

INTERLINK TELECOM PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2022

Independent Auditor's Report

To the shareholders of Interlink Telecom Public Company Limited

My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Interlink Telecom Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2022, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The financial statements in which the consolidated and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2022;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter: Recognition of revenue from network installation service. The matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

Key audit matter	How my audit addressed the key audit matter
<p>Recognition of revenue from network installation service</p> <p>Refer to accounting policy No. 4.19, revenue recognition.</p> <p>The Company recognises revenue from network installation in accordance with term of each service contract with customers. Recognition of the Company's revenue is complex because there are several conditions and performance obligations of each contract type such as sales and installation, services and turnkey contracts.</p> <p>I focused on these areas because:</p> <ol style="list-style-type: none"> 1) The amount of revenue from network installation service is significant, representing 58% of total revenue. The Company provides network installation service nationwide. This service comprises small projects and large projects and; 2) The recognition of revenue from network installation service requires significant management's judgements in determining the revenue recognition using point in time when the obligations are satisfied or over time either input of output method, to measure progress towards completion of the contract, which directly affects the accuracy of the revenue from network installation service recognised in the financial statements. 	<p>I performed the following procedures to evaluate the recognition of revenue from network installation service which included:</p> <ol style="list-style-type: none"> 1) Understanding the process and accounting treatment as well as internal controls relating to recording contract revenue and the key estimates and judgements made by management. In addition, I performed testing key internal controls over revenue and receivable cycle as well as purchase and payment cycle. 2) Reading and understanding contract with customers to assess the appropriateness of performance obligations identified, the timing of performance obligation satisfied, process to determine the transaction price and allocation of the transaction price to performance obligations. 3) Examining documents supporting the calculation of revenue from network installation service on which input method, output method or point in time were applied respectively as follows: <ul style="list-style-type: none"> <u>Input method</u> <ul style="list-style-type: none"> - Examining documents supporting the actual costs incurred for work performed to date by testing the actual costs incurred with vendor's invoices and assessing the completeness of the costs recorded by examining costs incurred but not yet billed from suppliers or service providers. - Comparing the percentage of completion by measuring the proportion of contract costs incurred for work performed to date compared to the estimated total cost of the contract against the physical proportion of the contract work completed as assessed by the project engineers and considering whether any adjustments were required. <u>Output method</u> <ul style="list-style-type: none"> - Examining the documents supporting for calculation of value of services completed and transferred to customer relative to total value of service promised under the contract with customers for the revenue recognition over time. - Assessing the accuracy of performance completed to date relative to the monthly progress of work reported by engineer. <u>Point in time</u> <ul style="list-style-type: none"> - Examining the documents supporting for control transferring of the revenue recognition at a point in time. 4) Performing site visits of certain projects and observing the method used by engineer to determine the progress of work. <p>I found that the determination of the revenue recognition of each performance obligation and evaluation of value of services completed in accordance with term of each service contract relating to the recognition of revenue from network installation service were appropriate and consistent with the evidence obtained.</p>

Other information

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

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

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

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

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.

Wanvimol Preechawat

Certified Public Accountant (Thailand) No. 9548

Bangkok

23 February 2023

Interlink Telecom Public Company Limited

Statement of Financial Position

As at 31 December 2022

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	9	228,738,392	224,507,442	222,737,693	224,507,442
Trade and other receivables, net	10	822,943,457	473,937,194	548,951,937	473,937,194
Work in process		162,460,706	248,116,369	117,148,566	248,116,369
Short-term borrowings to a joint venture	31.6	58,040,000	12,000,000	58,040,000	12,000,000
Derivative assets measured at fair value through profit or loss	6	-	6,328,171	-	6,328,171
Accrued revenue from network installation service	11.1	1,643,296,966	1,717,660,618	1,516,204,892	1,717,660,618
Retention receivables		15,506,204	11,859,755	15,506,204	11,859,755
Revenue department receivable		46,859,206	129,121,749	45,747,929	129,121,749
Total current assets		2,977,844,931	2,823,531,298	2,524,337,221	2,823,531,298
Non-current assets					
Restricted cash at financial institutions		73,230,277	50,962,513	69,980,000	50,962,513
Accrued revenue from network rendering	11.1	665,134,555	961,800,256	665,134,555	961,800,256
Financial assets measured at fair value through other comprehensive income	6	79,786,237	-	79,786,237	-
Investment in a joint venture	12	20,104,635	24,843,646	69,999,900	69,999,900
Investment in a subsidiary	13	-	-	153,000,000	-
Fixed assets and telecommunication networks, net	14	3,951,138,404	3,877,365,113	3,949,771,371	3,877,365,113
Right-of-use assets, net	15	283,200,070	303,884,273	278,891,142	303,884,273
Right-of-use assets under Trust, net		78,833,275	-	78,833,275	-
Goodwill	13	88,739,906	-	-	-
Intangible assets, net	16	23,578,360	22,585,411	20,081,444	22,585,411
Deferred tax assets, net	17	119,125,658	-	118,699,206	-
Other non-current assets		35,494,987	19,294,861	35,404,987	19,294,861
Total non-current assets		5,418,366,364	5,260,736,073	5,519,582,117	5,305,892,327
Total assets		8,396,211,295	8,084,267,371	8,043,919,338	8,129,423,625

Director _____ Director _____

The notes to the financial statements on pages 14 to 67 are an integral part of this financial statements.

Interlink Telecom Public Company Limited

Statement of Financial Position

As at 31 December 2022

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Bank overdraft from financial institution		8,205,150	-	-	-
Short-term borrowings					
from financial institutions, net	18	983,057,485	2,248,340,920	881,260,985	2,248,340,920
Trade and other payables	19	1,233,935,664	815,514,255	1,078,401,257	815,514,255
Derivative liabilities measured					
at fair value through profit or loss	6	1,063,627	-	1,063,627	-
Current portion of lease liabilities, net	20	76,176,616	80,521,879	74,427,130	80,521,879
Current portion of long-term borrowings					
from financial institutions, net	22	485,169,506	515,807,973	485,169,506	515,807,973
Advance received from network					
installation service	11.3	28,306,041	36,060,790	27,572,707	36,060,790
Income tax payable		4,252,324	9,222,674	-	9,222,674
Other current liabilities		21,823,331	19,533,127	11,998,761	19,533,127
Total current liabilities		2,841,989,744	3,725,001,618	2,559,893,973	3,725,001,618
Non-current liabilities					
Lease liabilities, net	20	170,717,944	160,802,146	168,425,294	160,802,146
Lease liabilities under the agreement					
with Trust, net	21	688,310,914	-	688,310,914	-
Long-term borrowings					
from financial institutions, net	22	983,020,627	1,244,488,069	983,020,627	1,244,488,069
Deferred tax liabilities, net	17	-	26,834,936	-	26,834,936
Advance received from long-term network					
installation service	11.3	-	109,322	-	109,322
Employee benefit obligations	23	21,027,451	18,195,151	19,202,714	18,195,151
Total non-current liabilities		1,863,076,936	1,450,429,624	1,858,959,549	1,450,429,624
Total liabilities		4,705,066,680	5,175,431,242	4,418,853,522	5,175,431,242

The notes to the financial statements on pages 14 to 67 are an integral part of this financial statements.

