

One to One Contacts Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2022

Independent Auditor's Report

To the Shareholders of One to One Contacts Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of One to One Contacts Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of One to One Contacts Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of One to One Contacts Public Company Limited and its subsidiaries and of One to One Contacts Public Company Limited as at 31 December 2022, their financial performance and 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 Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants including Independence 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.

Emphasis of Matters

I draw attention to the transactions relating to Phygital Space Development Co., Ltd., a subsidiary, as included in the consolidated financial statements for the year ended 31 December 2022 as follows:

1. Cryptocurrency transactions

- 1.1 As described in Note 27 to the financial statements, in March 2022, the subsidiary entered into benefit sharing agreement relating to cryptocurrency platform with a company incorporated in Thailand and a company incorporated overseas, and received brokerage fee totaling Baht 2.1 million. The subsidiary received cash deposited to its bank account in April 2022, and recognized as part of “other income” in the consolidated income statements for the year ended 31 December 2022.
- 1.2 As described in Note 15 to the financial statements, following the agreement in 1.1, the subsidiary received 10.7 million coins of cryptocurrency. However, the subsidiary did not recognize such digital asset as an asset in the financial statements due to such digital asset was not quoted in an active market. Subsequently, in June 2022, the subsidiary purchased an additional 8.8 million coins of such cryptocurrency, amounting to Baht 4.1 million from the aforementioned overseas company, as described in 1.1. The subsidiary paid cash to another company, as specified in the invoice, and presented as part of “intangible assets”. However, a full impairment loss for such intangible asset of Baht 4.1 million was recognised in the consolidated income statements for the year ended 31 December 2022.
- 1.3 As described in Note 15 to the financial statements, in May 2022, the subsidiary entered into a service agreement with a company incorporated in Thailand and recognized as part of “service income” amounting to Baht 3.0 million (excluding valued added tax) in the consolidated income statements for the year ended 31 December 2022. The service fees were payable in installments within 2022. Subsequently, in June 2022, the subsidiary signed a Memorandum of Agreement to amend the payment terms to 100.0 million coins cryptocurrency to be paid in installments within 2024. During 2022, the subsidiary received installments totaling 13.1 million coins, and entered into an agreement to sell 3.1 million coins to a related company (related by the Company’s director being such company’s shareholder) for Baht 6 million (including valued added tax). In addition, the major shareholder of such related company was also the major shareholder of the company who paid cryptocurrency to the subsidiary. In light of this, gain on disposal amounted to Baht 5.5 million which was presented as part of “other income” in

the consolidated income statements for the year ended 31 December 2022. The related company settled the payment in cash to another director of the Group, who then deposited such cash to the subsidiary's bank account. As at 31 December 2022, there were outstanding accounts receivable of Baht 2.8 million and digital assets of 10.0 million coins presented as "intangible assets" of Baht 0.3 million. The subsidiary recognised expected credit losses and impairment losses totaling Baht 3.1 million in the consolidated income statements for the year ended 31 December 2022.

All three transactions above involving the sale and purchase of cryptocurrency were conducted in cash. Transactions in 1.1 - 1.3 affected revenue of totaling Baht 10.6 million, and expenses of totaling Baht 7.2 million as reflected in in the consolidated income statements for the year ended 31 December 2022.

2. Reduction of the interest in the subsidiary

As described in Note 34 to the financial statements, on 17 February 2023, the meeting of the Company's Board of Director approved the cessation of Phygital Space Development Co., Ltd., as a subsidiary through a reduction of a portion of or all of the shareholding in the subsidiary, by mean of disposal and decreasing the number of the group's director in the subsidiary.

My opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are the matter that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. Those matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on those matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to those matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for those matters are described below.

Revenue recognition relating to long-term service contracts

The Group has disclosed its policies on revenue recognition for service provided under long-term contracts in Note 4.1 to the financial statements. The amount of revenue that the Group recognised from such service contracts in each period forms a significant portion of the Group's total revenue and directly affect profit or loss of the Group. In addition, the service contracts side terms are varied. There are therefore risks with respect to amount and timing of the recognition of revenue for long-term service contracts.

I assessed and tested the internal controls of the Group with respect to the revenue cycle, including contract process, by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. On a sampling basis, I selected long-term service contracts made with customers in order to read the contracts to consider the conditions relating to revenue recognition, including making enquiry of the management about the terms of these contracts relevant to revenue recognition. I also examined, on a sampling basis, the accounting transactions related to service revenue accounts during the year and near the end of the accounting period with supporting documents and reviewed credit notes issued after the period-end. In addition, I performed analytical procedures on disaggregated data to detect any irregularities in service revenue throughout the period, particularly for accounting entries made through journal vouchers, and reviewed the disclosures made in the notes to the financial statements with respect to the basis of revenue recognition.

Business combinations

As discussed in Note 13 to the financial statements, Inno Hub Company Limited, a subsidiary company, had invested in Phygital Space Development Co., Ltd., As at the date of acquisitions, Inno Hub Company Limited recognised and measured the assets acquired and liabilities assumed at their fair value and recognised goodwill from the business combinations by applying the acquisition method. I have focused on the business acquisitions since it is material to the financial statements as a whole, and management was required to exercise substantial judgement when appraising the fair value of the assets acquired and liabilities assumed including recognised goodwill.

I reviewed the terms and conditions of the agreements and inquired with management as to the nature and objectives of the acquisitions in order to evaluate whether the acquisitions meet the definition of a business combination under Thai Financial Reporting Standard 3 Business Combinations. In addition, I checked the value of the acquisitions to the supporting documents and related payments to assess whether it reflected the fair value of the consideration transferred and did not include acquisition-related costs. I also assessed the fair value of assets acquired and liabilities assumed specified in the documentation of measurement under the acquisition method as prepared by the independent valuation specialists, by considering the methods and significant assumptions used by the independent valuation specialists in calculating the fair value of assets and liabilities, reviewing the components of the financial model, evaluating the significant assumptions such as discount rate and growth rate and evaluating the expertise, ability and integrity of the independent valuation specialists. I also assessed the rationale of goodwill recognised from the business combinations by analysing the pricing model, and reviewing the disclosures related to the business combinations in the notes to financial statements.

Other Information

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

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

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

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the 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 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.

I am responsible for the audit resulting in this independent auditor's report.

Sarinda Hirunprasurtwutti
Certified Public Accountant (Thailand) No. 4799

EY Office Limited
Bangkok: 27 February 2023

One to One Contacts Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2022

(Unit: Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Assets					
Current assets					
Cash and cash equivalents	7	100,045,305	192,923,395	71,988,054	186,301,110
Trade and other receivables	6, 8	118,647,497	84,998,320	85,897,182	83,941,964
Short-term loans to related parties	6	-	1,700,000	76,000,000	24,500,000
Accrued income	6, 9	49,408,691	48,465,788	38,945,452	47,117,227
Inventories	10	3,235,473	5,785,588	2,307,525	4,356,544
Other current financial assets	11	234,571,370	326,726,576	234,571,370	326,726,576
Other current assets	12	46,176,284	48,109,072	42,230,928	46,416,129
Total current assets		552,084,620	708,708,739	551,940,511	719,359,550
Non-current assets					
Investment in subsidiaries	13	-	-	39,964,556	14,964,556
Equipment	14	62,308,365	59,626,710	54,802,236	55,672,235
Right-of-use assets	17	14,611,127	23,977,137	13,665,867	23,757,287
Goodwill	13	53,149,938	-	-	-
Intangible assets	15	103,091,650	28,432,834	25,780,411	27,847,224
Deferred tax assets	24	21,282,337	1,354,343	19,075,174	-
Other non-current financial assets	11	172,554,852	180,606,914	171,789,300	180,251,647
Other non-current assets		276,179	262,876	276,179	257,916
Total non-current assets		427,274,448	294,260,814	325,353,723	302,750,865
Total assets		979,359,068	1,002,969,553	877,294,234	1,022,110,415

The accompanying notes are an integral part of the financial statements.

One to One Contacts Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	6, 16	84,320,737	46,234,584	43,914,756	43,614,102
Current portion of lease liabilities	17	10,057,003	11,659,044	9,575,064	11,517,970
Other current liabilities	18	15,286,288	13,020,433	13,773,061	12,373,400
Total current liabilities		109,664,028	70,914,061	67,262,881	67,505,472
Non-current liabilities					
Lease liabilities, net of current portion	17	5,073,838	13,112,754	4,579,891	13,027,864
Provision for long-term employee benefits	19	12,350,882	10,110,116	11,010,975	9,554,196
Deferred tax liabilities	24	13,432,650	2,981,566	-	2,981,566
Other non-current liabilities		1,699,307	1,652,759	1,628,868	1,608,159
Total non-current liabilities		32,556,677	27,857,195	17,219,734	27,171,785
Total liabilities		142,220,705	98,771,256	84,482,615	94,677,257
Shareholders' equity					
Share capital	20				
Registered					
895,000,000 ordinary shares of Baht 1 each (2021: 840,000,000 ordinary shares of Baht 1 each)		895,000,000	840,000,000	895,000,000	840,000,000
Issued and fully paid up					
559,999,995 ordinary shares of Baht 1 each		559,999,995	559,999,995	559,999,995	559,999,995
Share premium		304,418,692	304,418,692	304,418,692	304,418,692
Retained earnings					
Appropriated - statutory reserve	21	28,700,000	28,700,000	28,700,000	28,700,000
Unappropriated (deficits)		(105,498,417)	10,798,841	(100,307,068)	34,314,471
Other components of shareholders' equity		293,991	280,769	-	-
Equity attributable to owners of the Company		787,914,261	904,198,297	792,811,619	927,433,158
Non-controlling interests of the subsidiaries		49,224,102	-	-	-
Total shareholders' equity		837,138,363	904,198,297	792,811,619	927,433,158
Total liabilities and shareholders' equity		979,359,068	1,002,969,553	877,294,234	1,022,110,415

The accompanying notes are an integral part of the financial statements.

Directors

One to One Contacts Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Profit or loss:					
Revenues					
Services income		600,315,318	560,217,333	484,725,898	537,045,410
Revenues from contract work		15,944,625	35,683,341	12,872,381	35,396,490
Revenues from sales		4,196,854	1,513,176	-	-
Other income	27	<u>14,179,844</u>	<u>58,713,624</u>	<u>3,134,271</u>	<u>57,467,747</u>
Total revenues		<u>634,636,641</u>	<u>656,127,474</u>	<u>500,732,550</u>	<u>629,909,647</u>
Expenses					
	23				
Cost of services		499,392,560	465,931,328	398,353,229	439,502,260
Cost of contract work		11,942,496	22,099,917	11,095,633	24,033,936
Cost of sales		1,655,193	1,055,697	-	-
Selling and services expenses		1,521,912	5,719,980	1,348,016	2,948,177
Administrative expenses		99,889,237	102,383,306	80,061,192	95,193,748
Other expenses		<u>159,117,577</u>	<u>4,659,313</u>	<u>166,845,464</u>	<u>77,777</u>
Total expenses		<u>773,518,975</u>	<u>601,849,541</u>	<u>657,703,534</u>	<u>561,755,898</u>
Operating profit (loss)		(138,882,334)	54,277,933	(156,970,984)	68,153,749
Finance income		256,931	1,031,208	772,158	1,331,589
Finance cost		(809,459)	(1,913,386)	(757,830)	(1,868,226)
Reversal of impairment loss on financial assets		<u>122,617</u>	<u>15,014,368</u>	<u>122,617</u>	<u>15,014,368</u>
Profit (loss) before income tax expenses		(139,312,245)	68,410,123	(156,834,039)	82,631,480
Income tax (expenses) income	24	<u>23,553,321</u>	<u>(12,730,652)</u>	<u>22,087,892</u>	<u>(13,737,776)</u>
Profit (loss) for the year		<u>(115,758,924)</u>	<u>55,679,471</u>	<u>(134,746,147)</u>	<u>68,893,704</u>

The accompanying notes are an integral part of the financial statements.

