|  |  |
| --- | --- |
| Note | Contents |
|  |  |
| 1 | Basis of preparation of the interim financial statements |
| 2 | Related parties |
| 3 | Trade and other current receivables |
| 4 | Network equipment |
| 5 | Property, plant and equipment |
| 6 | Right-of-use assets |
| 7 | Interest-bearing liabilities |
| 8 | Segment information and disaggregation of revenue |
| 9 | Dividend |
| 10 | Financial instruments |
| 11 | Commitments with non-related parties |
| 12 | Contingent liabilities |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements and were approved and authorised for issue by the Board of Directors on 9 August 2024.

**1 Basis of preparation of the interim financial statements**

The condensed interim financial statements are presented in the same format as the annual financial statements together with notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*, guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The interim financial statements focus on new activities, events and circumstances to avoid repetition of information previously reported in annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiary for the year ended 31 December 2023.

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2023.

**2 Related parties**

Related parties that the Group had significant transactions during the period with were as follows:

| **Name of entities** | **Country of incorporation** | **Nature of relationships** |
| --- | --- | --- |
| Diamond Line Services Company Limited | Thailand | Subsidiary |
| AIMS Data Centre (Thailand) Limited | Thailand | Associate until April 2023, and  having a common parent company of major shareholder |
| TIME DOTCOM INTERNATIONAL  SDN BHD | Malaysia | Major shareholder, 10% or more shareholding, and having a representative as a director of the Company |
| TIME DOTCOM BERHAD | Malaysia | Parent company of major shareholder |
| TT dotCom Sdn. Bhd. | Malaysia | Common shareholders and directors |
| TIME dotCom (Cambodia) Co., Ltd. | Cambodia | Common shareholders and directors |
| CMC Telecommunication Infrastructure  Corporation | Vietnam | Common shareholders and directors |
| TIME dotCom Global Services Sdn. Bhd. | Malaysia | Common shareholders and directors |
| Supreme Distribution Public  Company Limited | Thailand | Common director |
| Finansa Securities Co., Ltd. | Thailand | Common director |

| ***Significant transactions with related parties*** | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Six-month period ended 30 June*** | 2024 |  | 2023 |  | 2024 |  | 2023 |
|  | *(in thousand Baht)* | | | | | | |
| **Major shareholder** |  |  |  |  |  |  |  |
| Sale of goods and rendering of services | 57 |  | 57 |  | 57 |  | 57 |
| **Associate** |  |  |  |  |  |  |  |
| Sale of goods and rendering of services | - |  | 42 |  | - |  | 42 |
| Receiving of services | - |  | 5,182 |  | - |  | 5,182 |
| Interest income | - |  | 2,336 |  | - |  | 2,336 |
| **Other related parties** |  |  |  |  |  |  |  |
| Sale of goods and rendering of services | 43,711 |  | 39,904 |  | 43,711 |  | 39,904 |
| Receiving of services | 58,127 |  | 76,791 |  | 58,127 |  | 76,791 |
| Interest income | - |  | 410 |  | - |  | 410 |
| **Key management personnel** |  |  |  |  |  |  |  |
| Key management personnel compensation |  |  |  |  |  |  |  |
| Short-term employee benefits | 15,038 |  | 12,915 |  | 15,038 |  | 12,915 |
| Post-employment benefits | 551 |  | 495 |  | 551 |  | 495 |

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 30  June |  | 31 December |  | 30  June |  | 31 December |
| ***Balances with related parties as at*** | 2024 |  | 2023 |  | 2024 |  | 2023 |
|  | *(in thousand Baht)* | | | | | | |
| ***Trade accounts receivable*** |  |  |  |  |  |  |  |
| Major shareholder | 10 |  | 10 |  | 10 |  | 10 |
| Other related parties | 762 |  | 1,072 |  | 762 |  | 1,072 |
| **Total** | **772** |  | **1,082** |  | **772** |  | **1,082** |
|  |  |  |  |  |  |  |  |
| ***Accrued income*** |  |  |  |  |  |  |  |
| Other related party | 791 |  | - |  | 791 |  | - |
| **Total** | **791** |  | **-** |  | **791** |  | **-** |
|  |  |  |  |  |  |  |  |
| ***Trade accounts payable*** |  |  |  |  |  |  |  |
| Other related parties | 58,554 |  | 44,190 |  | 58,554 |  | 44,190 |
| **Total** | **58,554** |  | **44,190** |  | **58,554** |  | **44,190** |

