra Akrapitak	/, AD	/, AD	/, AD
4. Mr. Ibnu Afi Sena			/, AD, MD
5. Mr. Somsak Worraraksa	/, AD		
6. Mrs. Gulisara Laorpansakun		/, AD	

Remark: / = Director      AD = Authorized Director      MD = Managing Director

### Attachment 3 Information of Head of Internal Auditor and Supervisor to supervise the operations of the Company and subsidiaries

Topic	Details												
Internal Auditor	P&L Internal Audit Co.,Ltd.												
Head of Internal Auditor	Mr. Thanabhat Wongwit Position: Assistant Vice President												
Education Level	Master's Degree in Corporate Governance (MSCG), Faculty of Commerce and Accountancy Chulalongkorn University Bachelor's Degree Program in Accounting, Faculty of Accountancy, Dhurakij Pundit University												
Working Experience	<table border="1"> <tbody> <tr> <td>2015 - Present</td> <td>Assistant Vice President</td> <td>P&amp;L Internal Audit Co.,Ltd.</td> </tr> <tr> <td>2013 - 2014</td> <td>Internal Audit Manager</td> <td>P&amp;L Internal Audit Co.,Ltd.</td> </tr> <tr> <td>2011 - 2012</td> <td>Senior Internal Audit</td> <td>P&amp;L Internal Audit Co.,Ltd.</td> </tr> <tr> <td>2009 - 2010</td> <td>Internal Audit</td> <td>P&amp;L Internal Audit Co.,Ltd.</td> </tr> </tbody> </table> <p><u>Types of businesses that have been audited</u></p> <ul style="list-style-type: none"> <li>- Transportation Business</li> <li>- Food &amp; Non-Food</li> <li>- The business bought and sold it.</li> <li>- Hospital Business</li> <li>- Rental Space Management Business</li> <li>- Amusement Park Business</li> <li>- Debt Tracking Business</li> <li>- Restaurant Business</li> <li>- Fashion Business</li> <li>- - Educational Institutions</li> </ul>	2015 - Present	Assistant Vice President	P&L Internal Audit Co.,Ltd.	2013 - 2014	Internal Audit Manager	P&L Internal Audit Co.,Ltd.	2011 - 2012	Senior Internal Audit	P&L Internal Audit Co.,Ltd.	2009 - 2010	Internal Audit	P&L Internal Audit Co.,Ltd.
2015 - Present	Assistant Vice President	P&L Internal Audit Co.,Ltd.											
2013 - 2014	Internal Audit Manager	P&L Internal Audit Co.,Ltd.											
2011 - 2012	Senior Internal Audit	P&L Internal Audit Co.,Ltd.											
2009 - 2010	Internal Audit	P&L Internal Audit Co.,Ltd.											
Related Training	<ul style="list-style-type: none"> <li>- PDPA For Internal Audit Class 14 Kasetsart University Political Science Association</li> <li>- CAC National Conference 2022 - IOD</li> <li>- International Conference Internal Audit Student Exchange 2021 – IIA</li> <li>- The Working Paper for Better Corruption Prevention course raises the level of working paper. Anti-Corruption Review Specialist, Thai Institute of Directors (IOD)</li> <li>- "Internal Audit Preparation to Become a Former International Authorized Internal Auditor of CIA, Class 27 " Chulalongkorn University</li> <li>- Use Excel for data analysis, Accounting Professional Association</li> <li>- CAC SME Executive Briefing Part Corruption, Thai Institute of Directors (IOD)</li> <li>- Integrated Audit 1/2018, Accounting Professional Association</li> <li>- Working Paper for better corruption prevention, Thai Institute of Directors (IOD)</li> </ul>												

Topic	Details
	<ul style="list-style-type: none"> <li>-Thailand 4.0 Era Internal Control, Thai Institute of Directors (IOD)</li> <li>- IPO focus "effective internal control for successful IPO", Thai Institute of Directors (IOD)</li> <li>- Internal Auditors of Thailand (CPIAT) Class 21, The Institute of Internal Auditors of Thailand (NIA)</li> </ul>
Responsibilities	<ul style="list-style-type: none"> <li>- Prepare an annual audit plan to consider, propose and seek approval from the Audit Committee.</li> <li>- Review the audit program of each subject that is examined according to the annual audit plan.</li> <li>- Plan and organize a planned inspection team</li> <li>- Assess the adequacy, reliability and accuracy of the Company's internal control system in accordance with the COSO principles.</li> <li>- Review the audit report and follow up on the recommendations.</li> <li>- - Prepare audit report for management and audit committee</li> </ul>



## Attachment 4 Assets used for business operations

### Details of assets used for business operations

As at 31 December 2023, the Company and its subsidiaries have the assets used for business operations as follows;