One to One Contacts Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2022

(Unit: Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency		<u>13,222</u>	<u>220,829</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods		<u>13,222</u>	<u>220,829</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss) on defined benefit plan		(95,677)	6,604,852	155,760	5,678,253
Less: Income tax effect	24	<u>19,135</u>	<u>(1,320,970)</u>	<u>(31,152)</u>	<u>(1,135,650)</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(76,542)</u>	<u>5,283,882</u>	<u>124,608</u>	<u>4,542,603</u>
Other comprehensive income for the year		<u>(63,320)</u>	<u>5,504,711</u>	<u>124,608</u>	<u>4,542,603</u>
Total comprehensive income for the year		<u>(115,822,244)</u>	<u>61,184,182</u>	<u>(134,621,539)</u>	<u>73,436,307</u>
Profit (loss) attributable to:					
Equity holders of the Company		(116,220,716)	55,679,471	<u>(134,746,147)</u>	<u>68,893,704</u>
Non-controlling interests of the subsidiaries		<u>461,792</u>	<u>-</u>		
		<u>(115,758,924)</u>	<u>55,679,471</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		(116,284,036)	61,184,182	<u>(134,621,539)</u>	<u>73,436,307</u>
Non-controlling interests of the subsidiaries		<u>461,792</u>	<u>-</u>		
		<u>(115,822,244)</u>	<u>61,184,182</u>		
Earnings (loss) per share					
25					
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		<u>(0.21)</u>	<u>0.11</u>	<u>(0.24)</u>	<u>0.13</u>
Weighted average number of ordinary share (Shares)		<u>559,999,995</u>	<u>522,272,625</u>	<u>559,999,995</u>	<u>522,272,625</u>
Diluted earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		<u>(0.15)</u>	<u>0.08</u>	<u>(0.17)</u>	<u>0.09</u>
Weighted average number of ordinary share (Shares)		<u>780,226,598</u>	<u>733,221,067</u>	<u>780,226,598</u>	<u>733,221,067</u>

The accompanying notes are an integral part of the financial statements.

One to One Contacts Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2022

(Unit: Baht)

Consolidated financial statements

Equity attributable to owners of the Company

	Issued and paid up share capital		Retained earnings Appropriated - statutory reserve Unappropriated (deficits)		Other components of equity		Non-controlling interests of the subsidiaries	Total shareholders' equity		
					Exchange differences on translation of financial statements in foreign currency	Total equity attributable to shareholders of the Company				
Balance as at 1 January 2021	280,000,000	304,418,692	27,100,000	(48,564,512)	59,940	563,014,120	-	563,014,120		
Profit for the year	-	-	-	55,679,471	-	55,679,471	-	55,679,471		
Other comprehensive income for the year	-	-	-	5,283,882	220,829	5,504,711	-	5,504,711		
Total comprehensive income for the year	-	-	-	60,963,353	220,829	61,184,182	-	61,184,182		
Increase share capital (Note 20)	279,999,995	-	-	-	-	279,999,995	-	279,999,995		
Transferred retained earnings to statutory reserve (Note 21)	-	-	1,600,000	(1,600,000)	-	-	-	-		
Balance as at 31 December 2021	<u>559,999,995</u>	<u>304,418,692</u>	<u>28,700,000</u>	<u>10,798,841</u>	<u>280,769</u>	<u>904,198,297</u>	<u>-</u>	<u>904,198,297</u>		
Balance as at 1 January 2022	559,999,995	304,418,692	28,700,000	10,798,841	280,769	904,198,297	-	904,198,297		
Purchase of investment of subsidiary company (Note 13)	-	-	-	-	-	-	48,762,310	48,762,310		
Loss for the year	-	-	-	(116,220,716)	-	(116,220,716)	461,792	(115,758,924)		
Other comprehensive income for the year	-	-	-	(76,542)	13,222	(63,320)	-	(63,320)		
Total comprehensive income for the year	-	-	-	(116,297,258)	13,222	(116,284,036)	461,792	(115,822,244)		
Balance as at 31 December 2022	<u>559,999,995</u>	<u>304,418,692</u>	<u>28,700,000</u>	<u>(105,498,417)</u>	<u>293,991</u>	<u>787,914,261</u>	<u>49,224,102</u>	<u>837,138,363</u>		

The accompanying notes are an integral part of the financial statements.

One to One Contacts Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2022

(Unit: Baht)

	Separate financial statements				Total shareholders' equity
	Issued and paid up share capital	Share premium	Retained earnings		
			Appropriated - statutory reserve	Unappropriated (deficits)	
Balance as at 1 January 2021	280,000,000	304,418,692	27,100,000	(37,521,836)	573,996,856
Profit for the year	-	-	-	68,893,704	68,893,704
Other comprehensive income for the year	-	-	-	4,542,603	4,542,603
Total comprehensive income for the year	-	-	-	73,436,307	73,436,307
Increase share capital (Note 20)	279,999,995	-	-	-	279,999,995
Transferred retained earnings to statutory reserve (Note 21)	-	-	1,600,000	(1,600,000)	-
Balance as at 31 December 2021	<u>559,999,995</u>	<u>304,418,692</u>	<u>28,700,000</u>	<u>34,314,471</u>	<u>927,433,158</u>
Balance as at 1 January 2022	559,999,995	304,418,692	28,700,000	34,314,471	927,433,158
Loss for the year	-	-	-	(134,746,147)	(134,746,147)
Other comprehensive income for the year	-	-	-	124,608	124,608
Total comprehensive income for the year	-	-	-	(134,621,539)	(134,621,539)
Balance as at 31 December 2022	<u>559,999,995</u>	<u>304,418,692</u>	<u>28,700,000</u>	<u>(100,307,068)</u>	<u>792,811,619</u>

The accompanying notes are an integral part of the financial statements.

One to One Contacts Public Company Limited and its subsidiaries

Cash flows statement

For the year ended 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Cash flows from operating activities					
Profit (loss) before tax		(139,312,245)	68,410,123	(156,834,039)	82,631,480
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:					
Depreciation and amortisation	14, 15, 17	50,565,139	45,271,374	40,411,517	37,820,706
(Gain) loss on disposal of financial assets	11.1.1	40,750,002	(19,441,903)	40,750,002	(19,441,903)
Increase in reduction cost of inventory to net realisable value	10	1,415,578	-	1,415,578	-
Gain on disposal of intangible assets		(5,508,501)	-	-	-
Gain on disposal of investment of subsidiary	13.3	-	(1,000,000)	-	-
(Gain) loss on change in value of security investment measured at fair value to profit or loss	11.1.1	98,996,709	(30,193,541)	98,996,709	(30,193,541)
Allowance for expected credit losses (reversal)	8	3,292,735	(14,067,861)	412,735	(14,067,861)
Allowance for other non-current financial assets (reversal)		8,877,383	(946,506)	8,877,383	(946,506)
Allowance for impairment of investment in subsidiary	13	-	-	15,000,000	-
Provision for long-term employee benefits	19	2,610,089	1,418,148	2,077,539	1,202,151
Reversal of provision for projects loss		-	(4,577,450)	-	(4,577,450)
Provision for impairment of intangible assets	15	7,060,348	4,581,536	2,669,320	-
Loss on write-off withholding tax deduct at source		-	18,260	-	8,183
Net difference of right-of-use assets and lease liabilities arising from termination of contract	17	(118,691)	(2,292,609)	(118,691)	(2,292,609)
Transfer intangible assets to expense	15	981,500	1,887,559	981,500	1,850,202
Loss on write-off fixed assets		1,407,296	1,917,905	954,686	1,917,905
(Gain) loss on disposal of equipment and intangible assets		(115,536)	1,299,880	(5,602)	(414,215)
Unrealised loss on exchange		-	41,096	-	41,096
Interest income		(256,931)	(1,031,208)	(772,158)	(1,331,588)
Interest expense	17.2, 17.3	751,998	1,814,881	722,129	1,790,933
Profit from operating activities before changes in operating assets and liabilities		71,396,873	53,109,684	55,538,608	53,996,983

The accompanying notes are an integral part of the financial statements.

One to One Contacts Public Company Limited and its subsidiaries

Cash flows statement (continued)

For the year ended 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Operating assets (increase) decrease					
Trade and other receivables		(32,677,974)	51,995,645	(2,384,651)	57,201,032
Accrued income		(1,352,908)	3,502,418	8,171,775	3,453,142
Inventories		1,134,537	5,923,870	750,441	597,847
Other current financial assets		1,629,982	-	1,629,982	-
Other current assets		5,693,250	3,110,480	(2,095,045)	2,661,872
Other non-current financial assets		(825,321)	1,443,467	(415,036)	1,470,100
Other non-current assets		(13,303)	753,581	(18,263)	323,831
Operating liabilities increase (decrease)					
Trade and other payables		42,545,662	2,546,327	5,137,473	1,309,769
Other current liabilities		(91,643)	(7,587,454)	1,399,661	(8,612,095)
Other non-current liabilities		46,546	503,173	20,709	458,573
Cash flows from operating activities					
Cash paid for income tax		(13,933,483)	(14,447,741)	(11,560,359)	(13,869,717)
Cash received from withholding tax refundable		17,723,605	17,905,107	17,723,605	17,905,107
Cash paid for provision for long-term employee benefits	19	(465,000)	-	(465,000)	-
Net cash flows from operating activities		90,810,823	118,758,557	73,433,900	116,896,444
Cash flows from investing activities					
Cash paid for short-term loans to related companies	6	-	(1,700,000)	(100,000,000)	(8,000,000)
Cash received from repayment of short-term loans					
to related companies	6	1,700,000	-	48,500,000	11,500,000
Cash received from interest income		259,177	1,028,962	788,856	1,314,890
Cash paid for purchase of financial assets	11.1.1	(266,064,878)	(571,508,862)	(266,064,878)	(571,508,862)
Proceeds from disposal of financial assets	11.1.1	216,843,391	122,107,711	216,843,391	122,107,711
Proceeds from disposal of intangible assets		6,000,000	-	-	-
Purchase of investment of subsidiary	13.3	-	(5,000,000)	-	-
Cash received from disposals of investment of subsidiary	13.3	-	6,000,000	-	-
Cash paid for investment in subsidiaries	13	(73,791,450)	-	(40,000,000)	(7,000,000)
Proceeds from disposals of equipment		144,373	4,395,528	5,607	495,528
Cash paid for acquisition of equipment and intangible assets		(56,312,132)	(53,857,844)	(35,873,395)	(48,354,394)
Net cash flows used in investing activities		(171,221,519)	(498,534,505)	(175,800,419)	(499,445,127)

The accompanying notes are an integral part of the financial statements.