**3 Trade and other current receivables**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Consolidated  financial statements | | |  | Separate  financial statements | | |
|  |  | 30  June |  | 31 December |  | 30  June |  | 31 December |
|  | *Note* | 2024 |  | 2023 |  | 2024 |  | 2023 |
|  |  | *(in thousand Baht)* | | | | | | |
| **Trade accounts receivable** |  |  |  |  |  |  |  |  |
| Related parties | *2* | 772 |  | 1,082 |  | 772 |  | 1,082 |
| Other parties |  | 297,997 |  | 302,472 |  | 297,936 |  | 302,411 |
| **Total** |  | **298,769** |  | **303,554** |  | **298,708** |  | **303,493** |
| *Less* allowance for expected |  |  |  |  |  |  |  |  |
| credit loss |  | (21,522) |  | (20,473) |  | (21,461) |  | (20,412) |
| **Net** |  | **277,247** |  | **283,081** |  | **277,247** |  | **283,081** |
|  |  | Consolidated  financial statements | | |  | Separate  financial statements | | |
|  |  | 30  June |  | 31 December |  | 30  June |  | 31 December |
|  | *Note* | 2024 |  | 2023 |  | 2024 |  | 2023 |
|  |  | *(in thousand Baht)* | | | | | | |
| **Accrued income** |  |  |  |  |  |  |  |  |
| Related party | *2* | 791 |  | - |  | 791 |  | - |
| Other parties |  | 30,256 |  | 31,456 |  | 30,256 |  | 31,456 |
| **Total** |  | **31,047** |  | **31,456** |  | **31,047** |  | **31,456** |
|  |  |  |  |  |  |  |  |  |
| **Other current receivables** |  |  |  |  |  |  |  |  |
| Other parties |  | 180 |  | 434 |  | 180 |  | 434 |
| **Total** |  | **180** |  | **434** |  | **180** |  | **434** |
|  |  |  |  |  |  |  |  |  |
| **Total trade and other**  **current receivables** |  | **308,474** |  | **314,971** |  | **308,474** |  | **314,971** |

|  |  | Consolidated  financial statements | | | |  | | Separate  financial statements | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | 30  June |  | | 31 December |  | | 30  June |  | | 31 December |
|  |  | 2024 |  | | 2023 |  | | 2024 |  | | 2023 |
|  |  | *(in thousand Baht)* | | | | | | | | | |
| **Trade accounts receivable** |  |  |  |  | |  |  | |  |  | |
| Within credit terms |  | 210,007 |  | 176,676 | |  | 210,007 | |  | 176,676 | |
| Overdue: |  |  |  |  | |  |  | |  |  | |
| 1 - 90 days |  | 38,377 |  | 77,393 | |  | 38,377 | |  | 77,393 | |
| 91 - 180 days |  | 19,903 |  | 20,453 | |  | 19,903 | |  | 20,453 | |
| 181 - 360 days |  | 9,330 |  | 7,455 | |  | 9,330 | |  | 7,455 | |
| More than 360 days |  | 21,152 |  | 21,577 | |  | 21,091 | |  | 21,516 | |
| **Total** |  | **298,769** |  | **303,554** | |  | **298,708** | |  | **303,493** | |
| *Less* allowance for expected credit loss |  | (21,522) |  | (20,473) | |  | (21,461) | |  | (20,412) | |
| **Net** |  | **277,247** |  | **283,081** | |  | **277,247** | |  | 283,081 | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| *Expected credit loss* | Consolidated  financial statements | | |  | Separate  financial statements | | |
| *Six-month period ended 30 June* | 2024 |  | 2023 |  | 2024 |  | 2023 |
|  | *(in thousand Baht)* | | | | | | |
| Trade accounts receivable | 1,049 |  | 27 |  | 1,049 |  | 27 |

**4** **Network equipment**

| ***Six-month period ended 30 June 2024*** | **Consolidated financial statements** |  | **Separate financial statements** |
| --- | --- | --- | --- |
|  | *(in thousand Baht)* | | |
| Acquisitions - at cost | 477,572 |  | 477,572 |
| Disposals - net book value | (6,869) |  | (6,869) |
| Reversal of impairment on network equipment | 6,492 |  | 6,492 |