Interlink Telecom Public Company Limited

Statement of Financial Position

As at 31 December 2022

	Notes	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital					
Authorised share capital					
1,945,592,698 ordinary shares					
at par value of Baht 0.50 each					
(2021: 1,812,500,000 ordinary shares					
at par value of Baht 0.50 each)					
24	972,796,349	906,250,000	972,796,349	906,250,000	
Issued and paid-up share capital					
1,314,727,674 ordinary shares					
at paid-up of Baht 0.50 each					
(2021: 1,247,165,194 ordinary shares					
at paid-up of Baht 0.50 each)					
24	657,363,837	623,582,597	657,363,837	623,582,597	
24	1,693,726,897	1,432,856,304	1,693,726,897	1,432,856,304	
25	164,308,525	23,827,290	164,308,525	23,827,290	
Retained earnings					
Appropriated - legal reserve					
26	59,950,000	48,510,000	59,950,000	48,510,000	
Unappropriated					
	1,022,076,064	780,059,938	1,044,360,459	825,216,192	
Other component of equity					
	5,356,098	-	5,356,098	-	
Total equity attributable to owners of the parent					
	3,602,781,421	2,908,836,129	3,625,065,816	2,953,992,383	
Non-controlling interests					
	88,363,194	-	-	-	
Total equity					
	3,691,144,615	2,908,836,129	3,625,065,816	2,953,992,383	
Total liabilities and equity					
	8,396,211,295	8,084,267,371	8,043,919,338	8,129,423,625	

The notes to the financial statements on pages 14 to 67 are an integral part of this financial statements.

Interlink Telecom Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2022

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Service income from network rendering		1,310,728,333	1,281,306,973	1,310,728,333	1,281,306,973
Service income from network installation service		1,994,519,787	1,092,780,482	1,488,848,068	1,092,780,482
Service income from data center space service		87,343,174	91,797,481	87,343,174	91,797,481
Other income		45,184,368	43,295,312	45,353,150	43,295,312
Total revenue	27	3,437,775,662	2,509,180,248	2,932,272,725	2,509,180,248
Cost of network rendering		(1,024,992,701)	(977,594,994)	(1,024,992,701)	(977,594,994)
Cost of network installation service		(1,670,943,369)	(886,875,614)	(1,267,780,639)	(886,875,614)
Cost of data center space service		(61,228,869)	(62,864,080)	(61,228,869)	(62,864,080)
Service expenses		(44,446,626)	(41,409,077)	(42,382,310)	(41,409,077)
Administrative expenses		(119,073,222)	(71,044,091)	(90,450,262)	(71,044,091)
Finance costs		(168,721,172)	(146,333,947)	(164,219,050)	(146,333,947)
Total expense		(3,089,405,959)	(2,186,121,803)	(2,651,053,831)	(2,186,121,803)
Profit before share of loss from investment in a joint venture and income tax		348,369,703	323,058,445	281,218,894	323,058,445
Share of loss from investment in a joint venture	12	(4,739,011)	(5,860,187)	-	-
Profit before income tax		343,630,692	317,198,258	281,218,894	323,058,445
Income tax	29	(65,338,622)	(66,407,402)	(52,520,677)	(66,407,402)
Net profit for the year		278,292,070	250,790,856	228,698,217	256,651,043
Other comprehensive income (loss)					
Items will not be reclassified subsequently to profit or loss					
- Remeasurements of post-employment benefit obligations, net of tax		1,787,159	-	1,886,050	-
Changes in fair value of financial assets measured at fair value through other comprehensive income - net of tax		5,356,098	-	5,356,098	-
Total comprehensive income for the year		285,435,327	250,790,856	235,940,365	256,651,043

The notes to the financial statements on pages 14 to 67 are an integral part of this financial statements.

Interlink Telecom Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2022

	Notes	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Profit attributable to:					
- Owners of the parent		251,668,967	250,790,856	228,698,217	256,651,043
- Non-controlling interests		26,623,103	-	-	-
		<u>278,292,070</u>	<u>250,790,856</u>	<u>228,698,217</u>	<u>256,651,043</u>
Total comprehensive income attributable to:					
- Owners of the parent		258,860,680	250,790,856	235,940,365	256,651,043
- Non-controlling interests		26,574,647	-	-	-
		<u>285,435,327</u>	<u>250,790,856</u>	<u>235,940,365</u>	<u>256,651,043</u>
Earnings per share					
Basic earnings per share	30.1	0.19	0.23	0.18	0.24
Diluted earnings per share	30.2	0.18	0.22	0.16	0.23

The notes to the financial statements on pages 14 to 67 are an integral part of this financial statements.

Interlink Telecom Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2022

Consolidated financial statements

Notes	Issued and paid-up share capital Baht	Premium on paid-up share capital Baht	Advance received from share subscription Baht	Other component of equity	Retained earnings		Total owners of the parent Baht	Non-controlling interests Baht	Total Baht
				Measurement of financial assets at fair value through other comprehensive income Baht	Appropriated - legal reserve Baht	Unappropriated Baht			
Opening balance as at 1 January 2021	500,000,000	814,942,915	-	-	35,670,000	542,109,082	1,892,721,997	-	1,892,721,997
Changes in equity for the year									
Increase in share capital	123,582,597	617,913,389	-	-	-	-	741,495,986	-	741,495,986
Advance received from share subscription	-	-	23,827,290	-	-	-	23,827,290	-	23,827,290
Legal reserve	26	-	-	-	12,840,000	(12,840,000)	-	-	-
Net profit for the year	-	-	-	-	-	250,790,856	250,790,856	-	250,790,856
Closing balance as at 31 December 2021	623,582,597	1,432,856,304	23,827,290	-	48,510,000	780,059,938	2,908,836,129	-	2,908,836,129
Opening balance as at 1 January 2022	623,582,597	1,432,856,304	23,827,290	-	48,510,000	780,059,938	2,908,836,129	-	2,908,836,129
Changes in equity for the year									
Increase in share capital	24	21,462,399	120,189,434	(23,827,290)	-	-	117,824,543	-	117,824,543
Increase from business acquisition	13	12,318,841	140,681,159	-	-	-	153,000,000	61,740,091	214,740,091
Advance received from share subscription	25	-	-	164,308,525	-	-	164,308,525	-	164,308,525
Legal reserve	26	-	-	-	11,440,000	(11,440,000)	-	-	-
Net Profit for the year	-	-	-	-	-	251,668,967	251,668,967	26,623,103	278,292,070
Total comprehensive income for the year	-	-	-	5,356,098	-	1,787,159	7,143,257	-	7,143,257
Closing balance as at 31 December 2022	657,363,837	1,693,726,897	164,308,525	5,356,098	59,950,000	1,022,076,064	3,602,781,421	88,363,194	3,691,144,615

The notes to the financial statements on pages 14 to 67 are an integral part of this financial statements.

Interlink Telecom Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2022

		Separate financial statements							
				Other component of equity		Retained earnings			
				Measurement of financial assets at fair value through other comprehensive income					
				Advance received from share subscription		Appropriated - legal reserve		Unappropriated	
		Issued and paid-up share capital		Premium on paid-up share capital		Baht		Total Baht	
Notes	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 January 2021		500,000,000	814,942,915	-	-	35,670,000	581,405,149	1,932,018,064	
Changes in equity for the year									
Increase in share capital		123,582,597	617,913,389	-	-	-	-	741,495,986	
Advance received from share subscription		-	-	23,827,290	-	-	-	23,827,290	
26	Legal reserve	-	-	-	-	12,840,000	(12,840,000)	-	
Net profit for the year		-	-	-	-	-	256,651,043	256,651,043	
Closing balance as at 31 December 2021		623,582,597	1,432,856,304	23,827,290	-	48,510,000	825,216,192	2,953,992,383	
Opening balance as at 1 January 2022		623,582,597	1,432,856,304	23,827,290	-	48,510,000	825,216,192	2,953,992,383	
Changes in equity for the year									
24	Increase in share capital	21,462,399	120,189,434	(23,827,290)	-	-	-	117,824,543	
13	Increase from business acquisition	12,318,841	140,681,159	-	-	-	-	153,000,000	
25	Advance received from share subscription	-	-	164,308,525	-	-	-	164,308,525	
26	Legal reserve	-	-	-	-	11,440,000	(11,440,000)	-	
Net profit for the year		-	-	-	-	-	228,698,217	228,698,217	
Total comprehensive income for the year		-	-	-	5,356,098	-	1,886,050	7,242,148	
Closing balance as at 31 December 2022		657,363,837	1,693,726,897	164,308,525	5,356,098	59,950,000	1,044,360,459	3,625,065,816	

The notes to the financial statements on pages 14 to 67 are an integral part of this financial statements.