One to One Contacts Public Company Limited and its subsidiaries

Cash flows statement (continued)

For the year ended 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Cash flows from financing activities					
Cash received from short-term loan		-	30,000,000	-	30,000,000
Cash paid for short-term loan		-	(30,000,000)	-	(30,000,000)
Cash paid for lease liabilities	17.2	(12,423,156)	(13,881,208)	(11,946,537)	(12,928,859)
Proceeds from increase in share capital	20	-	279,999,995	-	279,999,995
Net cash flows from (used in) financing activities		(12,423,156)	266,118,787	(11,946,537)	267,071,136
Increase (Decrease) in translation adjustments		(44,238)	199,570	-	-
Net decrease in cash and cash equivalents		(92,878,090)	(113,457,591)	(114,313,056)	(115,477,547)
Cash and cash equivalents at beginning of year		192,923,395	306,380,986	186,301,110	301,778,657
Cash and cash equivalents at end of year	7	100,045,305	192,923,395	71,988,054	186,301,110

Supplement disclosures of cash flows information

Non-cash items

Increase (decrease) in payable for purchase of equipment

and intangible assets

(4,836,819)

4,923,734

(4,836,819)

4,923,734

Acquisition of right-of-use assets under lease agreements 17

2,666,320

4,994,899

2,862,922

4,994,899

The accompanying notes are an integral part of the financial statements.

One to One Contacts Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2022

1. General information

1.1 Corporate information

One to One Contacts Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in providing customer contact center services. Its registered address is at 99/26, Moo 4, Software Park Building, 9th Floor, Chaengwattana Road, Klong Glur, Pak-Kred, Nonthaburi.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of One to One Contacts Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company’s name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2022</u> Percent	<u>2021</u> Percent
<i>Subsidiaries directly held by the Company</i>				
One to One Professional Company Limited	Provide customer contact center services and company personnel to perform work regarding providing information, news and information center on-site and off-site and cleaning service	Thailand	100	100
One to One (Cambodia) Company Limited	Provide customer contact center services	Cambodia	100	100
Inno Hub Company Limited	Provide research and development related to software program, robot, equipment, tooling and artefact innovation	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2022</u>	<u>2021</u>
Indirect subsidiaries held by the Company's subsidiaries				
Subsidiary held by Inno Hub Company Limited				
Phyigital Space Development Company Limited	Provide e-sport digital platform marketing and e-sport tournament	Thailand	Percent 49	Percent -

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary company are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- f) Material balances and transactions between the Group has been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. 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.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years 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 management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Revenues from contracts with customers

The Group accounts for a contract with a customer when it has entered into an agreement between counter parties that creates enforceable rights and obligations. The Group has to identify its performance obligations and allocate a transaction price to each obligation on an appropriate basis.

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, net of value added tax ("VAT"). Depending on the terms of the contract and the laws that apply to the contract, control of the goods or services may be transferred over time or at a point in time.

The Group principally earns revenue are as follows:

Revenue from customer contact center services

Customer contact center services comprise a comprehensive range of services, from project design and planning of customer contact center services, based on the customer's requirement and installation of hardware and/or software which are treated as a single performance obligation. Revenue is recognised over time when services have been rendered taking into account the stage of completion, using an input method, based on comparison of actual costs incurred up to the end of the period and total anticipated costs to be incurred to completion.

The recognised revenue which is not yet due per the contracts has been presented under the caption of "Accrued income" in the statement of financial position. The amounts recognised as accrued income are reclassified to trade receivables when the Group's right to consideration is unconditional such as upon completion of services and acceptance by the customer.

The obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer is presented under the caption of "Other current liabilities" in the statement of financial position. Other current liabilities are recognised as revenue when the Group performs under the contract.

Rendering of service

Service income is recognised when services have been rendered taking into account the stage of completion.

Facility rental service and customer service representative outsource are recognised as revenue on a monthly basis, as stipulated in the agreement.

Sales of goods

Sales of goods are recognised at the point in time when control of the goods is transferred to the customer, generally upon delivery of the goods. Sales is measured at the amount of consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts and allowances to customers.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

4.2 Costs to fulfil contracts with customers

The Group recognises costs to fulfil a customer contract as an asset provided that the costs generate or enhance resources of the entity that will be used in satisfying performance obligations in the future and the costs are expected to be recovered. The asset recognised is amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. An impairment loss is recognised to the extent that the carrying amount of an asset recognised exceeds the remaining amount of consideration that the entity expects to receive less direct costs.

4.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.4 Inventories

Finished goods, contract in progress and supplies are valued at the lower of cost (under the weighted average method) and net realisable value.

4.5 Investment

Investment in subsidiaries are accounted for in the separate financial statements using the cost method.

4.6 Equipment and depreciation

Equipment is stated at cost less accumulated depreciation and allowances for loss on impairment of assets (if any).

Depreciation of equipment is calculated by reference to its cost on the straight-line basis over the following estimated useful lives:

Tools and equipment	3 years and 5 years
Office equipment and computer	3 years 5 years and 10 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on equipment under installation.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.7 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible asset is reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible asset with finite useful lives is as follows:

Computer software	3 years 5 years and 10 years
Digital platform	10 years
Trademark	10 years
Right for sports	10 years

No amortisation is provided on computer software under installation.

Intangible assets with indefinite useful lives, i.e. digital asset, are not amortised, but are tested for impairment whenever there is an indication that asset may be impaired. The assessment of indefinite useful lives of the intangible assets is reviewed annually. An item of asset is derecognised upon disposal or when no future benefits are expected. Any gain or losses arising on disposal of asset is included in profit or loss when the asset is derecognised.

4.8 Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the acquisition date fair value, the amount of any non-controlling interests in the acquiree and the acquisition date fair value of the Group's previously held equity interest in the acquiree, in a business combination achieved in stages.

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group measures the identifiable assets acquired and the liabilities assumed at acquisition date fair value, and classifies and designates them in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the Group will be recognised at fair value at the acquisition date. A contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. A contingent consideration classified as an asset or liability is measured at fair value, with changes in fair value recognised in profit or loss.

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash-generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.9 Related party transactions

Related parties comprise individuals and enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.10 Lease

At inception of contract, the Group 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 Group as a lessee

The Group applied 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 Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less 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.

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

Building and building's improvement	2 - 5 years
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If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

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, variable lease payments that depend on an index or a rate, 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group 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.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. 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.

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.

4.11 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of equipment, right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an assets may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

The Group will recognise an impairment loss in profit or loss.

4.12 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of the reporting period.

Gains and losses on exchange are included in determining income.

4.13 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Provision for vacation

The Group has set up provision for vacation which is calculated in accordance with the Group's policy and formula, taking into consideration the employee's salary, the number of service years and the unused vacation days.

4.14 Provisions

Provisions are recognised when the Group 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.

4.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.16 Financial instruments

The Group 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.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

At initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 60 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLS are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial assets is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.17 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 Group applies 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 Group measures 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 observable 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 Group determines 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.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures and actual results could differ. Significant judgements and estimates are as follows:

5.1 Identification of performance obligations

In identifying performance obligations relating to the provision of customer contract center services, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

5.2 Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash-generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

5.3 Consolidation of subsidiaries that the Company holds less than half of shares

The management of the Company determined that the Company has control over Phyigital Space Development Company Limited, even though the Company holds 49% of shares and voting rights that is less than half of shares and voting rights. This is because the Company is a major shareholder and has the ability to direct the significant activities, while other shareholders are only minor shareholders. As a result, Phyigital Space Development Company Limited is deemed to be a subsidiary of the Company and has to be included in the consolidated financial statements from the date on which the Company assumed control.

5.4 Leases

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 judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

5.5 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.

5.6 Equipment and depreciation

In determining depreciation of equipment, the management is required to make estimates of the useful lives and residual values of the Group's equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review equipment for allowance for diminution in value on a periodical basis and record losses on diminution in value in the period when it is determined that their recoverable amount is lower than the carrying cost. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

5.7 Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

5.8 Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties. The pricing policies for these related party transactions are summarised as follows:

1. Sales and service prices are determined at market price, if there is unknown market price, sales and service prices will be determined at cost plus a margin not over 15 percent. However, the pricing policy is subject to change depending on the type of business and market competition at the time being.
2. Outsourced Contact Center Services are determined at cost plus a margin not less than 10 percent.
3. Interest on loans are charged at average individual deposit rate of the big five commercial banks plus 0.25 percent per annum.
4. Rental expenses are charged at the amount stated in the agreement.
5. Other service income and expenses are charged at a mutually agreed price.
6. Directors and management's benefit expenses are charged as approved by shareholders' meeting or contractually agreed price.

Significant business transactions between the Company and its related parties were summarised as follows:

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Transactions with subsidiary company</u>				
(eliminate from the consolidated financial statements)				
Service income	-	-	17.6	-
Revenues from contract work	-	-	1.0	-
Cost of contract work	-	-	0.6	3.6
Cost of service	-	-	6.4	2.9
Other income	-	-	0.7	0.7
Interest income	-	-	0.6	0.3
<u>Transactions with related companies</u>				
Sales and service income	2.9	-	-	-
Other income	5.5	-	-	-
Rental and utility expenses	-	5.2	-	5.2
Other expenses	-	0.2	-	0.2

The balances of the accounts as at 31 December 2022 and 2021 between the Company and its related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Trade accounts receivable - related parties (Note 8)</u>				
Subsidiary companies	-	-	19,480	-
Total trade accounts receivable - related parties	-	-	19,480	-
<u>Other receivables - related parties (Note 8)</u>				
Subsidiary companies	-	-	581	4,312
Total other receivables - related parties	-	-	581	4,312
<u>Accrued income - related parties (Note 9)</u>				
Subsidiary companies	-	-	-	10
Related companies (related by directors)	2,514	-	-	-
Total accrued income - related parties	2,514	-	-	10
<u>Trade accounts payable - related parties (Note 16)</u>				
Subsidiary companies	-	-	548	-
Total trade accounts payable - related parties	-	-	548	-
<u>Other payables - related parties (Note 16)</u>				
Subsidiary companies	-	-	138	-
Total other payables - related parties	-	-	138	-
<u>Short-term loan to related parties</u>				
Subsidiary companies	-	-	76,000	22,800
Related company (related by directors)	-	1,700	-	1,700
Total short-term loan to related parties	-	1,700	76,000	24,500

Short-term loans to related parties

As at 31 December 2022 and 2021, the balances of loans between the Group and the movement in loans are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			Balance as at 31 December 2022
	Balance as at 31 December 2021	During the year		
		Increase	Decrease	
Short-term loans to related parties				
<i>Related company</i>				
Insight Media Group Company Limited	1,700	-	(1,700)	-
Total	1,700	-	(1,700)	-

(Unit: Thousand Baht)