**5 Property, plant and equipment**

| ***Six-month period ended 30 June 2024*** | **Consolidated financial statements** |  | **Separate financial statements** |
| --- | --- | --- | --- |
|  | *(in thousand Baht)* | | |
| Acquisitions - at cost | 3,050 |  | 3,050 |
| Disposals - net book value | (1,043) |  | (1,043) |

**6 Right-of-use assets**

During the six-month period ended 30 June 2024, the Group leased buildings and vehicles for 1 to 3 years and made fixed payments during the lease term.

| ***Six-month period ended 30 June 2024*** | **Consolidated financial statements** |  | **Separate financial statements** |
| --- | --- | --- | --- |
|  | *(in thousand Baht)* | | |
| Additions - at cost | 16,019 |  | 16,019 |

**7 Interest-bearing liabilities**

Under the term of long-term loan agreements, the Company is required to follow the financial conditions regarding the maintenance of debt to equity ratio and debt service coverage ratio at the rate prescribed in the agreements, including selling, transfer, leasing, or making any commitment with network assets and property, plant and equipment.

As at 30 June 2024, the Company has unutilised loan facilities totaling Baht 475 million *(31 December 2023: Baht 475 million)*.

# 8 Segment information and disaggregation of revenue

Management considers that the Group operates in a single line of business, namely Provision of communication high speed circuit services, and has, therefore, only one reportable segment.

The segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group’s CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm’s length basis.

|  | Consolidated financial statements | | |
| --- | --- | --- | --- |
| ***Six-month period ended 30 June*** | 2024 |  | 2023 |
|  | *(in thousand Baht)* | | |
| ***Information about reportable segment*** |  |  |  |
| External revenue | 1,018,018 |  | 948,651 |
| **Total revenue** | **1,018,018** |  | **948,651** |
|  |  |  |  |
| ***Disaggregation of revenue*** |  |  |  |
| **Primary geographical markets** |  |  |  |
| Thailand | 699,776 |  | 633,275 |
| Southeast Asia countries | 275,319 |  | 290,507 |
| Others | 42,923 |  | 24,869 |
| **Total revenue** | **1,018,018** |  | **948,651** |
|  |  |  |  |
| **Major products/service lines** |  |  |  |
| Connectivity service | 928,034 |  | 889,527 |
| Network equipment | 85,979 |  | 53,062 |
| Installation of network equipment | 3,279 |  | 5,330 |
| Maintenance service of network equipment | 726 |  | 732 |
| **Total revenue** | **1,018,018** |  | **948,651** |
|  |  |  |  |
| **Timing of revenue recognition** |  |  |  |
| At a point in time | 19,174 |  | 5,562 |
| Over time | 998,844 |  | 943,089 |
| **Total revenue** | **1,018,018** |  | **948,651** |
|  |  |  |  |
| Segment profit before income tax | 159,144 |  | 197,953 |
|  |  |  |  |
| Segment assets as at 30 June/ 31 December | 4,407,092 |  | 4,244,851 |
| Segment liabilities as at 30 June/ 31 December | 1,428,758 |  | 1,336,310 |

**9 Dividend**

Details of dividend during 2024 are as follows:

|  | Approval date | Payment schedule | Dividend rate per share |  | Amount |
| --- | --- | --- | --- | --- | --- |
|  |  |  | *(Baht)* |  | *(in million Baht)* |
| 2023 Annual dividend | 19 April 2024 | May 2024 | 0.1459 |  | 63.27 |

**10 Financial instruments**

***Carrying amounts and fair values***

The carrying amounts of the Group’s financial assets and financial liabilities are a reasonable approximation of their fair values.

**11 Commitments with non-related parties**

| ***At 30 June 2024*** | Consolidated financial statements |  | Separate financial statements |
| --- | --- | --- | --- |
|  | *(in thousand Baht)* | | |
| ***Capital commitments*** |  |  |  |
| Network equipment | 113,012 |  | 113,012 |
| Buildings and other equipment | 6,447 |  | 6,447 |
| Computer programs | 1,234 |  | 1,234 |
| **Total** | **120,693** |  | **120,693** |
|  |  |  |  |
| ***Non-cancellable service commitments*** |  |  |  |
| Within 1 year | 9,693 |  | 9,693 |
| 1 - 5 years | 15,815 |  | 15,815 |
| After 5 years | 71,228 |  | 71,228 |
| **Total** | **96,736** |  | **96,736** |
|  |  |  |  |
| ***Other commitments*** |  |  |  |
| Purchase orders for goods and supplies | 1,684 |  | 1,684 |
| Bank guarantees | 42,972 |  | 42,972 |
| **Total** | **44,656** |  | **44,656** |

As at 30 June 2024, the Company has unutilised credit facilities, apart from loan facilities totalling Baht 126.03 million and USD 3 million *(31 December 2023: Baht 124.21 million and USD 3 million)*.