Type and details of assets	Ownership	Obligation As at 31 Dec 2022	Net Book Value (Million baht)
Land - the headquarters of the Company Deed No. 248953, Phra Khanong, Bangkok The total area of 364 square meters (91 square Wa)	Possessed	-	9.94
Land - the headquarters of the Company Deed No. 223940, Phra Khanong, Bangkok The total area of 412 square meters (1 Ngan and 3 square Wa)	Possessed	During the process with Commercial Bank	9.97
Building and building improvements	Possessed	-	36.00
Office equipment	Possessed	-	9.56
Equipment	Possessed	-	25.26
Vehicles	Possessed	-	2.82
Differences from financial statement conversion			1.94
<b>Total</b>			<b>95.50</b>

## Distributor Agreement of the Company

Parties	: Dassault Systemes SolidWorks Corporation (“DSSW”) as “Licensor” AppliCAD Public Company Limited as “Licensee”
Date of contract	: 1 November 2023
Objective	: The Company has the right to distribute SOLIDWORKS including other products and services mentioned in the contract as Non-exclusive in Thailand and Myanmar as well as the rights of branding and marketing prescribed in the territory that are entitled to and the rights cannot be transferred (non-Transferable).
Period	: From 1 November 2023 to 31 December 2024 (For Public Cloud 3DEXPERIENCE WORKS)  If the Licensor and Licensee do not notify the termination of the contract at least 2 months in advance, the contract is automatically renewed at a time for a year However, as of 1 January 2025, the Company has been renewed for additional rights until 31 December 2025.  From 1 November 2023 to 31 March 2025 (For SolidWorks Desktop) if either party does not notify the contract cancellation at least 60 days in advance before the contract termination date. It is considered that the contract is automatically renewed for 1 year at a time.  However, as of 1 April 2025, the Company has been renewed for additional rights until 31 March 2026.
Conditions for Termination	: <ol style="list-style-type: none"> <li>1. Either party may terminate the contract by written notice to the other party. In the event that the other party breaches any of the terms of the contract and the inability to resolve the incident within 30 days of receiving the notice.</li> <li>2. The Licensor may terminate the contract, in the event that the Licensee violates the terms of trade confidentiality or in the event of an authorized distributor of goods to a competitor without permission.</li> <li>3. The Licensee is protected, liquidated or bankrupted.</li> <li>4. The Licensee may terminate the contract if the Licensee changes the shareholding ratio more than 50%.</li> <li>5. The Licensee may terminate the contract if the involved person is in the criminal prosecution and the Licensee considers that may have a negative impact on the reputation and image of the Licensee.</li> </ol>

Parties	: Graphisoft Asia Limited as “Licensor” AppliCAD Public Company Limited as “Licensee”
Date of contract	: 18 October 2021
Objective	: The Company has the right to distribute ARCHICAD and MEP Modeler as Non-Exclusive in Thailand as well as the rights of documentation, branding and marketing.
Period	: 3 years; from 19 July 2021 to 18 July 2024 If the Licensor and Licensee do not notify the termination of the contract at least 1 month in advance, the contract is automatically renewed at a time for a year but not over two years However, as of 19 July 2024, the Company has been renewed for additional rights until 18 July 2026.
Conditions for Termination	: <ol style="list-style-type: none"> <li>1. Either party may terminate the contract by written notice to the other party. In the event that the other party breaches any of the terms of the contract and the inability to resolve such an event within at least 15 days from the date of receiving the notice.</li> <li>2. The Licensor may terminate the contract if the Licensee cannot purchase up to 80% of the orders for the second consecutive quarter. Unless the purchases of their target are from a result of the overall economy.</li> <li>3. The Licensee is protected, liquidated or bankrupted.</li> <li>4. A change in control of the affairs of the Licensee.</li> </ol>

Parties	: Gstarsoft Co., Ltd. as “Licensor” AppliCAD Public Company Limited as “Licensee”
Date of contract	: 1 November 2021
Objective	: The Company has the right to distribute GstarCAD as Exclusive in Thailand and be able to appoint the Sub-Distributor and also grant the right of GstarCAD Exclusive Distributor in branding, distributing, services and marketing.
Period	: 3 years; from 1 November 2021 to 31 October 2024
Conditions for Termination	: <ol style="list-style-type: none"> <li>1. The Licensor may terminate the contract if the Licensee cannot achieve as specified in the contract.</li> <li>2. Either party may terminate the contract by submitting a notice of termination to the other party 60 days in advance.</li> </ol>

Parties	: Stratasys AP Limited as “Licensor” AppliCAD Public Company Limited as “Licensee”
Date of contract	: 1 April 2023
Objective	: The Company and its subsidiaries have the right to be the distributor of 3D Printer under Strstasys as Non-Exclusive in Thailand and Indonesia.
Period	: 2 year-term from 1 April 2023 to 31 March 2025
Conditions for Termination	: 1. Either party may terminate the contract by informing the other party 30 days in advance. 2. The Licensor may terminate the contract by written notice to the Licensee. In the event that Licensee breaches any of the terms of the contract and the inability to resolve such an event within at least 10 days from the date of receiving the notice.