	Separate financial statements			Balance as at 31 December 2022
	Balance as at 31 December 2021	During the year		
		Increase	Decrease	
Short-term loans to related parties				
<i>Subsidiary companies</i>				
Inno Hub Company Limited	5,800	94,000	(23,800)	76,000
One to One Professional Company Limited	17,000	6,000	(23,000)	-
<i>Related company</i>				
Insight Media Group Company Limited	1,700	-	(1,700)	-
Total	24,500	100,000	(48,500)	76,000

Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Company had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	<u>2022</u>	<u>2021</u>
Short-term employee benefits	21,803	25,334
Post-employment benefits	294	237
Total	22,097	25,571

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash	104	119	76	74
Bank deposits	99,941	192,804	71,912	186,227
Total	100,045	192,923	71,988	186,301

As at 31 December 2022, bank deposits carried interests between 0.125 and 0.35 percent per annum (2021: between 0.05 and 0.25 percent per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Trade accounts receivable - related parties</u>				
(Note 6)				
Aged on the basis of due dates				
Not yet due	-	-	2,645	-
Past due				
Up to 3 months	-	-	16,835	-
Total trade accounts receivable - related parties	-	-	19,480	-
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	53,559	58,787	45,454	56,940
Past due				
Up to 3 months	65,874	23,115	20,335	22,277
3 - 6 months	1,891	132	-	132
6 - 12 months	413	132	413	132
Over 12 months	34,969	34,969	34,969	34,969
Total trade accounts receivable - unrelated parties	156,706	117,135	101,171	114,450
Total trade accounts receivable	156,706	117,135	120,651	114,450
Less: Allowance for expected credit losses	(38,262)	(34,969)	(35,382)	(34,969)
Total trade accounts receivable - net	118,444	82,166	85,269	79,481
<u>Other receivables</u>				
Other receivables - related parties (Note 6)	-	-	581	4,312
Other receivables - unrelated parties	203	2,830	47	132
Accrued interest income	-	2	-	17
Total other receivables	203	2,832	628	4,461
Total trade and other receivables - net	118,647	84,998	85,897	83,942

As at 31 December 2022, trade accounts receivable - unrelated parties of the Company included amounts of Baht 34.9 million (2021: Baht 34.9 million), which were receivable from a public company that filed a petition with the Court for business rehabilitation and past due over 12 months, As at 31 December 2022 the allowance for expected credit losses was recorded in full amount.

In addition, the balances included a trade accounts receivable incorporated overseas of Baht 42 million (2021: Nil) which was past due. The management believes that they will fully receive the repayment from the debtor and therefore did not set any allowance for expected credit losses.

The Company has evaluated the situation and chance to receive repayments from debtors and the management believes that as at 31 December 2022, allowance for expected credit losses was sufficient and appropriate, considering for the current situation.

The normal credit term is 30 to 60 days.

Set out below is the movement in the allowance for expected credit losses of trade.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Beginning balance	34,969	49,037	34,969	49,037
Increase (decrease) in allowance for expected credit losses	3,293	(14,068)	413	(14,068)
Ending balance	<u>38,262</u>	<u>34,969</u>	<u>35,382</u>	<u>34,969</u>

9. Accrued income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Accrued income - related parties</u> (Note 6)				
Aged on the basis of record dates				
Up to 3 months	1,053	-	-	10
3 - 6 months	1,094	-	-	-
6 - 12 months	367	-	-	-
Total accrued income - related parties	<u>2,514</u>	<u>-</u>	<u>-</u>	<u>10</u>
<u>Accrued income - unrelated parties</u>				
Aged on the basis of record dates				
Up to 3 months	44,428	47,201	37,182	45,842
3 - 6 months	1,735	876	1,555	876
6 - 12 months	524	389	-	389
Over 12 months	208	-	208	-
Total accrued income - unrelated parties	<u>46,895</u>	<u>48,466</u>	<u>38,945</u>	<u>47,107</u>
Total	<u>49,409</u>	<u>48,466</u>	<u>38,945</u>	<u>47,117</u>

10. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2022	2021	2022	2021	2022	2021
Service contracts in process	2,592	4,361	-	-	2,592	4,361
Finished goods	1,742	600	(1,416)	-	326	600
Supplies	317	825	-	-	317	825
Total	4,651	5,786	(1,416)	-	3,235	5,786

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2022	2021	2022	2021	2022	2021
Service contracts in process	2,191	4,357	-	-	2,191	4,357
Finished goods	1,416	-	(1,416)	-	-	-
Total	3,607	4,357	(1,416)	-	2,191	4,357

During the current year, the Group reduced cost of inventories by Baht 1.4 million (2021: Nil) (the Company only: Baht 1.4 million, 2021: Nil), to reflect the net realizable value. This was included in expenses during the year.

11. Other financial assets

11.1 Other current financial assets

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	<u>2022</u>	<u>2021</u>
<u>Debt instruments at amortised cost</u>		
Deposits	-	1,630
Total debt instruments at amortised cost	-	1,630
<u>Financial assets at FVTPL</u>		
Listed equity investments (Note 11.1.1)	234,571	325,097
Total financial assets at FVTPL	234,571	325,097
Total other current financial assets	234,571	326,727

11.1.1 Listed equity investments

Movements of the listed equity investments account during the year ended 31 December 2022 and 2021 were summarised below.

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
Balance as at 1 January 2021	1,060
Increase during the year	396,509
Disposals during the year	
Proceeds from disposal of listed equity investments	(122,108)
Gain on disposals	19,442
Total	(102,666)
Gain on change in value	30,194
Balance as at 31 December 2021	325,097
Increase during the year	266,065
Disposals during the year	
Proceeds from disposal of listed equity investments	(216,844)
Loss on disposals	(40,750)
Total	(257,594)
Loss on change in value	(98,997)
Balance as at 31 December 2022	234,571

11.2 Other non-current financial assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Debt instruments at amortised cost</u>				
Deposits	6,707	5,881	5,941	5,526
Less: Allowance for expected credit losses	(152)	(274)	(152)	(274)
Total debt instruments at amortised cost - net	<u>6,555</u>	<u>5,607</u>	<u>5,789</u>	<u>5,252</u>
<u>Financial assets at FVTPL</u>				
Non-listed equity instruments (Note 11.2.1)	166,000	175,000	166,000	175,000
Total financial assets at FVTPL	<u>166,000</u>	<u>175,000</u>	<u>166,000</u>	<u>175,000</u>
Total other non-current financial assets - net	<u>172,555</u>	<u>180,607</u>	<u>171,789</u>	<u>180,252</u>

11.2.1 Non-listed equity investments

Movements of the non-listed equity investments account during the year ended 31 December 2022 and 2021 were summarised below.

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
Balance as at 1 January 2021	-
Add: Increase during the year	175,000
Balance as at 31 December 2021	175,000
Less: Loss on change in value	(9,000)
Balance as at 31 December 2022	<u>166,000</u>

On 9 September 2021, the meeting of the Board of Directors of the Company passed the resolution to approve the Company to invest in Hinsitsu (Thailand) Public Company Limited (“Hinsitsu”), which is currently engaging in business of manufacturing of silk screen name plates and label stickers per order of customers relating to electrical and electronic for both domestic and overseas markets by acquiring 100,000 ordinary shares with a par value of Baht 100 per share from Simat Technologies Public Company Limited, a related company (related by way of common shareholders), representing 10 percent of total shares capital of Hinsitsu at a purchase price of totaling Baht 175 million. In this regard, the Company has successfully signed the shares purchase agreement with Simat Technologies Public Company Limited and fully paid for such shares on 30 September 2021.

During the current year, the Company recognised loss on change in fair value of investment in Hinsitsu (Thailand) Public Company Limited (“Hinsitsu”), of Baht 9 million as other expenses in the consolidated and separate comprehensive income statement for the year ended 31 December 2022.

12. Other current assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Withholding tax deducted at source	34,915	39,421	32,402	38,566
Prepaid expenses	6,601	6,850	6,453	6,164
Undue input value added tax	633	619	480	608
Others	4,027	1,219	3,013	1,078
Total	46,176	48,109	42,348	46,416

The Group has regarded withholding tax deducted at source as an asset since it intends to request and has the right to claim for refund of it. However, the net realisable value of tax is subject to the exercise of the claim right by the Group and the results of the Group’s tax audit by the Revenue officials.

However, the management has used judgement to assess the outcome of the refund claims and believes that no loss will result. Therefore, no allowance for diminution in value of withholding tax deducted at sources is recorded as at the end of reporting period.

13. Investments in subsidiaries

13.1 Details of investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment of investment		(unit: Thousand Baht)	
									Carrying amounts based on cost method-net	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
One to One Professional Company Limited	Baht 5 Million	Baht 5 Million	100 (%)	100 (%)	5,000	5,000	(35)	(35)	4,965	4,965
One to One (Cambodia) Company Limited	600,000 USD	600,000 USD	100	100	19,725	19,725	(19,725)	(19,725)	-	-
Inno Hub Company Limited	Baht 50 Million	Baht 10 Million	100	100	50,000	10,000	(15,000)	-	35,000	10,000
Total					74,725	34,725	(34,760)	(19,760)	39,965	14,965

During the current year, the Company recognised allowance for impairment of investment in Inno Hub Company Limited, (a subsidiary company), of Baht 15 million as other expenses in the separate comprehensive income statements for the year ended 31 December 2022.

13.2 Increase in registered share capital of subsidiary company

Inno Hub Co., Ltd.

- a) On 27 July 2021, the meeting of the Board of Directors of the Company passed a resolution to approve the increase in the registered share capital of Inno Hub Company Limited, a subsidiary company, from Baht 3 million (300,000 ordinary shares of Baht 10 each) to Baht 10 million (1,000,000 ordinary shares of Baht 10 each) through an issuance of 700,000 additional ordinary shares at a par value of Baht 10 each, totaling Baht 7 million. The subsidiary company fully called-up the share capital, and the Company fully paid the share subscription on 20 August 2021. The subsidiary company has registered the share capital increase with the Department of Business Development, Ministry of Commerce on 25 August 2021.
- b) On 14 January 2022, the meeting of the Board of Directors of the Company passed a resolution to approve the increase in the registered share capital of Inno Hub Co., Ltd., a subsidiary company, from Baht 10 million (1,000,000 ordinary shares of Baht 10 each) to Baht 50 million (5,000,000 ordinary shares of Baht 10 each) through an issuance of 4,000,000 additional ordinary shares at a par value of Baht 10 each, totaling Baht 40 million. The subsidiary company fully called-up the share capital, and the Company fully paid the share subscription on 8 February 2022. The subsidiary company has registered the share capital increase with the Department of Business Development, Ministry of Commerce on 14 February 2022.

13.3 Purchase of investments of subsidiary company

Inno Hub Co., Ltd.

- a) On 27 July 2021, the meeting of the Board of Directors of the Company passed the resolution to approve Inno Hub Company Limited, a subsidiary company, to invest in Insight Media Group Company Limited, which presently operates business in advertising media production services in Thailand by acquiring 1,964,000 ordinary shares with a par value of Baht 10 per share, representing 67.72 percent of all shares in such company from existing shareholders at a purchase price of totaling Baht 5 million. In addition, within 4 months from the completion of the acquisition of existing shares transaction, the subsidiary company will acquire of 1,000,000 newly issued ordinary shares of Insight Media Group Company Limited at a par value of Baht 10 each, totaling Baht 10 million. After the completion of such two transactions, the subsidiary company will hold 2,964,000 ordinary shares of Insight Media Group Company Limited for total of Baht 15 million, representing 76 percent of registered shares capital of Insight Media Group Company Limited.