***Bank guarantees***

At 30 June 2024, the Company had bank guarantees in respect of the usage of fiber optic network, space rental and facilities.

***Service agreements***

The Company has entered into several service agreements in respect of the lease of equipment and other service agreements. The term of the agreements is generally between 1 and 30 years.

**12 Contingent liabilities**

1. In 2011, a company transferred a quantity of fiber optic cable to the Company. The cable was already installed and in use in an underground cable conduit in Bangkok, belonging to the operator of a telecommunication business. Subsequently, in the first quarter of 2012, the Company received a notification of the new rental rate for the underground cable conduit stipulated by the telecom operator, but no invoice has been issued to collect the rental fee. Nevertheless, the Company has recorded a liability in respect of its rental obligations, estimated on the basis of the rental that was previously notified to the transferor of the fiber optic cable, which is lower than the new rental rate stipulated by the telecom operator. The Company’s management believes that since the new rental rate for the underground cable conduit is considerably higher than the former rate, it is a rate stipulated by the telecom operator that is not in line with the principles and methods of determining network usage charges for licensees under the notification of the National Broadcasting and Telecommunications Commission (NBTC) on the use and interconnection of telecommunications networks B.E. 2549 (“IC notice”), since, in fact, these underground cable conduits were built and used by that telecom operator and had been used by the company that transferred the fiber optic cable to the Company for least 10 years. They are thus existing assets of the telecom operator and have not required additional investment expenditure. The Company therefore believes that the new rental rate stipulated by the telecom operator is not in line with cost - based principles (“IC notice No.19”) and the method of calculating the rental charge may not reflect the cost, as approved by NBTC (“IC Notice No.20”). In addition, if there is to be any change in the rental rate the telecom operator, as the licensed network operator, is required to provide the Company, as a licensee requesting use of the network, with at least 90 days’ notice, and evidence or reasons showing why the rate change is needed (“IC note No.21”). The telecom operator has not done this. Therefore, in order to move forward in accordance with legal principals and procedures, the Company submitted a letter asking the telecom operator to clarify the reasons for setting a new rental rate for the network and to provide the Company with evidence and the calculation method used to determine that rate. The Company also asked to exercise its right to negotiate a reduced, reasonable and fair, and legal rate with the telecom operator.

Subsequently, in July 2012, that telecom operator replied to the Company, confirming that the rental rate for the underground cable conduit stipulated by the telecom operator is the appropriate and notifying the Company to confirm the payment of rental fees for the underground cable conduit by 15 August 2012 so that it can proceed with collection of fees from the Company, and that there would be no adjustment of the rental rate disputed by the Company.

However, the Company announced that it would reduce usage of the underground cable conduit as from 1 April 2012 as necessary, and the telecom operator reviewed the information in August 2012 claimed additional rental for the underground cable conduit at a rate equal to the new rental rate.

As the rental rate has been confirmed by the telecom operator, the Company’s management believe that the Company and the telecom operator remain in dispute over rights under the agreement for use of underground cable conduit. The Company therefore submitted a letter reserving its right to refuse to accept the amount specified by the telecom operator because they believe that it has been calculated based on an unfair rental rate that is unlawful in accordance with the IC notice, and its right to request time to verify the amount notified. In addition, the Company has the right to request that NBTC to accept the dispute for dispute settlement procedures in accordance with the IC notice.

Subsequently, while the Company was preparing to request that NBTC intervene to provide a fair resolution, the management of the Company and the telecom operator entered into negotiations to resolve this issue. However, the telecom operator sued the Company as the second defendant through the Civil Courts, claiming payment for use of the conduit together with interest to the date of the lawsuit amounting to Baht 39.2 million, as well as interest at the rate of 7.5% per annum on principal of Baht 36.8 million. The Company received a copy of the lawsuit on 24 July 2013. Since the management of the telecom operator has never provided any notification, it will be necessary for the Company to settle the dispute through court proceedings. The Company’s management believe that the Company will win the case, since it should be resolved through dispute settlement procedures in accordance with the IC notice and is not within the authority of the Civil Courts. Moreover, the telecom operator did not proceed in compliance with the notification of the NBTC (IC notice).