Interlink Telecom Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2022

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax		343,630,692	317,198,258	281,218,894	323,058,445
Adjustments to reconcile profit before income tax to net cash from operations:					
- Depreciation and amortisation	14, 15, 16	341,359,748	320,856,651	339,807,571	320,856,651
- Amortisation of prepaid expenses		31,226,152	26,589,959	31,226,152	26,589,959
- Share of loss from investment in a joint venture	12	4,739,011	5,860,187	-	-
- Unrealised (gain) loss on exchange rate		(2,157,520)	1,607,473	(2,157,520)	1,607,473
- (Reversal) expected credit losses	10, 11.1	7,797,193	(391,906)	7,542,877	(391,906)
- Loss from written-off equipments		6,511	-	6,508	-
- Interest income		(1,085,904)	(497,064)	(1,095,925)	(497,064)
- Finance costs		168,721,172	146,333,947	164,219,050	146,333,947
- Employee benefit expenses	23	3,068,650	3,240,731	3,365,127	3,240,731
Cash flows before changes in operating assets and liabilities		897,305,705	820,798,236	824,132,734	820,798,236
Changes in operating assets and liabilities:					
- Trade and other receivables		(363,082,485)	141,420,000	(105,554,916)	141,420,000
- Work in process		279,613,406	(77,554,102)	134,403,259	(77,554,102)
- Accrued revenue from network installation service		134,508,601	(501,157,096)	201,455,726	(501,157,095)
- Retention receivables		(3,646,449)	(393,105)	(3,646,449)	(393,105)
- Revenue department receivables		86,485,413	17,413,179	83,373,820	17,413,179
- Accrued revenue from network rendering		287,800,766	(455,502,247)	287,800,766	(455,502,248)
- Other non-current assets		(11,898,000)	5,733,008	(11,876,000)	5,733,008
- Trade and other payables		357,932,698	59,594,142	235,484,281	59,594,142
- Advance received from network installation service		(46,879,069)	11,005,425	(8,597,405)	11,005,425
- Other current liabilities		905,218	(17,231,983)	(7,534,366)	(17,231,983)
Cash generated from operations		1,619,045,804	4,125,457	1,629,441,450	4,125,457
- Income tax paid		(231,078,919)	(40,769,443)	(213,322,156)	(40,769,443)
Net cash generated from (used in) operating activities		1,387,966,885	(36,643,986)	1,416,119,294	(36,643,986)

The notes to the financial statements on pages 14 to 67 are an integral part of this financial statements.

Interlink Telecom Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2022

	Notes	Consolidated financial statements		Separate financial statements	
		2022 Baht	2021 Baht	2022 Baht	2021 Baht
Cash flows from investing activities					
- Payments for restricted cash at financial institutions		(19,017,487)	(369,758)	(19,017,487)	(369,758)
- Payments for financial assets measured at fair value through other comprehensive income		(49,990,497)	-	(49,990,497)	-
- Payments for short-term borrowings to a joint venture, net		(46,040,000)	(10,000,000)	(46,040,000)	(10,000,000)
- Payments for purchase of fixed assets and telecommunication networks		(325,703,932)	(314,180,290)	(324,260,459)	(314,180,290)
- Payments for borrowing cost capitalisation of fixed assets and telecommunication networks		(20,388,000)	(17,837,000)	(20,388,000)	(17,837,000)
- Payments for purchases of intangible assets		(4,053,948)	-	(410,938)	-
- Interest received		1,085,904	497,064	1,095,925	497,064
Net cash used in investing activities		(464,107,960)	(341,889,984)	(459,011,456)	(341,889,984)
Cash flows from financing activities					
- Proceeds from bank overdraft from financial institution, net		3,376,232	-	-	-
- Payments (proceeds) from short-term borrowings from financial institutions, net		(1,339,666,904)	63,954,650	(1,381,626,584)	63,954,650
- Payments for deferred financing fees of short-term borrowings from financial institutions		(486,000)	-	(486,000)	-
- Payments for lease liabilities	20	(93,578,892)	(101,409,876)	(91,982,459)	(101,409,876)
- Proceeds from sales of fixed assets and equipments under the agreement with Trust	21	745,093,458	-	745,093,458	-
- Payments for lease liabilities under the agreement with Trust	21	(5,016,778)	-	(5,016,778)	-
- Payments for fees and costs of transactions under the agreement with Trust	21	(52,568,551)	-	(52,568,551)	-
- Proceeds from long-term borrowings from financial institutions	22	225,636,800	314,820,000	225,636,800	314,820,000
- Payments for long-term borrowings from financial institutions	22	(524,794,011)	(372,108,808)	(524,794,011)	(372,108,808)
- Payments for deferred financing fee of long-term borrowings from financial institutions	22	-	(1,440,000)	-	(1,440,000)
- Advance received from share subscription	25	164,308,525	23,827,290	164,308,525	23,827,290
- Proceeds from issue of ordinary shares	24	117,824,543	741,495,986	117,824,543	741,495,986
- Interest paid		(159,768,652)	(136,368,870)	(155,266,530)	(136,368,870)
Net cash generated from (used in) financing activities		(919,640,230)	532,770,372	(958,877,587)	532,770,372
Net increased (decreased) in cash and cash equivalents		4,218,695	154,236,402	(1,769,749)	154,236,402
Cash increase from business combination		12,255	-	-	-
Beginning balance		224,507,442	70,271,040	224,507,442	70,271,040
Ending balance	9	228,738,392	224,507,442	222,737,693	224,507,442
Non-cash transactions					
- Account payable - purchases of fixed assets and telecommunication networks		152,242,236	121,618,752	152,242,236	121,618,752
- Purchases of fixed assets and telecommunication networks under lease contracts		98,393,965	29,934,687	93,510,858	29,934,687
- Acquisition investment in a subsidiary by share issuance		153,000,000	-	153,000,000	-
- Investment in real estate investment trust		23,100,617	-	23,100,617	-

The notes to the financial statements on pages 14 to 67 are an integral part of this financial statements.

1 General information

Interlink Telecom Public Company Limited (the Company) is a public limited company, incorporated and resident in Thailand. The address of its registered office is 48/66 Soi Rung Reung, Ratchadapisek Road, Samsennok, Huaykwang, Bangkok.

The Company is a listed company in the Market for Alternative Investment (MAI). For reporting purposes, the Company and its subsidiaries are referred to as “the Group”.

The principal business operations of the Company are to provide telecommunication services nationwide fiber optic network and to provide data center space services such as co-location service, cloud computing service and disaster recovery service, also to provide design and construction services, construction of fiber optic project and telecommunication project.

On 8 May 2012, the Company obtained Telecommunication license type 3 from National Broadcasting and Telecommunication Commission (NBTC) in which, allowed the Group to own the network and rendering service on such network. The period of license is 15 years.