On 2 August 2021, the subsidiary company has entered into a purchase and sales agreement to purchase ordinary shares of Insight Media Group Company Limited from the existing shareholders of that company at the mutually agreed price of Baht 5 million and settled the acquisition of the existing shares transaction on 2 August 2021.

The fair value of the identifiable assets acquired and liabilities assumed of Insight Media Group Company Limited as at the acquisition date, based on the estimates made by the subsidiary company are summarised as follows:

	(Unit: Thousand Baht)
Cash and cash equivalents	3,474
Trade and other receivables	2,997
Withholding tax deducted at source	420
Other current assets	1,601
Equipment	12,035
Other non-current financial assets	2,772
Other non-current assets	9,521
Trade and other payables	(14,581)
Lease liabilities	(5,502)
Provision for long-term employee benefits	(1,054)
Other current liabilities	(1,528)
Net assets from acquisition of subsidiary company	<u>10,155</u>
Less: Non-controlling interests at 32.28 percent	<u>(3,278)</u>
Net assets from acquisition of subsidiary company in proportion of shareholding at 67.72 percent	6,877
Cash used in acquisition of investment in subsidiary company	<u>(5,000)</u>
Discrepancy	<u><u>1,877</u></u>

However, on 29 October 2021, the meeting of the Board of Directors of Inno Hub Company Limited, a subsidiary company, passed a resolution to approve the disposal of all investment in Insight Media Group Company Limited to a company.

Subsequently on 3 November 2021, a subsidiary company has entered into the share purchase agreement with such company at a total price of Baht 6 million and the disposal of investment has been completed under the share purchase agreement on 30 November 2021. The Company therefore did not recognised the discrepancy between the fair value of the net assets acquired being higher than the cost of investment in profit or loss.

The fair value of the identifiable assets acquired and liabilities assumed of Phygital Space Development Co., Ltd. as at the acquisition date are summarised as follows:

	(Unit: Thousand Baht)
Cash and cash equivalents	26,208
Trade and other receivables	4,266
Short-term loan	8,000
Other current assets	266
Building and equipment	1,128
Intangible assets	72,896
Trade and other payables	(377)
Unearned revenue	(2,223)
Deferred tax liabilities	(14,552)
Net assets from acquisition of subsidiary company	<u>95,612</u>
Less: Fair value of investment in Phygital Space Development Co., Ltd. for proportion of non-controlling interests at 51 percent	<u>(48,762)</u>
Net assets from acquisition of subsidiary company in proportion of shareholding at 49 percent	46,850
Cash used in acquisition of investment in subsidiary company	<u>100,000</u>
Goodwill	<u><u>53,150</u></u>

Net cash outflows from acquisition of ordinary shares of Phygital Space Development Co., Ltd. were presented below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Cash used in acquisition of investment in subsidiary company	<u>100,000</u>
Less: Cash and cash equivalents of the subsidiary company	<u>(26,208)</u>
Net cash outflows from purchase of ordinary shares in subsidiary	<u><u>73,792</u></u>

During the year 2022, Inno Hub Company Limited has completed its assessment of fair value of identifiable assets and liabilities assumed at the acquisition date of Phygital Space Development Co., Ltd., which is within the measurement period of 12 months from the acquisition date in accordance with Thai Financial Reporting Standard No. 3. During the measurement period, the Company obtained addition information on the fair value of some assets and liabilities and adjusted the financial statements at the acquisition date of Phygital Space Development Co., Ltd.

Goodwill arising from the business combination represented the knowhow in e-sport industry expert of the key management and e-sport development team.

The Company has determined the recoverable amounts of its cash-generating units based on value in use using cash flow projections from financial estimation approved by management covering a 5-year period for Phygital Space Development Co., Ltd.

Key assumptions used in value in use calculations are summarised below.

	(Unit: percent per annum)
Growth rate	4.8
Pre-tax discount rate	14.0

Management has considered growth rate based on expected market growth and discount rate as a pre-tax rate to reflect the risks specific to each cash-generating unit.

Management has considered the above and believes that there is no impairment of goodwill.

The change in key assumptions that affect their recoverable amounts to close with their carrying values as at 31 December 2022 is summarised below.

	(Unit: Percent per annum)
Decrease in long-term growth rates	3.6
Increase in pre-tax discount rates	2.5

13.4 Dissolution of subsidiary company

On 10 November 2021, the meeting of the Board of Directors of the Company passed a resolution to approve the dissolution of One to One (Cambodia) Company limited, a subsidiary company. Such subsidiary company operated until January 2022.

Currently, the process of registering that company's dissolution and its subsequent liquidation are in progress.

14. Equipment

(Unit: Thousand Baht)

Consolidated financial statements						
	Office equipment	Tools and equipment	Computer	Motor vehicles	Equipment under installation	Total
Cost						
1 January 2021	41,646	674,029	222,645	2,241	431	940,992
Additions	4,583	6,857	1,038	-	36,405	48,883
Disposals and write-off	(11,173)	(24,096)	(12,192)	(2,241)	-	(49,702)
Transfer in (out)	1,173	616	-	-	(1,789)	-
Translation adjustment	190	280	287	-	-	757
31 December 2021	36,419	657,686	211,778	-	35,047	940,930
Acquisitions of subsidiary during the year	56	715	357	-	-	1,128
Additions	4,564	1,555	5,016	-	18,944	30,079
Disposals and write-off	(6,609)	(3,169)	(2,777)	-	-	(12,555)
Transfer in (out)	3,080	41,974	3,913	-	(48,967)	-
Translation adjustment	(39)	(56)	(59)	-	-	(154)
31 December 2022	37,471	698,705	218,228	-	5,024	959,428
Accumulated depreciation						
1 January 2021	32,591	648,055	214,655	2,241	-	897,542
Depreciation for the year	4,038	16,023	5,050	-	-	25,111
Depreciation on disposals and write-off	(9,583)	(18,083)	(12,181)	(2,241)	-	(42,088)
Translation adjustment	174	280	284	-	-	738
31 December 2021	27,220	646,275	207,808	-	-	881,303
Depreciation for the year	4,469	18,635	4,260	-	-	27,364
Depreciation on disposals and write-off	(5,515)	(3,133)	(2,749)	-	-	(11,397)
Translation adjustment	(35)	(57)	(58)	-	-	(150)
31 December 2022	26,139	661,720	209,261	-	-	897,120
Net book value						
31 December 2021	9,199	11,411	3,970	-	35,047	59,627
31 December 2022	11,332	36,985	8,967	-	5,024	62,308
Depreciation for the year						
2021 (Baht 20.2 million included in cost of services, and the balance in selling and administrative expenses)						25,111
2022 (Baht 23.8 million included in cost of services, and the balance in selling and administrative expenses)						27,364

(Unit: Thousand Baht)

	Separate financial statements					Total
	Office equipment	Tools and equipment	Computer	Motor vehicles	Equipment under installation	
Cost						
1 January 2021	39,875	662,009	218,904	2,241	431	923,460
Additions	4,582	1,408	983	-	36,405	43,378
Disposals and write-off	(11,173)	(15,915)	(12,192)	(2,241)	-	(41,521)
Transfer in (out)	1,173	616	-	-	(1,789)	-
31 December 2021	34,457	648,118	207,695	-	35,047	925,317
Additions	49	1,207	4,036	-	18,944	24,236
Disposals and write-off	(4,765)	(424)	-	-	-	(5,189)
Transfer in (out)	3,080	41,974	3,913	-	(48,967)	-
31 December 2022	32,821	690,875	215,644	-	5,024	944,364
Accumulated depreciation						
1 January 2021	30,100	644,488	211,315	2,241	-	888,144
Depreciation for the year	3,976	12,171	4,876	-	-	21,023
Depreciation on disposals and write-off	(9,583)	(15,517)	(12,181)	(2,241)	-	(39,522)
31 December 2021	24,493	641,142	204,010	-	-	869,645
Depreciation for the year	3,832	16,361	3,958	-	-	24,151
Depreciation on disposals and write-off	(3,810)	(424)	-	-	-	(4,234)
31 December 2022	24,515	657,079	207,968	-	-	889,562
Net book value						
31 December 2021	9,964	6,976	3,685	-	35,047	55,672
31 December 2022	8,306	33,796	7,676	-	5,024	54,802
Depreciation for the year						
2021 (Baht 17.9 million included in cost of services, and the balance in selling and administrative expenses)						21,023
2022 (Baht 21.1 million included in cost of services, and the balance in selling and administrative expenses)						24,151

As at 31 December 2022, certain equipment items of the Group has been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 857 million (2021: Baht 841 million) and separate financial statements: Baht 857 million (2021: Baht 834 million).

15. Intangible assets

(Unit: Thousand Baht)

Consolidated financial statements							
	Computer software	Digital platform	Trademark	Right for sports team	Digital assets	Computer software under installation	Total
Cost							
1 January 2021	96,059	-	-	-	-	2,581	98,640
Additions	5,716	-	-	-	-	4,183	9,899
Transfer in (out)	1,592	-	-	-	-	(3,479)	(1,887)
Translation adjustment	126	-	-	-	-	-	126
31 December 2021	103,493	-	-	-	-	3,285	106,778
Acquisitions of subsidiary during the year	15	64,150	8,731	-	-	-	72,896
Additions	2,152	1,700	-	8,507	8,380	1,004	21,743
Disposal and write-off	(1,240)	-	-	-	(99)	(981)	(2,320)
Transfer in (out)	2,437	-	-	-	-	(2,437)	-
Translation adjustment	(26)	-	-	-	-	-	(26)
31 December 2022	106,831	65,850	8,731	8,507	8,281	871	199,071
Accumulated amortisation							
1 January 2021	66,524	-	-	-	-	-	66,524
Amortisation for the year	7,115	-	-	-	-	-	7,115
Translation adjustment	124	-	-	-	-	-	124
31 December 2021	73,763	-	-	-	-	-	73,763
Amortisation for the year	5,773	4,929	711	275	-	-	11,688
Amortisation on disposal and write-off	(1,091)	-	-	-	-	-	(1,091)
Translation adjustment	(23)	-	-	-	-	-	(23)
31 December 2022	78,422	4,929	711	275	-	-	84,337
Allowance for impairment loss:							
1 January 2021	-	-	-	-	-	-	-
Increase during the year	4,582	-	-	-	-	-	4,582
31 December 2021	4,582	-	-	-	-	-	4,582
Increase during the year	-	-	-	-	7,060	-	7,060
31 December 2022	4,582	-	-	-	7,060	-	11,642
Net book value							
31 December 2021	25,148	-	-	-	-	3,285	28,433
31 December 2022	23,827	60,921	8,020	8,232	1,221	871	103,092

(Unit: Thousand Baht)

	Separate financial statements			
	Computer software	Digital assets	Computer software under installation	Total
Cost				
1 January 2021	86,332	-	2,508	88,840
Additions	5,716	-	4,183	9,899
Transfer in (out)	560	-	(2,410)	(1,850)
Translation adjustment	-	-	-	-
31 December 2021	92,608	-	4,281	96,889
Additions	1,905	3,890	1,004	6,799
Disposal/write-off	-	-	(981)	(981)
Transfer in (out)	2,437	-	(2,437)	-
Translation adjustment	-	-	-	-
31 December 2022	96,950	3,890	1,867	102,707
Accumulated amortisation				
1 January 2021	64,369	-	-	64,369
Amortisation for the year	4,673	-	-	4,673
Translation adjustment	-	-	-	-
31 December 2021	69,042	-	-	69,042
Amortisation for the year	5,216	-	-	5,216
Translation adjustment	-	-	-	-
31 December 2022	74,258	-	-	74,258
Allowance for impairment loss:				
31 December 2021	-	-	-	-
Increase during the year	-	2,669	-	2,669
31 December 2022	-	2,669	-	2,669
Net book value				
31 December 2021	23,566	-	4,281	27,847
31 December 2022	22,692	1,221	1,867	25,780

As at 31 December 2022, certain intangible assets items have been fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to approximately Baht 50.6 million (2021: Baht 48.5 million) and the Company only Baht 50.6 million (2021: Baht 47.9 million).