The Company subsequently had the opportunity to negotiate with the management of the telecom operator to resolve the disputes. The initial results of these negotiations suggest that a resolution is possible, and the Company has submitted a compromise proposal to the telecom operator. Under this proposal the Company has requested the telecom operator to charge for underground cable conduit rental at the old rate from the date following the expiration date of the service contract between the telecom operator and the company that transferred the fiber optic cable to the Company, and the date that the Company received notification of the new rental rate. After that, the new rental rate will be applied. This proposed compromise would significantly reduce rental liabilities. However, the telecom operator decided not to enter into a compromise agreement as proposed by the Company, because legal proceedings were already underway. The Company therefore proceeded with two courses of action.

The first course of action was to submit a petition to the NBTC in order to request a fair resolution bestowed upon it by telecoms law and the IC Notice to set of a correct rate for the underground cable conduit, and to provide protection to the Company to use the fiber optic cable from such conduit. The Company then followed its second course of action, which was to submit a statement of defense to the Civil Court that provides grounds to dispute both legal and factual aspects of the case, showing that the telecom operator had acted illegally and the Company had no legal obligation at all to pay the telecom operator the amounts being claimed under the lawsuit. The Company also filed a petition with the Court challenging the Court’s jurisdiction over the case. Therefore, the Court issued an order to suspend the court proceedings, and pass the case to the Administrative Court. The Administrative Court was of the opinion that it has jurisdiction over the case, meaning there is a difference of opinion over the issue of court jurisdiction. Therefore, the matter was forwarded to the Court Jurisdiction Commission for determining court jurisdiction, and on 29 April 2015, the Commission decided that this case is under the jurisdiction of the Administrative Court. The Civil Court therefore struck the case from its case list and it can be construed that there are no longer any lawsuits that the telecom operator brought against the Company in the Civil Court.

Subsequently, the Administrative Court has announced the Court order dated 26 June 2015 to the Company that the Administrative Court has received the case from the Civil Court. However, the Company has determined that it does not agree with the order of the Court; therefore, the Company fled a rebuttal statement to the Court on 13 August 2015. The Court considered the rebuttal statement of the Company and ordered on 28 August 2015 to reject the statement although the Civil Court had struck the case out of the case list. The Civil Court had already summarised the statements and sent all the documents to the Administrative Court. It means that the case had been transferred to the Administrative Court. Although, the Company still disagrees with the Court’s order, such order is an interlocutory order by law. An appeal against an interlocutory order shall be fled at the same time when an appeal against a judgement is fled. In this regard, the Company has to wait till the Administrative Court reaches its judgement on this case so that it can lodge an appeal. Subsequently, the Administrative Court has rendered order to specify that 30 March 2018 would be the last day to end up with the process of finding the evidence.

On 31 July 2019, the Central Administrative Court rendered a judgement ordering that the Company pay the cable conduit rental fee, based on its minimum reference rate, of Baht 7 million together with interest at a rate of 7.5% per annum of the total principal amount to the telecom operator. On 21 August 2019, the Company paid the rental fee together with interest totalling Baht 16 million to the telecom operator.

The telecom operator filed an appeal against the judgement of the Central Administrative Court on 28 August 2019. The Company has therefore filed a petition to such appeal with the Central Administrative Court on 17 December 2019. The Company is currently waiting for a judgement ordering from the Supreme Administrative Court.

The Company has recorded monthly rental fee for cable conduit from August 2019 onwards in accordance with the order of the Central Administrative Court. As at 30 June 2024, the Company recorded the accrued rental fee for cable conduit by Baht 0.05 million in the financial statements. The Company’s management believes that no matter the outcome of the litigation, it will have no significant impact on the Company’s financial position.

1. On 21 April 2023, the Company was sued by a local company to be liable for damages caused by fire which its source came from the electric pole and the telecommunication cables wiring in front of the plaintiff's store. The compensation claim is approximate by Baht 0.49 million including the interest at a rate of 5% per annum from 7 January 2023 onwards until the payment is made. The Company investigated the case and considered that the fire was not caused from telecommunication cables owned by the Company and the compensation claim is unreasonable. On 3 July 2023, the Company, therefore, submitted a defense statement to the court. The court has scheduled the witnesses hearing on 20 August 2024. The management considered that there is a chance to win the case and the result of the case would not have a significant impact on the Company's financial statements.