Parties	: GOM GmbH. as “Licensor” AppliCAD Public Company Limited as “Licensee”
Date of contract	: 1 October 2020
Objective	: The Company has the right to distribute the 3D Scanner under GOM as Non-Exclusive in Thailand.
Period	: 2 years from 1 October 2020 to 30 September 2022 If either party does not inform the termination of this contract at least 6 months in advance, the contract will be automatically renewed for 1 year at a time.
Conditions for Termination	: The Licensee may terminate the contract if the following occurs; 1. A change in control of the affairs of the Licensee having the negative impact on the business. 2. Breaches any of the terms of the contract especially violation of payment term. 3. Serious breaches any of the terms of the contract which made a serious loss of business confidence.

### Distributor Agreement of PT. Indonesia AppliCAD

Parties	: Dassault Systemes SolidWorks Corporation (“DSSW”) as “Licensor” PT Indonesia AppliCAD as “Licensee”
Date of contract	: 1 February 2020
Objective	: PT Indonesia AppliCAD the right to distribute SOLIDWORKS including other products and services mentioned in the contract as Non-exclusive in Indonesia as postal code specified in the contract as well as the rights of branding and marketing prescribed in the territory that are entitled to and the rights cannot be transferred (non-Transferable).
Period	: 1 year from 1 February 2020 to 31 December 2021  If either party does not inform the termination of this contract at least 60 days in advance, the contract will be automatically renewed for 1 year at a time.  However, as of 1 January 2024, the Company has been renewed for additional rights until 31 December 2024.
Conditions for Termination	: <ol style="list-style-type: none"> <li>1. Either party may terminate the contract by written notice to the other party. In the event that the other party breaches any of the terms of the contract and the inability to resolve the incident within 30 days of receiving the notice.</li> <li>2. The Licensor may terminate the contract, in the event that the Licensee violates the terms of trade confidentiality or in the event of an authorized distributor of goods to a competitor without permission.</li> <li>3. The Licensee is protected, liquidated or bankrupted.</li> <li>4. The Licensee may terminate the contract if the Licensee changes the shareholding ratio more than 50%.</li> <li>5. The Licensee may terminate the contract if the involved person is in the criminal prosecution and the Licensee considers that may have a negative impact on the reputation and image of the Licensee.</li> </ol>

Parties	: Graphisoft Asia Limited as “Licensor” PT Indonesia AppliCAD as “Licensee”
Date of contract	: 19 July 2021
Objective	: PT Indonesia AppliCAD has to right to distribute ARCHICAD and MEP Modeler as Non-Exclusive in Indonesia as well as the rights of documentation, branding and marketing.
Period	: 3 years; from 19 July 2021 to 18 July 2024  If the Licensor and Licensee do not notify the termination of the contract at least 1 month in advance, the contract is automatically renewed at a time for a year but not over two years

However, as of 19 July 2024, the Company has been renewed for additional rights until 18 July 2026.

Conditions for Termination	: 1. Either party may terminate the contract by written notice to the other party. In the event that the other party breaches any of the terms of the contract and the inability to resolve such an event within at least 15 days from the date of receiving the notice. 2. The Licensor may terminate the contract if the Licensee cannot purchase up to 80% of the orders for two consecutive quarters. Unless the purchases of their target are from a result of the overall economy. 3. The Licensee is protected, liquidated or bankrupted. 4. A change in control of the affairs of the Licensee.
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Parties	: Gstarsoft Co., Ltd. as “Licensor” PT Indonesia Applicad as “Licensee”
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Date of contract	: 1 August 2021
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Objective	: PT Indonesia Applicad has the right to distribute GstarCAD as Exclusive in Indonesia and be able to appoint the Sub-Distributor and also grant the right of GstarCAD Exclusive Distributor in branding, distributing, services and marketing.
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Period	: 3 years from 1 August 2021 to 31 July 2024
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Conditions for Termination	: 1. The Licensor may terminate the contract if the Licensee cannot achieve as specified in the contract. 2. Either party may terminate the contract by submitting a notice of termination to the other party 60 days in advance.
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Parties	: GOM GmbH. as “Licensor” PT Indonesia Applicad as “Licensee”
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Date of contract	: 1 October 2020
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Objective	: PT Indonesia Applicad has the right to distribute the 3D Scanner under GOM as Non-Exclusive in Indonesia.
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Period	: 2 years from 1 October 2020 to 30 September 2022
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If either party does not inform the termination of this contract at least 6 months in advance, the contract will be automatically renewed for 1 year.