Digital assets

- During the current year, the Company has invested in digital assets; i.e. SIX coin token digital, amounting to Baht 3.8 million as node validator. Under the agreement, the Company can not sell such digital assets within 12 months. The Company has settled the repayment in June 2022. The Company recognised an impairment loss for such digital asset of Baht 2.6 million in the consolidated and separate income statement for the year ended 31 December 2022.

- b. Following the benefit sharing agreement relating to cryptocurrency platform in Note 27, Phygital Space Development Co., Ltd., a subsidiary, received utility token for 10.7 million Hub coins. However, the subsidiary did not recognize such digital asset as an asset in the financial statements due to such digital asset was not quoted in an active market. Subsequently, in June 2022, the subsidiary purchased additional utility token for 8.8 million Hub coins, amounting to Baht 4.1 million from the aforementioned overseas company, as described above. The subsidiary paid cash to another company, as specified in the invoice and presented as part of “intangible assets”. However, a full impairment loss for such intangible assets of Baht 4.1 million was recognized in the consolidated income statements for the year ended 31 December 2022.
- c. In May 2022, Phygital Space Development Co., Ltd., a subsidiary entered into a service agreement for provision of platform with a company incorporated in Thailand and recognised Baht 3.0 million (excluding valued added tax) as part of “service income” in the consolidated income statements for the year ended 31 December 2022. The service agreement is for a period of 7 months and the fees were payable 6 installments within November 2022. Subsequently, in June 2022, the subsidiary signed a Memorandum of Agreement to amend payment terms to 100.0 million coins cryptocurrency, to be paid in 11 installments within December 2024. During 2022, the subsidiary received installments totaling 13.1 million coins, and in July 2022, entered into an agreement to sell 3.1 million coins to a related company (related by the Company’s director being such company’s shareholder) for Baht 6 million (including valued added tax). In addition, the major shareholder of such related company was also the major shareholder of the company who paid cryptocurrency to the subsidiary. In light of this, gain on disposal of Baht 5.5 million was presented as part of “other income” in the consolidated income statements for the year ended 31 December 2022. In September 2022, the related company settled the payment in cash to another director of the Group, who then deposited such cash to the subsidiary’s bank account. As at 31 December 2022, there were outstanding accounts receivable of Baht 2.8 million and digital assets of 10.0 million coins presented as part of “intangible assets” of Baht 0.3 million. The subsidiary recognised expected credit losses and impairment losses totaling Baht 3.1 million in the consolidated income statements for the year ended 31 December 2022.

Right for sports team

On 20 May 2022, Phygital Space Development Co., Ltd. entered into a sale and purchase agreement for an e-sports team, including their copyright, with a company amounting to Baht 4.5 million with an effective date on 1 June 2022.

In addition, On 23 December 2022, Phygital Space Development Co., Ltd. entered into a sale and purchase agreement for an e-sports team, including their copyright, with a company amounting to Baht 4 million with an effective date on 23 December 2022.

16. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Trade accounts payable - unrelated parties	8,312	7,304	7,497	6,711
Trade accounts payable - related parties (Note 6)	-	-	548	-
Other payables - unrelated parties	5,406	9,245	5,314	9,041
Other payables - related parties (Note 6)	-	-	138	-
Accrued project cost	1,574	1,007	704	574
Accrued expenses	<u>69,029</u>	<u>28,679</u>	<u>29,714</u>	<u>27,288</u>
Total trade and other payables	<u><u>84,321</u></u>	<u><u>46,235</u></u>	<u><u>43,915</u></u>	<u><u>43,614</u></u>

17. Leases

The Group has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 2 - 5 years.

17.1 Right-of-use assets

Movements of right-of-use assets account during the years ended 31 December 2022 and 2021 were summarised below.

	(Unit: Thousand Baht)	
	Building and improvement	
	Consolidated	Separate
	financial	financial
	statements	statements
Net book value as at 1 January 2021	52,751	51,611
Addition during the year	4,995	4,995
Decrease from termination of contract during the year	(20,724)	(20,724)
Depreciation for the year	<u>(13,045)</u>	<u>(12,125)</u>
Net book value as at 31 December 2021	23,977	23,757
Addition during the year	3,863	2,666
Decrease from termination of contract during the year	(1,714)	(1,714)
Depreciation for the year	<u>(11,515)</u>	<u>(11,043)</u>
Net book value as at 31 December 2022	<u><u>14,611</u></u>	<u><u>13,666</u></u>

17.2 Lease liabilities

The carrying amounts of lease liabilities as at 31 December 2022 and 2021 are presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Lease payments	15,578	25,840	14,574	25,607
Less: Deferred interest expenses	(447)	(1,068)	(419)	(1,061)
Total	15,131	24,772	14,155	24,546
Less: Portion due within one year	(10,057)	(11,659)	(9,575)	(11,518)
Lease liabilities - net of current portion	<u>5,074</u>	<u>13,113</u>	<u>4,580</u>	<u>13,028</u>

Movements of the lease liability account during the years ended 31 December 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Beginning balance	24,772	54,860	24,546	53,705
Add: Addition during the year	3,863	4,995	2,666	4,995
Accretion of interest	752	1,815	722	1,791
Less: Payments during the year	(12,423)	(13,882)	(11,946)	(12,929)
Termination of contract during the year	(1,833)	(23,016)	(1,833)	(23,016)
Ending balance	<u>15,131</u>	<u>24,772</u>	<u>14,155</u>	<u>24,546</u>

17.3 Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Depreciation expenses of right-of-use assets	11,515	13,045	11,043	12,125
Interest expenses on lease liabilities	752	1,815	722	1,791
Expense relating to short-term leases	3,349	3,228	3,349	3,228

17.4 Other

The Group had total cash outflows for leases for the year ended 31 December 2022 of Baht 15.8 million (2021: Baht 17.1 million) (the Company only: Baht 15.3 Million (2021: Baht 16.2 million)), including the cash outflow related to short-term lease.

18. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Undue output VAT	7,739	7,568	8,434	7,415
Value added tax payable	2,280	3,111	1,501	2,831
Others	5,267	2,341	3,838	2,127
Total other current liabilities	<u>15,286</u>	<u>13,020</u>	<u>13,773</u>	<u>12,373</u>

19. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Provision for long-term employee benefits at beginning of year	10,110	15,297	9,554	14,030
Included in profit or loss:				
Current service cost	2,399	1,528	1,892	1,354
Interest cost	204	175	195	156
Past service cost	16	-	-	-
Transfer employees	-	-	-	(23)
Gain on settlement	(9)	(285)	(9)	(285)
Benefit paid during the year	(465)	-	(465)	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	21	(108)	19	(106)
Financial assumptions changes	(916)	(1,455)	(840)	(1,395)
Experience adjustments	991	(5,042)	665	(4,177)
Provision for long-term employee benefits at end of year	<u>12,351</u>	<u>10,110</u>	<u>11,011</u>	<u>9,554</u>

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cost of service	1,680	925	1,527	836
Selling expenses	126	52	126	15
Administrative expenses	804	441	425	351
Total expenses recognised in profit or loss	<u>2,610</u>	<u>1,418</u>	<u>2,078</u>	<u>1,202</u>

The Group expects to pay Baht 1.6 million of long-term employee benefits during the next year (the Company only: Baht 1.6 Million) (2021: Nil (the Company only: Nil)).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is 12 years (2021: 13 years).

Significant actuarial assumptions are summarised below:

	Consolidated and Separate	
	financial statements	
	<u>2022</u>	<u>2021</u>
	(% per annum)	(% per annum)
Discount rate	2.3 - 2.7	1.7 - 1.9
Salary increase rate	2.5 - 5.0	2.5 - 5.0
Turnover rate	0 - 33	0 - 34

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below:

	(Unit: million Baht)			
	Consolidated financial statements			
	Increase 1 %		Decrease 1%	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Discount rate	(1.1)	(1.1)	1.3	1.2
Salary increase rate	1.3	1.1	(1.2)	(1.0)
	Increase 20%		Decrease 20%	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Turnover rate	(1.9)	(1.8)	2.4	2.4

(Unit: million Baht)

	Separate financial statements			
	Increase 1 %		Decrease 1%	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Discount rate	(1.0)	(1.0)	1.2	1.2
Salary increase rate	1.2	1.1	(1.1)	(1.0)
	Increase 20%		Decrease 20%	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Turnover rate	(1.7)	(1.7)	2.2	2.4

20. Share capital

On 20 September 2021, the Extraordinary General Meeting of shareholders of the Company No. 1/2021 passed the resolutions approving the following.

- 20.1 Approve the increase in the Company's registered share capital from Baht 280 million (280,000,000 ordinary shares of Baht 1 each) to Baht 840 million (840,000,000 ordinary shares of Baht 1 each) through the issuance of 560,000,000 additional ordinary shares at a par value of Baht 1 each for the allocation of not more than 280,000,000 newly-issued ordinary shares at a par value of Baht 1 each, to be offered to the existing shareholders of the Company in proportion to their respective shareholdings (Rights Offering), with an allocation ratio of 1 existing ordinary share to 1 newly-issued ordinary share at Baht 1 each, and the allocation of not more than 280,000,000 newly-issued ordinary shares at a par value of Baht 1 each, to accommodate the exercise of the OTO-W1 Warrants as described in Note 26. The Company registered the increase of share capital with the Ministry of Commerce on 23 September 2021.

Subsequently in October 2021, the Company completely received share subscription of 279,999,995 new ordinary shares amounting to Baht 279,999,995 from the existing shareholders of the Company. The Company registered the increase in the paid-up share capital with the Ministry of Commerce on 28 October 2021, totaling paid-up share capital of Baht 559,999,995 after the registration.

On 21 April 2022, the Annual General Meeting of the Company's shareholders passed the resolution as follows:

- 20.2 Approve the reduction in the Company's registered share capital from Baht 840,000,000 (840,000,000 ordinary shares of Baht 1 each) to Baht 839,999,995 (839,999,995 ordinary shares of Baht 1 each) by cancelling 5 ordinary shares with a par value of Baht 1 each, totaling Baht 5, which are the remaining shares from the new ordinary shares issued and offered to the existing shareholders of the Company in proportion to their respective shareholdings. The Company registered the reduction of the share capital with the Ministry of Commerce on 27 April 2022.