This financial statements in which the consolidated is applied and separate financial statements were authorised for issue by the Board of Directors on 23 February 2023.

2 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except for certain accounts as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies and to disclose the areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements as disclosed in Note 7.

An English version of the consolidated and separate financial statements have been prepared from the financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language financial statements shall prevail.

3 Amended financial reporting standards

3.1 Amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2022 and have significant impacts to the Group

Interest rate benchmark (IBOR) reform - phase 2, amendments to TFRS 9, TFRS 7, and TFRS 16 provide relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flows or hedging relationship arising from the replacement of one benchmark with an alternative benchmark.

Key relief measures of the phase 2 amendments are as follows:

- When changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), changes that are necessary as a direct result of the IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.
- Hedge accounting relief measures will allow most TFRS 9 hedge relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

IFRS 7 requires additional disclosure about:

- the entity's progress in transitioning from the IBOR to alternative benchmark rates and how the entity is managing this transition.
- how the entity manages those risks
- the entity's progress in transitioning from the IBOR to alternative benchmark rates and how the entity is managing this transition.

The Group apply amended financial reporting standards that are effective for the period beginning on 1 January 2022. These standards have not significant impacts to the Group.

3.2 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2023 and have significant impacts to the Group

- Amendment to TAS 16 - Property, plant and equipment** clarified to prohibit entities from deducting from the cost of an item of PP&E any proceeds received from selling any items produced while the entity is preparing that asset for its intended use.
- Amendment to TAS 37 - Provisions, contingent liabilities and contingent assets** clarified that, in considering whether a contract is onerous, the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling the contract. Before recognising a separate provision for an onerous contract, the entity must recognise any impairment losses that have occurred on the assets used in fulfilling the contract.
- Amendment to IFRS 3 - Business combinations** clarified some minor amendments to update its references to the Conceptual Framework for Financial Reporting and added a consideration for the recognition of liabilities and contingent liabilities acquired from business combinations. The amendments also confirmed that contingent assets shouldn't be recognised at the acquisition date.
- Amendment to IFRS 9 - Financial Instruments** clarified which fees should be included in the 10% test for the derecognition of financial liabilities. It should only include fees between the borrower and lender.

The Group's management is currently assessing the impact of adoption of these standards.

4 Accounting policies

4.1 Principles of consolidation

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

b) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangements.

Joint operations

A joint operation is a joint arrangement whereby the Group has rights to the assets, and obligations for the liabilities relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the Group's financial statement line items.

Joint ventures

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method.

In the separate financial statements, investments in joint ventures are accounted for using cost method less provision for impairment.

c) Equity method

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Group subsequently recognises shares of its associates and joint ventures' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in associates and joint ventures equals or exceeds its interest in the associates and joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures.

d) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

If the ownership interest in associates and joint ventures is reduced but significant influence and joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduce of the ownership interest in associates and joint ventures is recognise in profit or loss.

When the Group losses control, joint control or significant influence over investments, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate, or a joint venture or a financial asset accordingly.

e) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

4.2 Business combination

The Group applies the acquisition method to account for business combinations with an exception on business combination under common control. The consideration transferred for the acquisition of a subsidiary comprises.

- fair value of the assets transferred,
- liabilities incurred to the former owners of the acquiree
- equity interests issued by the Group

Identifiable assets and liabilities acquired and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group initially recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest recognised and the acquisition-date fair value of any previous equity interest in the acquiree (for business combination achieved in stages) over the fair value of the identifiable net assets acquired is recorded as goodwill. In the case of a bargain purchase, the difference is recognised directly in profit or loss.

Acquisition-related cost

Acquisition-related cost are recognised as expenses in consolidated financial statements

Step-up acquisition

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measured are recognised in profit or loss.

Changes in fair value of contingent consideration paid/received

Subsequent changes to the fair value of the contingent consideration that is an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured.

4.3 A service concession arrangement

A service concession arrangement is an arrangement involving an operator constructing and/or upgrading, operating and maintaining infrastructure used to provide a public service for a specified period of time. Governmental agency pays the operator for its services over the period of the arrangement. The arrangement is governed by a contract that sets out performance standards, mechanisms for adjusting prices and arrangements for arbitrating disputes. Governmental agency controls (through ownership, beneficial entitlement or otherwise) any significant residual interest in the infrastructure at the end of the term of the arrangement.

The Group, as the operator for constructing and operating infrastructure, recognises accrued revenue from network installation service and accrued revenue from network rendering to the extent that it has an unconditional right to receive cash or another financial asset from or at the direction of the grantor, for the construction of concession assets. Receivable recognised as a result of the service concession arrangement are measured at fair value upon initial recognition. Revenue from construction services is recognised using the percentage of completion method. The stage of completion is measured by considering the physical inspection in accordance with the condition agreed with the customers. Revenue from service from operation is recognised when the services have been rendered.

The contractual obligation in commitment repair and maintenance such infrastructure which are not performed in order to improve the condition of infrastructure are measured and recognised based on the best estimation of expending to pay for the commitment as at the end of accounting period.

4.4 Foreign currency translation

a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Group's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

4.5 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date.

4.6 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables are disclosed in Note 10.

4.7 Financial assets

a) Classification

The Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

d) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- **FVOCI:** Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in other income. Impairment expenses are presented separately in the statement of comprehensive income.
- **FVPL:** Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

e) Equity instruments

The Group measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/losses in the statement of comprehensive income.

Impairment losses (and reversal of impairment losses) on equity investments are reported together with changes in fair value.

The Group presents its investments in Real Estate Investment Trust units (the trust) established and registered in Thailand as equity investments and measures them at FVOCI following the TFAC's clarification, "Interpretation of investments in Property Fund unit trusts, Real Estate Investment Trust units, Infrastructure Fund units, and Infrastructure Trust units established and registered in Thailand" dated 25 June 2020. The trust is required to distribute benefits of not less than 90% of its adjusted net profit.

f) Impairment

The Group applies the TFRS 9 simplified approach in measuring the impairment of trade receivables, and contract assets, which applies lifetime expected credit loss, from initial recognition, for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The management has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

For other financial assets carried at amortised cost and FVOCI, the Group applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The Group assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Group and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Group reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment and reversal of impairment losses are recognised in profit or loss as included in administrative expenses.

4.8 Fixed assets and telecommunication networks

Fixed assets and telecommunication networks are initially recorded at cost. Subsequently they are stated at historical cost less accumulated depreciation and impairment. The costs of fixed assets and telecommunication networks comprise both the purchase price and any costs directly attributable to bring the assets to location and condition necessary for them to be capable of operating in the manner intended by management. Their costs also include the initial estimate of the costs of dismantling and removing the item and restoring the site on which they are located, the obligation for which the Group incurs either when the items are acquired or as a consequence of having used the items during a particular period.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation on fixed assets and telecommunication networks are calculated using the straight line method to write off the cost of each asset to their residual values over their estimated useful lives, as follows:

Building	25 - 30 years
Building improvement	10 years
Infrastructure system	10 years
Furniture, fixtures and office equipment	5 years
Tool and equipment	3 - 10 years
Vehicle	5 years
Telecommunication network equipment	5 - 25 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains or losses, net".

4.9 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment loss. Impairment loss on goodwill are not reversed. Gain and loss on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

For the purpose of impairment testing, Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

4.10 Intangible assets

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 - 15 years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

4.11 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

4.12 Leases

Leases - where the Group is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

4.13 Financial liabilities

a) Classification

Financial instruments issued by the Group are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

c) Derecognition and modification

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Group assesses whether the renegotiation / modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

4.14 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

4.15 Employee benefits

a) Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave, bonuses and medical care that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

b) Defined contribution plan

The Group pays contributions to a separate fund. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

c) Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

4.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

4.17 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised.
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.18 Share capital

Ordinary shares with discretionary dividends are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

4.19 Revenue recognition

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the others income in the course of the Group's ordinary activities.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfilment of the obligation to the customer.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectability of the consideration is probable.