Conditions for Termination	: 1. A change in control of the affairs of the Licensee having the negative impact on the business. 2. Breaches any of the terms of the contract especially violation of payment term. 3. Serious breaches any of the terms of the contract which made a serious loss of business confidence.
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## Attachment 5 Full version of the policy and guidelines for corporate governance and Code of Conduct

The Company has disclosed the full version of the good corporate governance policy and guidelines. and the full version of the Code of Conduct on the Company's website

Good Corporate Governance Policy; <https://www.applicadthai.com/corporate-governance/>

Code of Conduct; <https://www.applicadthai.com/corporate-governance/>

## Attachment 6 Report of Audit Committee

### To Shareholders

The Audit Committee of AppliCAD Public Company Limited ("the Company") consists of three independent directors who possess expertise in accounting, finance, law, and business. All members fully meet the qualifications set by the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand, including Mrs. Bongkot Rungkornpaisarn, Mr. Thanin Pornsirivithitwet, and Dr. Niti Nuengjamnong. The committee was appointed by the company's board of directors to operate within the scope, duties, and responsibilities specified in the Audit Committee Charter, which is reviewed at least annually to ensure compliance with best practices and regulatory standards.

In 2023, the Audit Committee held a total of four meetings, attended by all members, equivalent to 100% attendance. Discussions were held with the management team, internal auditors, external auditors, and reports were presented to the company's board as a regular agenda item. The committee's key activities included the following:

1. Review of Financial Reports:

The committee reviewed quarterly and annual financial information for 2023, in collaboration with the company's management and auditors. They inquired about the accuracy and completeness of the financial statements, significant adjustments affecting financial data, and Key Audit Matters (KAM) as reported by the auditors. The committee concluded that the financial statements were correctly prepared, timely, reliable, and in accordance with financial reporting standards, beneficial for the users. The auditors issued an unqualified opinion, and the assessment of control systems was deemed adequate with no evidence of information concealment, allowing for independent operation. Additionally, the committee met once without the presence of company management to discuss the audit scope and inquire about potential risks or anomalies encountered during the audit.

2. Related Transactions and Potential Conflicts of Interest:

The committee reviewed company disclosures in cases of related transactions or potential conflicts of interest, adhering to the principles of business normalcy, transparency, and sufficient disclosure, as would be done with external parties. The committee found the company's disclosures to be adequate and in compliance with the regulatory standards of the Securities and Exchange Commission and the Stock Exchange of Thailand.

3. Risk Management Review:

The committee reviewed the company's risk management for 2023, considering the economic situation post-COVID-19 pandemic and the impacts of currency volatility. The committee evaluated potential economic risks, such as financial liquidity, debtor management, payment collection, and asset impairment assessment. The committee consistently reviewed and evaluated the adequacy and effectiveness of the risk management process, offering recommendations for improvements.

4. Review of Internal Audit Oversight:

The committee reviewed and evaluated the adequacy of the company's internal control system in collaboration with the internal audit function, which is independent and reports directly to the committee. Follow-ups were conducted on corrective actions based on audit findings and committee feedback. The committee also ensured



that the internal control system was updated to reflect changing circumstances, concluding that the company has an adequate and effective internal control system, following the principles of the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

5. Good Corporate Governance Review:

The committee reviewed the adherence to the Code of Conduct to ensure systematic good corporate governance and reviewed the whistleblowing policy and procedures to facilitate consistent reporting of legal and business misconduct. The committee monitored changes in regulations to ensure strict compliance by the company, promoting transparency, ethics, and confidence among shareholders, investors, business partners, and all stakeholders.

6. Consideration of Auditor Appointment and Audit Fee Determination:

The committee evaluated and selected auditors, considering readiness, service scope, auditor independence, and appropriateness of audit fees. The committee recommended the appointment of Grant Thornton Limited as the company's auditor for 2024 to the annual general meeting of shareholders, following the list of auditors approved by the Securities and Exchange Commission and the Stock Exchange of Thailand.

In summary, the Audit Committee believes that the company's financial statements are prepared according to financial reporting standards, related transactions are conducted on reasonable business terms with adequate transparency and disclosure. Risk management and internal control systems are sufficient and effective, and the company has complied fully with relevant regulations.



Mrs. Bongkot Rungkornpaisarn  
Chairperson of Audit Committee



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