20.3 Approve the increase in the Company's registered share capital from Baht 839,999,995 (839,999,995 ordinary shares of Baht 1 each) to Baht 895,000,000 (895,000,000 ordinary shares of Baht 1 each) through the issuance of 55,000,005 additional ordinary shares at a par value of Baht 1 each, totaling Baht 55,000,005, to be offered to private placement. The Company registered the increase of share capital with the Ministry of Commerce on 28 April 2022.

Reconciliation of share capital

	Consolidated and separate financial statements	
	(Number of shares)	(Baht)
<u>Registered share capital</u>		
As at 1 January 2021	280,000,000	280,000,000
Increase from approval of the Extraordinary General Meeting of shareholders of the Company on 20 September 2021	560,000,000	560,000,000
As at 31 December 2021	840,000,000	840,000,000
Decrease from approval of the Annual General Meeting of shareholders of the Company on 21 April 2022	(5)	(5)
Increase from approval of the Annual General Meeting of shareholders of the Company on 21 April 2022	55,000,005	55,000,005
As at 31 December 2022	895,000,000	895,000,000

21. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

During the year 2021, the Company set aside an additional statutory reserve of its net profit of Baht 1.6 million (2022: Nil).

22. Revenue from contracts with customers

22.1 Revenue recognised in relation to contract balances

	(Unit: Thousand Baht) Consolidated and Separate financial statements	
	<u>2022</u>	<u>2021</u>
Revenue recognised in during the year that was included in contract liabilities at the beginning of the year	318	705
	<u>318</u>	<u>705</u>

22.2 Revenue to be recognised for the remaining performance obligations

As at 31 December 2022, revenue of the Group totaling Baht 612.6 million (2021: Baht 663.0 million) is expected to be recognised in the future in respect of performance obligations under contracts with customers that are incompleted which the Group expects to respect of the performance obligations under contracts within 4 years (2021: 5 years).

23. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht) Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Salaries and wages and other employee benefits	416,032	386,863	349,502	368,645
Depreciation	38,879	38,156	35,194	33,148
Purchase equipment and service of project for sales	11,709	8,163	7,624	7,122
Rental and service expenses from operating lease agreements	16,606	21,184	14,706	19,928
Repair and maintenance expenses	17,001	26,490	16,094	24,442
Amortisation expenses	11,688	7,115	5,216	4,673
Expected credit losses	3,293	35	413	35
Loss on impairment of investment in subsidiary	-	-	15,000	-
Loss on impairment of non-current financial assets	8,878	-	8,878	-
Loss on impairment of intangible assets	7,060	4,582	2,669	-
Loss on change in value of listed equity securities	98,997	-	98,997	-

24. Income tax

Income tax expenses for the years ended 31 December 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current income tax:				
Current income tax charge	456	5,225	-	5,205
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>(24,009)</u>	<u>7,506</u>	<u>(22,088)</u>	<u>8,533</u>
Income tax expense (income) reported in the statement of comprehensive income	<u><u>(23,553)</u></u>	<u><u>12,731</u></u>	<u><u>(22,088)</u></u>	<u><u>13,738</u></u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred tax relating to net actuarial gain (loss)	<u>(19)</u>	<u>1,321</u>	<u>31</u>	<u>1,136</u>
	<u><u>(19)</u></u>	<u><u>1,321</u></u>	<u><u>31</u></u>	<u><u>1,136</u></u>

The reconciliation between accounting profit and income tax expenses was shown below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Accounting profit (loss) before tax	<u>(139,312)</u>	<u>68,410</u>	<u>(156,834)</u>	<u>82,631</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by applicable tax rate	(27,862)	13,682	(31,367)	16,526
Effects of:				
Non-deductible expenses	62	70	40	66
Additional expense deductions allowed	(374)	(507)	(374)	(507)
Previously deductible temporary differences and unrecognised tax losses that is used to reduce current tax expense	(3,820)	(2,737)	-	(2,592)
Unrecognised tax losses	7,776	1,857	6,000	-
Deferred tax assets not recognised / reversal	665	347	3,613	245
Others	-	19	-	-
Total	<u>4,309</u>	<u>(951)</u>	<u>9,279</u>	<u>(2,788)</u>
Income tax expenses (income) reported in the statement of comprehensive income	<u>(23,553)</u>	<u>12,731</u>	<u>(22,088)</u>	<u>13,738</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred tax assets				
Unrealised loss from revaluation of temporary investment	13,771	-	13,771	-
Accrued project cost	315	201	141	115
Provision for long-term employee benefits	2,470	2,022	2,202	1,911
Accrued vacation leave	125	130	119	127
Depreciation difference from tax rate	406	915	13	678
Allowance for expected credit losses	113	55	113	55
Leases	103	159	98	158
Allowance for impairment of other current financial assets	1,800	-	1,800	-
Allowance for impairment of intangible assets	1,895	916	534	-
Reduction cost to net realisable value	283	-	283	-
Others	1	2	1	2
Total	<u>21,282</u>	<u>4,400</u>	<u>19,075</u>	<u>3,046</u>
Deferred tax liabilities				
Unrealised gain from revaluation of temporary investment	-	(6,028)	-	(6,028)
Fair value adjustments from acquisitions of subsidiary	(13,433)	-	-	-
Total	<u>(13,433)</u>	<u>(6,028)</u>	<u>-</u>	<u>(6,028)</u>
Deferred tax assets (liabilities) - net	<u>7,849</u>	<u>(1,628)</u>	<u>19,075</u>	<u>(2,982)</u>
Statement of financial position				
Deferred tax assets	21,282	1,354	19,075	-
Deferred tax liabilities	(13,433)	(2,982)	-	(2,982)
Deferred tax assets (liabilities) - net	<u>7,849</u>	<u>(1,628)</u>	<u>19,075</u>	<u>(2,982)</u>

As at 31 December 2022, the Group had deductible temporary differences and unused temporarily differences tax losses of Baht 39.40 million and USD 0.17 million (equivalent to Baht 7.0 million) (2021: Baht 77.01 million and USD 0.18 million (equivalent to Baht 5.9 million)) on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilization of temporary differences and unused tax losses. The unused tax losses will expire by 2027.

25. Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing profit (loss) for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings (loss) per share is calculated by dividing profit for the year (excluding other comprehensive income) by the sum of the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

The number of outstanding ordinary shares for calculating earnings per share was retrospectively adjusted to reflect the stock dividend and newly issued ordinary shares to existing shareholders (Right Offering) proportionate to their respective shareholding as if the event had occurred since the beginning of the comparative period presented. As a result, the earnings per share for the year ended 31 December 2022 and 2021 was adjusted to give a comparative result.

Basic earnings (loss) per share and diluted earnings per share are calculated below.

	Consolidated financial statements					
	Profit (loss) for the year		Weighted average number of ordinary shares		Earnings (loss) per share	
	2022	2021	2022	2021	2022	2021
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings (loss) per share						
Profit (loss) for the year	(116,221)	55,679	560,000	522,273	<u>(0.21)</u>	<u>0.11</u>
Effect of dilutive potential ordinary shares						
Warrants (OTO-W1)	-	-	220,227	210,948		
Diluted earnings (loss) per share						
Profit (loss) for the year - assuming the conversion of dilutive potential ordinary shares	<u>(116,221)</u>	<u>55,679</u>	<u>780,227</u>	<u>733,211</u>	<u>(0.15)</u>	<u>0.08</u>

	Separate financial statements					
	Profit (loss) for the year		Weighted average number of ordinary shares		Earnings (loss) per share	
	2022	2021	2022	2021	2022	2021
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings (loss) per share						
Profit (loss) for the year	(134,746)	68,894	560,000	522,273	<u>(0.24)</u>	<u>0.13</u>
Effect of dilutive potential ordinary shares						
Warrants (OTO-W1)	-	-	220,227	210,948		
Diluted earnings (loss) per share						
Profit (loss) for the year - assuming the conversion of dilutive potential ordinary shares	<u>(134,746)</u>	<u>68,894</u>	<u>780,227</u>	<u>733,211</u>	<u>(0.17)</u>	<u>0.09</u>

26. Warrants

On 20 September 2021, the Extraordinary General Meeting of shareholders of the Company No. 1/2021 passed the resolution to approve the issuance and allocation of warrants to purchase ordinary share of the Company No.1 (“OTO-W1 Warrants”) not over 280,000,000 warrants to the existing shareholders of the Company in proportion to their respective shareholdings (Right Offering). Details of the warrants are summarised below.

Number of warrants issued	: 280,000,000 units
Number of warrants subscribed	: 279,998,669 units
Offering price per unit	: Baht 0 per unit
Offering method	: Allocated to the existing shareholders, 2 ordinary shares to 1 unit of OTO-W1 Warrant
Exercise ratio	: 1 unit of OTO-W1 Warrant per 1 ordinary share
Exercise price	: Baht 3 per share, subject to change in accordance with the conditions of rights adjustments
Date of issuance	: 1 December 2021
Term of the warrant	: 3 years from the issuance date of warrants
Expiry date	: 29 November 2024
Exercise dates	: 2 times when the warrants are due at 1 year and 6 months (31 May 2023) and at the maturity date of 3 years from the issuance date of warrants (29 November 2024)

During the year, no warrant had been exercised; therefore, as at 31 December 2022 and 2021, there were 279,998,669 units unexercised warrants outstanding.

27. Other income

In March 2022, Phygital Space Development Co., Ltd., a subsidiary, entered into benefit sharing agreement relating to cryptocurrency platform with a company incorporated in Thailand and a company incorporated overseas, and received brokerage fee totaling Baht 2.1 million. The subsidiary received cash deposited to its bank account in April 2022 and recognised as part of “other income” in the consolidated income statements for the year ended 31 December 2022.

In addition, the subsidiary recognised gain on disposal of cryptocurrency of Baht 5.5 million and presented as part of “other income” in the consolidated income statements for the year ended 31 December 2022, as mentioned in Note 15.

28. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on its products and services and have 3 reportable segments as follows:

1. Outsourced Contact Center Services and System Maintenance. Outsourced Contract Center Services consists of fully outsource contact center management service, customer service representative outsourcing service and contact center facility outsourcing service.
2. Turnkey Total Solutions provides convergent and ready-made systems for organizations that want to invest and install systems that are compatible with their businesses in order to improve efficiency in customer service.
3. E-sport digital platform marketing service and e-sport tournament.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Group¹ operating segments for the year ended 31 December 2022 and 2021.