Revenue from network installation service

The Group recognises revenue from network installation in accordance with term of each service contract with customers. Revenues are recognised at point in time when the obligations are satisfied or over time by using output method. This method requires valuation of services completed and transferred to customer relative to total value of service.

Revenue from services

The Group recognised service contracts with a continuous service provision as revenue on a straight line basis over the contract term, regardless of the payment pattern.

Contract assets and contract liabilities

A contract asset is recognised where the Group recorded revenue for fulfilment of a contractual performance obligation before the customer paid consideration or before the requirements for billing which is presented as accrued revenue from engineering service and accrued revenue from network rendering service in the statement of financial position.

A contract liability is recognised when the customer paid consideration or a receivable from the customer that is due before the Group fulfilled a contractual performance obligation which is presented as advance received from customers under construction contracts and advance received from long-term network installation service in the statement of financial position.

For each customer contract, contract liabilities is set off against contract assets.

Others income

Interest income is recognised using the effective interest method and other income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

Incremental costs of obtaining a contract

The Group capitalises incremental costs of obtaining a long-term contract which mainly sales commission to third parties and to employees and amortised to selling expenses in the same pattern of related revenue recognition.

4.20 Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholder and the Board of Directors.

4.21 Derivatives

Embedded derivative and derivatives that do not qualify for hedge accounting.

Embedded derivative that is separately accounted for and derivatives that do not qualify for hedge accounting is initially recognised at fair value. Changes in the fair value are included in other gains(losses).

Fair value of derivatives is classified as a current or non-current following its remaining maturity.

4.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as President and Chief Executive Officer that makes strategic decisions.

5 Financial risk management

5.1 Financial risk

The Group exposes to a variety of financial risk: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

5.1.1 Market risk

Foreign exchange risk

The Group operates internationally and is exposed to foreign currency risk arises mainly in US Dollar from trading and service transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Baht are as follows:

	(Unit : Baht)	
	Consolidated and Separate financial statements	
	2022 US Dollar	2021 US Dollar
Financial assets	7,674,302	16,546,790
Financial liabilities	1,652,504	168,835,193
Derivatives not qualifying as hedge accounting		
- Foreign currency forwards	16,997,873	117,158,598

Foreign currency financial assets represent cash and trade receivables while the above foreign currency financial liabilities represent trade payables and short-term borrowings.

Sensitivity

As shown in the table above, the Group is primarily exposed to changes in Baht and US Dollar exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from financial assets and financial liabilities denominated in US Dollar.

	Consolidated and Separate financial statements	
	Impact to net profit	
	2022 Baht	2021 Baht
US Dollar to Baht exchange rate		
- increase 10%*	2,301,967	(4,263,366)
- decrease 10%*	(2,301,967)	4,263,366

* Holding all other variables constant

5.1.2 Cash flow and fair value interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed partly by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities, and partly through fixed rate borrowings.

	Consolidated financial statement								
	Fixed interest rates			Floating interest rates			Non-Interest bearing Baht	Total Baht	Interest rate (% p.a.)
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht			
As at 31 December 2022									
Financial assets									
Cash and cash equivalents	226,959,990	-	-	-	-	-	1,778,402	228,738,392	0.05 - 0.85
Short-term borrowings to a joint venture	58,040,000	-	-	-	-	-	-	58,040,000	4.25 - 4.55
Restricted cash at financial institutions	-	73,230,277	-	-	-	-	-	73,230,277	0.05 - 0.85
	284,999,990	73,230,277	-	-	-	-	1,778,402	360,008,669	
Financial liabilities									
Short-term borrowings from financial institutions	983,057,485	-	-	-	-	-	-	983,057,485	2.00 - 8.37
Long-term borrowings from financial institutions	21,776,553	19,730,039	-	463,392,953	963,290,588	-	-	1,468,190,133	2.00 - 4.75
Lease liabilities	76,172,768	159,552,962	11,168,830	-	-	-	-	246,894,560	3.75 - 4.50
	1,081,006,806	179,283,001	11,168,830	463,392,953	963,290,588	-	-	2,698,142,178	

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	Fixed interest rates						Separate financial statement		
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Non- Interest bearing Baht	Total Baht	Interest rate (% p.a.)
As at 31 December 2022									
Financial assets									
Cash and cash equivalents	221,391,171	-	-	-	-	-	1,346,522	222,737,693	0.05 - 0.85
Short-term borrowings to a joint venture	58,040,000	-	-	-	-	-	-	58,040,000	4.25 - 4.55
Restricted cash at financial institutions	-	69,980,000	-	-	-	-	-	69,980,000	0.05 - 0.85
	279,431,171	69,980,000	-	-	-	-	1,346,522	350,757,693	
Financial liabilities									
Short-term borrowings from financial institutions	881,260,985	-	-	-	-	-	-	881,260,985	2.00 - 8.37
Long-term borrowings from financial institutions	21,776,553	19,730,039	-	463,392,953	963,290,588	-	-	1,468,190,133	2.00 - 4.75
Lease liabilities	74,423,282	157,260,312	11,168,830	-	-	-	-	242,852,424	3.75 - 4.50
	977,460,820	176,990,351	11,168,830	463,392,953	963,290,588	-	-	2,592,303,542	

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	Consolidated and Separate financial statements								
	Fixed interest rates			Floating interest rates			Non-Interest bearing Baht	Total Baht	Interest rate (% p.a.)
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht			
As at 31 December 2021									
Financial assets									
Cash and cash equivalents	223,024,518	-	-	-	-	-	1,482,924	224,507,442	0.125 - 0.40
Short-term borrowings to a joint venture	12,000,000	-	-	-	-	-	-	12,000,000	4.55
Restricted cash at financial institutions	-	50,962,513	-	-	-	-	-	50,962,513	0.125 - 0.85
	235,024,518	50,962,513	-	-	-	-	1,482,924	287,469,955	
Financial liabilities									
Short-term borrowings from financial institutions	2,248,340,920	-	-	-	-	-	-	2,248,340,920	2.00 - 4.30
Long-term borrowings from financial institutions	45,944,309	21,743,494	-	470,045,588	1,222,562,651	-	-	1,760,296,042	3.75 - 4.25
Lease liabilities	80,521,879	139,337,719	21,464,427	-	-	-	-	241,324,025	3.87 - 4.26
	2,374,807,108	161,081,213	21,464,427	470,045,588	1,222,562,651	-	-	4,249,960,987	

Sensitivity

Profit or loss is sensitive to higher or lower interest expenses from borrowings as a result of changes in interest rates.

	Consolidated		Separate	
	financial statement		financial statement	
	Impact to net profit		Impact to net profit	
	2022	2021	2022	2021
	Baht	Baht	Baht	Baht
Interest rate				
- increase 1%*	(31,575,629)	(39,502,308)	(30,557,664)	(39,502,308)
- decrease 1%*	31,575,629	39,502,308	30,557,664	39,502,308

* *Holding all other variables constant*

5.1.3 Credit risk

Credit risk arises from cash and cash equivalents as well as credit exposures to customers, including outstanding receivables.

a) Risk management

Credit risk is managed on a company basis. For banks and financial institutions, only independently rated parties.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on assessments in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

b) Impairment of financial assets

The Group has 2 types of financial assets that are subject to the expected credit loss model:

- trade and other receivables
- contract assets

While cash and cash equivalents, restricted cash at financial institutions and short-term borrowings to a joint venture are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

Trade receivables and contract assets

The Group applies the TFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 48 month before 31 December 2022 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current information.

The impairment of trade receivables and contract assets are disclosed in Note 10 and Note 11.1.

5.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group held deposits at call of Baht 228.74 million (2021: Baht 224.51 million) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the Group Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors i) rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below); and ii) cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary, monitoring balance sheet liquidity ratios and maintaining financing plans.

The Group has adequate source of fund including operating cash flows and other financing sources in accordance with the Group's business plan for using in operation in the future as follows: (1) borrowing facilities from financial institutions in the amount of Baht 1,204.35 million, and (2) the potential proceed from warrants on ordinary shares of the Group.

a) Financing arrangements

The Group has access to the following undrawn credit facilities as at 31 December as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Baht	Baht	Baht	Baht
Floating rate				
Expiring beyond one year				
- Credit facilities of financial institutions	1,204,345,080	962,218,818	870,141,580	962,218,818

b) Maturity of financial liabilities

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Consolidated financial statements				
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	Book value Baht
	As at 31 December 2022				
Bank overdraft from financial institution	8,205,150	-	-	8,205,150	8,205,150
Short-term borrowings from financial institutions	983,057,485	-	-	983,057,485	983,057,485
Trade and other payables	1,233,935,664	-	-	1,233,935,664	1,233,935,664
Lease liabilities	84,862,450	169,516,193	12,560,880	266,939,523	246,894,560
Long-term borrowings from financial institutions	489,477,553	986,870,039	-	1,476,347,592	1,468,190,133
Total financial liabilities that is not derivatives	2,799,538,302	1,156,386,232	12,560,880	3,968,485,414	3,940,282,992

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	Separate financial statements				
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	Book value Baht
As at 31 December 2022					
Short-term borrowings from financial institutions	881,260,985	-	-	881,260,985	881,260,985
Trade and other payables	1,078,401,257	-	-	1,078,401,257	1,078,401,257
Lease liabilities	82,942,450	167,116,193	12,560,880	262,619,523	242,852,424
Long-term borrowings from financial institutions	489,477,553	986,870,039	-	1,476,347,592	1,468,190,133
Total financial liabilities that is not derivatives	2,532,082,245	1,153,986,232	12,560,880	3,698,629,357	3,670,704,799
Consolidated and Separate financial statements					
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	Book value Baht
As at 31 December 2021					
Short-term borrowings from financial institutions	2,248,340,920	-	-	2,248,340,920	2,248,340,920
Trade and other payables	815,514,255	-	-	815,514,255	815,514,255
Lease liabilities	88,757,120	152,212,658	22,609,584	263,579,362	241,324,025
Long-term borrowings from financial institutions	523,100,309	1,252,404,494	-	1,775,504,803	1,760,296,042
Total financial liabilities that is not derivatives	3,675,712,604	1,404,617,152	22,609,584	5,102,939,340	5,065,475,242

5.2 Capital management

5.2.1 Risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

As at 31 December, net debt to equity ratios of the Group are as follows:

	Consolidated financial statement		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Borrowings from financial institutions	2,451,247,618	4,008,636,962	2,349,451,118	4,008,636,962
Equity	3,691,144,615	2,908,836,129	3,625,065,816	2,953,992,383
Debt to equity ratio	0.66	1.38	0.65	1.36

The net debt to equity ratio decreased from 1.38% to 0.66% as a result of the exercised warrants (Note 25) and tighter monitoring of trade debtor payments for the payments of borrowings from financial institutions.

Debt covenants

Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenants:

- the net debt from financial institutions to equity ratio must not exceed 2.50 : 1, and
- the debt service coverage ratio (DSCR) must be not less than 1.20.

The Group has complied with these covenants throughout the reporting period. As at 31 December 2022, the net debt from financial institutions to equity ratio was 0.66 (2021: 1.38) and the debt service coverage ratio was 1.63 (2021: 1.53).

6 Fair value

The following table shows fair values and carrying amounts of financial assets and liabilities by category, excluding those with the carrying amount approximates fair value.

	Consolidated and Separate financial statements				
	31 December 2022		31 December 2021		
	Fair value level	Fair value through profit or loss (FVPL) Baht	Fair value through other comprehensive income (FVOCI) Baht	Fair value through profit or loss (FVPL) Baht	Fair value through other comprehensive income (FVOCI) Baht
Financial assets					
Derivatives not qualifying as hedge accounting					
- Foreign currency forwards	2	-	-	6,328,171	-
Investment in real estate investment trust	1	-	49,190,413	-	-
General investment - equity instrument	3	-	30,595,824	-	-
Total financial assets		-	79,786,237	6,328,171	-
Financial liability					
Derivatives not qualifying as hedge accounting					
- Foreign currency forwards	2	1,063,627	-	-	-
Total financial liability		1,063,627	-	-	-

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Fair value of following financial assets and financial liabilities measured at amortised cost where their carrying value approximated fair value are as follows:

Consolidated financial statements	Separate financial statements
Financial assets	Financial assets
<ul style="list-style-type: none"> - Cash and cash equivalents - Deposits at financial institutions held as collateral - Trade and other receivables, net - Short-term borrowings to a joint venture - Accrued revenue from network installation service - Accrued revenue from network rendering service - Retention receivables - Other non-current assets 	<ul style="list-style-type: none"> - Cash and cash equivalents - Deposits at financial institutions held as collateral - Trade and other receivables, net - Short-term borrowings to a joint venture - Accrued revenue from network installation service - Accrued revenue from network rendering service - Retention receivables - Other non-current assets
Financial liabilities	Financial liabilities
<ul style="list-style-type: none"> - Trade and other payables - Other current liabilities - Bank overdraft from financial institution - Short-term borrowings from financial institutions - Long-term borrowings from financial institutions 	<ul style="list-style-type: none"> - Trade and other payables - Other current liabilities - Short-term borrowings from financial institutions - Long-term borrowings from financial institutions

Fair values are categorised into hierarchy based on inputs used as follows:

Level 1: The fair value of financial instruments is based on the current bid price / closing price by reference to the stock Exchange of Thailand / the Thai Bond Dealing Centre.

Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.

Level 3: The fair value of financial instruments is not based on observable market data.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the years ended 31 December

	Consolidated and Separate financial statements
	Unlisted equity securities
	Baht
Opening balance 1 January 2022	-
Additions	20,000,024
Gain recognised in other comprehensive income	10,595,800
Closing balance 31 December 2022	30,595,824

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

	Fair value	Unobservable inputs	Range of inputs
	2022 Baht		2022
Unlisted equity securities	30,595,824	Profit growth factors Risk-adjusted discount rate	4.5% - 41.2% 19.9%

Relationship of unobservable inputs to fair value are shown as follows:

	Unobservable inputs	Movement	Change in fair value	
			Increase in assumptions 2022	Decrease in assumptions 2022
Unlisted equity securities	Profit growth factors	0.50%	Increase by 6.6%	Decrease by 6.6%
	Risk-adjusted discount rate	1.00%	Decrease by 4.8%	Increase by 5.2%

Transfers between fair value hierarchy

There were no transfers between levels during the year.

There were no changes in valuation techniques during the year.

6.1 Fair value valuation techniques

Fair values are categorised into hierarchy based on inputs used as follows:

6.1.1 Valuation techniques used to measure fair value level 1

Level 1 equity investments in the active market comprise investment in real estate investment trust which have been calculated using closing price of the shares by reference to the Stock Exchange of Thailand at the statement of financial position date.