(Unit: Thousand Baht)

	Outsourced Contact Center Services and System Maintenance		Turnkey Total Solutions		E-sport digital platform marketing and e-sport tournament		Total reportable segments		Adjustments and eliminations		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	Sale, contract work and service income											
Revenue from external customers	541,433	560,217	15,945	37,197	63,079	-	620,457	597,414	-	-	620,457	597,414
Revenue from related parties	25,900	2,855	3,994	3,583	-	-	29,894	6,438	(29,894)	(6,438)	-	-
Total sale, contract work and service income	567,333	563,072	19,939	40,780	63,079	-	650,351	603,852	(29,894)	(6,438)	620,457	597,414
Cost of sales, contract work and services	(466,358)	(468,795)	(13,517)	(26,730)	(55,494)	-	(535,369)	(495,525)	22,378	6,438	(512,991)	(489,087)
Segment profit	100,975	94,277	6,422	14,050	7,585	-	114,982	108,327	(7,516)	-	107,466	108,327
Other income											14,180	58,713
Selling and services expenses											(1,522)	(5,720)
Administrative expenses											(99,889)	(102,383)
Other expenses											(159,118)	(4,659)
Finance income											257	1,031
Finance cost											(809)	(1,913)
Reversal of impairment loss on financial assets											123	15,014
Operating profit (loss)											(139,312)	68,410
Income tax (expense) income											23,553	(12,731)
Profit (loss) for the year											(115,759)	55,679
Timing of revenue recognition:												
Revenue recognised over time											(620,457)	597,414
Total revenue from contracts with customers											(620,457)	597,414

Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
<i>Revenue from external customers</i>		
Thailand	620,260	595,187
Cambodia	197	2,227
Total	<u>620,457</u>	<u>597,414</u>
<i>Non-current assets (Other than financial instruments and deferred tax assets)</i>		
Thailand	233,438	112,037
Cambodia	-	263
Total	<u>233,438</u>	<u>112,300</u>

Major customers

For the year 2022, the Company obtained revenue from one major customer in an amount of Baht 54.1 million (2021: Baht 48.3 million), arising from Outsourced Contact Center Services and System Maintenance.

29. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group contributed to the fund monthly at the rate of 3 percent to 10 percent of basic salary, and the employees contributed to the fund monthly at the rate 3 percent to 15 percent of basic salary, the fund, which is managed by Bangkok Bank Public Company Limited, will be paid to the employees upon termination in accordance with the fund rules. During the year 2022, the Group contributed amounting to Baht 4.2 million (2021: Baht 4.5 million) were recognised as expenses.

30. Commitments and contingent liabilities

The Group has commitments and contingent liabilities other than those disclosed in other notes as follow:

30.1 Operating lease commitments and services agreements

As at 31 December 2022 and 2021, the Group has future lease payments required under short-term leases, leases of low-value assets and service agreements as follows.

(Unit: Million)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Currency: Baht				
Payable:				
In up to 1 year	9.1	16.7	7.6	16.4
In over 1 and up to 3 years	5.1	9.2	3.4	9.1
	<u>14.2</u>	<u>25.9</u>	<u>11.0</u>	<u>25.5</u>

30.2 Guarantees

As at 31 December 2022, there were outstanding bank guarantees of approximately Baht 26.4 million (2021: Baht 73.2 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. The details of bank guarantees are as follows:

(Unit: Million Baht)

	Consolidated and Separate	
	financial statements	financial statements
	<u>2022</u>	<u>2021</u>
Performance guarantees	26.1	72.9
Guarantee electricity use	0.3	0.3
	<u>26.4</u>	<u>73.2</u>

31. Fair value of financial instruments

As at 31 December 2022 and 2021, the Company had the assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)		
	As at 31 December 2022		
	Consolidated and separate financial statements		
	Level 1	Level 3	Total
Assets measured at fair value			
Financial assets measured at FVTPL			
Listed equity investments	234.6	-	234.6
Non-listed equity investment	-	166.0	166.0

	(Unit: Million Baht)		
	As at 31 December 2021		
	Consolidated and separate financial statements		
	Level 1	Level 3	Total
Assets measured at fair value			
Financial assets measured at FVTPL			
Listed equity investments	325.1	-	325.1
Non-listed equity investment	-	175.0	175.0

32. Financial instruments

Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, loans and investments in Equity instruments. The financial risks associated with these financial instruments and how they are managed is described below.

32.1 Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, loans, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables and contract assets

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables and contract assets are regularly monitored. In addition, the majority of sales and services of the Group are supplied to creditworthy customers such as state enterprises, government agencies and financial institutions. It has a large customer base.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

32.2 Market risk

There are two types of market risk comprising interest rate risk and currency risk.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks and short-term loan to related parties. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to market rate.

As at 31 December 2022 and 2021, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements										
	Fixed interest rates		Floating interest rate				Non- interest bearing		Effective interest rate	
	within 1 year		Floating interest rate		Non- interest bearing		Total		(% per annum)	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Financial Assets										
Cash and cash equivalent	-	-	99.9	192.8	0.1	0.1	100.0	192.9	0.13 - 0.35	0.05 - 0.25
Trade and other receivables	-	-	-	-	118.6	85.0	118.6	85.0	-	-
Short-term loans to related parties	-	1.7	-	-	-	-	-	1.7	-	0.67, 1.95
Accrued income	-	-	-	-	49.4	48.5	49.4	48.5	-	-
	-	1.7	99.9	192.8	168.1	133.6	268.0	328.1		
Financial liabilities										
Trade and other payables	-	-	-	-	84.3	46.2	84.3	46.2	-	-
	-	-	-	-	84.3	46.2	84.3	46.2		

(Unit: Million Baht)

Separate financial statements										
	Fixed interest rates		Floating interest rate				Non- interest bearing		Effective interest rate	
	within 1 year		Floating interest rate		Non- interest bearing		Total		(% per annum)	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Financial Assets										
Cash and cash equivalent	-	-	71.9	186.2	0.1	0.1	72.0	186.3	0.13 - 0.35	0.05 - 0.25
Trade and other receivables	-	-	-	-	85.9	83.9	85.9	83.9	-	-
Short-term loans to related parties	76.0	24.5	-	-	-	-	76.0	24.5	0.67	0.67, 1.95
Accrued income	-	-	-	-	38.9	47.1	38.9	47.1	-	-
	76.0	24.5	71.9	186.2	124.9	131.1	272.8	349.8		
Financial liabilities										
Trade and other payables	-	-	-	-	43.2	43.6	43.2	43.6	-	-
	-	-	-	-	43.2	43.6	43.2	43.6		

Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from advance to subsidiaries and trading transactions that are denominated in foreign currencies.

The balances of financial liabilities denominated in foreign currencies as at 31 December 2022 and 2021 are summarised below.

Foreign currency	Consolidated / Separate financial statements		Exchange rate as at 31 December	
	<u>2022</u> (Million)	<u>2021</u> (Million)	<u>2022</u> (Baht per 1 foreign currency unit)	<u>2021</u>
Financial liabilities				
US dollar	-	0.01	34.7335	33.5929

Foreign currency sensitivity

As at 31 December 2022 and 2021, the Company's exposure to foreign currency changes is not material.

32.3 Liquidity risk

The Group monitors the risk of shortage of liquidity position by maintain level of cash and cash equivalent and has credit lines with various banks. As at 31 December 2022, the Group has assessed the sufficient of the group's net working capital to refinancing its debt in financial statements and concluded it is to be low.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities and derivative financial instruments as at 31 December 2022 based on contractual undiscounted cash flows:

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	As at 31 December 2022		
	Within		Total
	1 year	1 - 5 years	
Non-derivatives			
Trade and other payables	84,321	-	84,321
Lease liabilities (Note 17)	10,057	5,074	15,131
Total non-derivatives	94,378	5,074	99,452

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	As at 31 December 2021		
	Within		
	1 year	1 - 5 years	Total
Non-derivatives			
Trade and other payables	46,235	-	46,235
Lease liabilities (Note 17)	11,659	13,113	24,772
Total non-derivatives	<u>57,894</u>	<u>13,113</u>	<u>71,007</u>

	(Unit: Thousand Baht)		
	Separate financial statements		
	As at 31 December 2022		
	Within		
	1 year	1 - 5 years	Total
Non-derivatives			
Trade and other payables	43,915	-	43,915
Lease liabilities (Note 17)	9,575	4,580	14,155
Total non-derivatives	<u>53,490</u>	<u>4,580</u>	<u>58,070</u>

	(Unit: Thousand Baht)		
	Separate financial statements		
	As at 31 December 2021		
	Within		
	1 year	1 - 5 years	Total
Non-derivatives			
Trade and other payables	43,614	-	43,614
Lease liabilities (Note 17)	11,518	13,028	24,546
Total non-derivatives	<u>55,132</u>	<u>13,028</u>	<u>68,160</u>

32.4 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates closed to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

The methods and assumptions used by the Grouping estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, trade and other receivables and trade and other payables, the carrying amounts in the statement of financial position approximate their fair value.
- b) The fair value of equity securities is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.

During the current year, there were no transfers within the fair value hierarchy.

32.5 Reconciliation of recurring fair value measurements, of financial assets, categorised within Level 3 of the fair value hierarchy.

	(Unit: Thousand Baht)
	Consolidated financial statements and Separate financial statement Non-listed equity investment
Balance as of 1 January 2021	-
Acquired during the year (fair value as at acquisition date)	175,000
Balance as of 31 December 2021	175,000
Net loss recognised in other expenses in profit or loss	(9,000)
Balance as of 31 December 2022	166,000

Key assumptions used in the valuation are summarised below.

<u>Financial instrument</u>	<u>Valuation technique</u>	<u>Significant unobservable output</u>	<u>Rates</u>
Non-listed equity investment	Discounted cash flow	Weighted average cost of capital	8.97%

33. Capital management

The primary objectives of the Company's capital management is to ensure that it has an appropriate financing structure in order to support its business and maximise shareholder value. As at 31 December 2022, the Group's debt-to-equity ratio was 0.2:1 (2021: 0.1:1) and the Company's debt-to-equity ratio was 0.1:1 (2021: 0.1:1).

34. Events after the reporting period

34.1 On 10 January 2023, the meeting of the Board of Directors of the Company passed the following significant resolutions:

- a) Approve the establishment of a new subsidiary to support the expansion in the import, manufacturing, assembling, and sale of electronic motorcycles and parts. The subsidiary has a registered share capital of Baht 10 million and the Company's shareholding percentage will be 99.98 percent. At present, the subsidiary is being established.
- b) Approve the sale of some investments in Hinsitsu (Thailand) Public Company Limited, to a public company who previously sold such investment to the Company, amounted to 6,000,000 shares, or 3% of the issued and paid-up ordinary shares (such company changed its par value from 1,000,000 shares at Baht 100 each to 200,000,000 shares at Baht 0.50 each) at Baht 52,500,000 which is the same price as the acquired purchase price by the Company. The Company completed the investment disposal and received payment on 12 January 2023.

34.2 On 17 February 2023, the meeting of the Board of Directors of the Company passed the following significant resolutions:

- a) Approve the cessation of Phygital Space Development Co., Ltd., as a subsidiary of Inno Hub Co., Ltd., through a reduction the shareholding in Physical Space Development Co., Ltd. by mean of disposal a portion of or all of Inno Hub Co., Ltd.'s shareholding and decreasing number of directors in the subsidiary. As a result, Inno Hub Co., Ltd. lost control over financial and management policies.
- b) Approve amending a service agreement for the provision of platform between Physical Space Development Co., Ltd. and a company by changing the terms and conditions of cryptocurrency repayment by Z7 Dao to Thai Baht.

35. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 27 February 2023.