6.1.2 Valuation techniques used to measure fair value level 2

Level 2 hedging derivatives comprise foreign currency forward contracts which have been calculated using rates quoted by the Company's counterparties to terminate the contracts at the statement of financial position date. The effects of discounting are generally insignificant for level 2 derivatives.

6.1.3 Valuation techniques used to measure at fair value level 3

Level 3 general investments are fair valued using the discounted cashflow analysis model

The Group's valuation processes

The Group performs valuation on financial assets and financial liabilities. The valuation includes fair value level 3. Management organised and discussed valuation process and result among valuation team members on a quarterly basis.

7 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Employee benefit obligations

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in Note 23.

b) Revenue recognition when the Group toward complete satisfaction of a performance obligation

The Group recognises revenue from network installation in accordance with term of each service contract with customers. Revenues are recognised at point in time when the obligations are satisfied or over time by using output method. This method requires valuation of services completed and transferred to customer relative to total value of service.

c) Determination of lease terms

Critical judgement in determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on offices and vehicles leases have not been included in the lease liability, because the Group considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Group.

d) Determination of discount rate applied to leases

The Group determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

e) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

f) Fair value measurement of an investment in an equity instrument

The fair value of measurement of an investment in an equity instrument that are not traded in an active market is determined using valuation techniques. The Group uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in Note 6.

8 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as management that makes strategic decisions.

The one main operating segment of the Group is telecommunication business and the single geographical area of their operations is Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in this financial statements pertain to the aforementioned reportable operating segment and geographical area.

Consolidated financial statement				
For the year ended 31 December 2022				
	Service income from network rendering Baht	Service income from network installation service Baht	Service income from data center space service Baht	Total Baht
Type of revenue recognition:				
- Point in time	-	1,680,314,269	-	1,680,314,269
- Over time	1,310,728,333	314,205,518	87,343,174	1,712,277,025
	1,310,728,333	1,994,519,787	87,343,174	3,392,591,294

Separate financial statement				
For the year ended 31 December 2022				
	Service income from network rendering Baht	Service income from network installation service Baht	Service income from data center space service Baht	Total Baht
Type of revenue recognition:				
- Point in time	-	1,290,291,365	-	1,290,291,365
- Over time	1,310,728,333	198,556,703	87,343,174	1,596,628,210
	1,310,728,333	1,488,848,068	87,343,174	2,886,919,575

Consolidated and Separate financial statements				
For the year ended 31 December 2021				
	Service income from network rendering Baht	Service income from network installation service Baht	Service income from data center space service Baht	Total Baht
Type of revenue recognition:				
- Point in time	-	1,012,256,729	-	1,012,256,729
- Over time	1,281,306,973	80,523,753	91,797,481	1,453,628,207
	1,281,306,973	1,092,780,482	91,797,481	2,465,884,936

Main customers

During the year ended 31 December 2022, revenue from 2 major customers of approximately Baht 1,066.93 million represented 31.04% of the Group's total revenues (2021: revenue from 2 major customers of approximately Baht 849.63 million represented 33.86% of the Group's total revenues).

9 Cash and cash equivalents

	Consolidated financial statement		Separate financial statement	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Cash on hand	1,778,401	1,482,924	1,346,522	1,482,924
Deposits at financial institutions				
- Current accounts	7,204,531	26,217,293	1,654,432	26,217,293
- Savings accounts	219,735,666	196,805,153	219,734,665	196,805,153
- Fixed deposit due within 3 months	19,794	2,072	2,074	2,072
Total cash and cash equivalents	228,738,392	224,507,442	222,737,693	224,507,442

As at 31 December 2022, the deposits at financial institutions of the Group are deposits at local financial institutions, bore interest at rates from 0.05% to 0.85% per annum (2021: 0.125% to 0.4% per annum).

10 Trade and other receivables, net

	Consolidated financial statement		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Trade receivables	738,338,422	404,176,767	442,369,525	404,176,767
Trade receivables - related parties (Note 31.4)	252,220	387,019	23,063,526	387,019
<u>Less</u> Expected credit losses	(1,022,182)	(2,182,924)	(767,866)	(2,182,924)
Total trade receivables, net	737,568,460	402,380,862	464,665,185	402,380,862
Other receivables	4,531,817	4,322,335	4,531,817	4,322,335
Other receivables - related parties (Note 31.5)	1,819,365	2,189,553	2,044,365	2,189,553
Prepaid expenses	62,353,919	41,004,035	61,045,674	41,004,035
Advance payment	13,283,206	14,992,744	13,278,206	14,992,744
Deposits	3,386,690	9,047,665	3,386,690	9,047,665
Total trade and other receivables, net	822,943,457	473,937,194	548,951,937	473,937,194

Outstanding trade receivables can be analysed as follows:

	Consolidated financial statement		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Not yet due	657,413,579	274,096,717	384,255,988	274,096,717
Less than 3 months	65,609,008	59,712,325	65,609,008	59,712,325
3 - 6 months	13,360,149	46,830,946	13,360,149	46,830,946
Over than 6 months	2,207,906	23,923,798	2,207,906	23,923,798
	738,590,642	404,563,786	465,433,051	404,563,786
<u>Less</u> Expected credit losses	(1,022,182)	(2,182,924)	(767,866)	(2,182,924)
Total trade receivables, net	737,568,460	402,380,862	464,665,185	402,380,862

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The expected credit losses for trade receivables was determined as follows:

	Consolidated financial statements				
	Not yet due	Less than 3	3 - 6	Over than	Total
As of 31 December 2022	Baht	months	months	6 months	Baht
		Baht	Baht	Baht	
Gross carrying amount - trade receivables	657,413,579	65,609,008	13,360,149	2,207,906	738,590,642
Expected credit losses	(327,462)	(167,394)	-	(527,326)	(1,022,182)

	Separate financial statements				
	Not yet due	Less than 3	3 - 6	Over than	Total
As of 31 December 2022	Baht	months	months	6 months	Baht
		Baht	Baht	Baht	
Gross carrying amount - trade receivables	384,255,988	65,609,008	13,360,149	2,207,906	465,433,051
Expected credit losses	(73,146)	(167,394)	-	(527,326)	(767,866)

	Consolidated and Separate financial statements				
	Not yet due	Less than 3	3 - 6	Over than	Total
As of 31 December 2021	Baht	months	months	6 months	Baht
		Baht	Baht	Baht	
Gross carrying amount - trade receivables	274,096,717	59,712,325	46,830,946	23,923,798	404,563,786
Expected credit losses	(53,900)	(726,224)	(303,863)	(1,098,937)	(2,182,924)

The reconciliations of expected credit losses of trade receivables for the year ended 31 December are as follow:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2022	2021	2022	2021
	Baht	Baht	Baht	Baht
As of 1 January	2,182,924	11,352,708	2,182,924	11,352,708
Reversal of the expected credit losses	(1,067,742)	(391,906)	(1,322,058)	(391,906)
Bad debts	(93,000)	(8,777,878)	(93,000)	(8,777,878)
As of 31 December	1,022,182	2,182,924	767,866	2,182,924

11 Assets and liabilities relating to contracts with customers

11.1 Contract assets

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Contract assets				
- Current				
Accrued revenue from network installation service	1,643,296,966	1,717,660,618	1,516,204,892	1,717,660,618
- Non-current				
Accrued revenue from network rendering	673,999,490	961,800,256	673,999,490	961,800,256
Expected credit losses	(8,864,935)	-	(8,864,935)	-
Total contract assets	2,308,431,521	2,679,460,874	2,181,339,447	2,679,460,874

11.2 Assets recognised from contract costs

Costs to fulfil a contract

The asset recognised from capitalising the costs to fulfil a network rendering contract is included in prepaid expenses (Note 10), net in the statement of financial position. The asset is amortised on a straight-line basis over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue.

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Statement of financial position as at 31 December:				
Assets recognised from costs to fulfil a contract	4,487,179	486,522	4,487,179	486,522
Statement of comprehensive income for the year ended 31 December:				
Amortisation charges	5,999,343	5,999,343	5,999,343	5,999,343

11.3 Contract liabilities

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Contract liabilities				
- Current				
Advance received from network installation service	28,306,041	36,060,790	27,572,707	36,060,790
- Non-current				
Advance received from long- term network installation service	-	109,322	-	109,322
Total contract liabilities	28,306,041	36,170,112	27,572,707	36,170,112

Revenue recognised in relation to contract liabilities

Revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year.

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Revenue recognised that was included in the brought forward balance of contract liabilities				
- Network installation service contract	17,868,114	18,423,209	5,934,781	18,423,209

12 Investment in a joint venture

As at 31 December 2022 and 2021, the Group has an investment in a joint venture as follows;

ETIX ITEL Bangkok Co., Ltd. (formerly named Genesis Data Center Co., Ltd.)

ETIX ITEL Bangkok Co., Ltd., a joint venture of the Group, has a total of 2,100,000 registered ordinary shares at a par value of Baht 100 per share amounting to Baht 210 million. The Group holds 33.33% of its authorised share capital amounting to Baht 70 million.

The movement in investment in a joint venture is analysed as follows:

	Consolidated financial statements	Separate financial statements
	Baht	Baht
For the year ended 31 December 2022		
Opening book value	24,843,646	69,999,900
Share of loss from investment in a joint venture	(4,739,011)	-
Closing book value	20,104,635	69,999,900

The joint venture has share capital consisting solely of ordinary shares, which is held directly by the Group.

Nature of investment in a joint venture

Name of entity	% of ownership interest	Measurement method	Nature of the relationship
ETIX ITEL Bangkok Co., Ltd.	33.33	Equity	Note 1

Note 1: ETIX ITEL Bangkok Co., Ltd. provides data center space service such as co-location service, cloud computing service and disaster recovery service. ETIX ITEL Bangkok Co., Ltd. is a strategic partnership for the Group, providing data center space business. ETIX ITEL Bangkok Co., Ltd. is a private company and there is no quoted market price available for its shares.

Summarised financial information for joint venture

Set out below are the summarised financial information for. ETIX ITEL Bangkok Co., Ltd. which is accounted for using the equity method.

Summarised statement of financial position

	ETIX ITEL Bangkok Co., Ltd.	
	As at 31 December	
	2022	2021
	Baht	Baht
Current assets		
Cash and cash equivalents	40,710,367	2,983,289
Other current assets (excluding cash)	51,302,229	31,802,483
Total current assets	92,012,596	34,785,772
Non-current assets	556,509,572	372,596,127
Total assets	648,522,168	407,381,899
Current liabilities		
Other current liabilities (including trade payables)	302,831,201	139,435,683
Total current liabilities	302,831,201	139,435,683
Non-current liabilities	285,377,063	193,415,278
Total liabilities	588,208,264	332,850,961
Net assets	60,313,904	74,530,938

Summarised statement of comprehensive income

	ETIX ITEL Bangkok Co., Ltd.	
	For the year ended 31 December	
	2022	2021
	Baht	Baht
Rental and service income	68,466,481	47,981,269
Other income	4,245,362	4,569,415
Rental and service cost	(67,115,967)	(25,301,101)
Administrative expense	(8,145,398)	(30,150,608)
Finance costs	(11,667,512)	(14,679,537)
Loss from continuing operations	(14,217,034)	(17,580,562)
Income tax expense	-	-
Post-tax loss from continuing operations	(14,217,034)	(17,580,562)
Other comprehensive loss	-	-
Total comprehensive loss	(14,217,034)	(17,580,562)

The information above reflects the amounts presented in the financial statements of the joint venture adjusted for differences in accounting policies between the Group and the joint venture (and not the Group's share of those amounts).

Reconciliation of summarised financial information

Reconciliation of summarised financial information presented to the carrying amount of its interest in a joint venture.

	ETIX ITEL Bangkok Co., Ltd.	
	For the year ended 31 December	
	2022	2021
	Baht	Baht
Summarised financial statements		
Opening net assets	74,530,938	92,111,499
Loss for the year	(14,217,034)	(17,580,562)
Closing net assets	60,313,904	74,530,937
Interest in a joint venture	33.33%	33.33%
Carrying value	20,104,635	24,843,646

13 Investment a subsidiary

The movement in investment in a subsidiary is analysed as follows:

	Separate financial statements Baht
For year ended 31 December 2022	
Opening book value	-
Addition	153,000,000
Closing book value	153,000,000

Blue Solutions Company Limited.

On 24 February 2022, the Company entered into the business transfer agreement with Weatheria E Company Limited to acquire 612,000 shares or 51% of the paid-up share capital of Blue Solutions Company limited for a total consideration paid of Baht 153 million in the form of the Company's ordinary share of 24,637,682 shares at market value of Baht 6.21 each. Blue Solutions Company limited provides IT products and services.

On 3 March 2022, the Company transferred the Company's ordinary shares for the acquisition of Blue Solutions Company Limited and changed the name of shareholder of Blue Solutions Company Limited on the same day. As a result, Blue Solutions Company Limited is a subsidiary of the Company.

Consideration paid at acquisition date are as follow:

	As at acquisition date Baht
Consideration paid	
Common shares	153,000,000

Details of valuation fair value of net assets as at acquisition date are follow:

Cash and cash equivalents	12,255
Trade and other receivables	76,863,215
Work in process	190,522,287
Other current assets	3,517,494
Restricted cash at financial institution	3,250,277
Property, plant and equipment, net	3
Other non-current assets	68,000
Short-term borrowings from financial institutions	(64,665,738)
Trade and other payables	(72,100,988)
Income tax payable	(8,084,036)
Other current liabilities	(1,384,986)
Employee benefit obligations	(1,997,599)
Total identifiable net assets	126,000,184
Non-controlling interest	(61,740,090)
Goodwill	88,739,906
Total	153,000,000
Issued common shares for acquisition	153,000,000

The revenue included in the consolidated statement of comprehensive income from 3 March 2022 to 31 December 2022 contributed by Blue Solutions Company Limited was Baht 637.70 million. Blue Solutions Company Limited also contributed profit of Baht 54.30 million over the same period. Had Blue Solutions Company Limited been consolidated from 1 January 2022, the consolidated statement of comprehensive income for the year ended 31 December 2022 would present revenue and profit of Baht 663.73 million and Baht 55.90 million respectively.

As at 31 December 2022, the Group has been under the process of determining fair value of the net assets acquired and reviewing purchase price allocation (PPA) of an acquisition of Blue Solutions Company Limited. Therefore, the goodwill may be subject to further adjustment depending on the determination of fair value and the result of the PPA, which is expected to be finalised within 12 months from the acquisition date.

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14 Fixed assets and telecommunication networks, net

	Consolidated and Separate financial statements									
	Building Baht	Building improvement Baht	Infrastructure system Baht	Furniture, fixtures and office equipment Baht	Tool and equipment Baht	Vehicle Baht	Tele communication network equipment Baht	Equipment under construction Baht	Construction in progress Baht	Total Baht
As at 1 January 2021										
Cost	30,431,963	49,712,024	107,616,440	43,902,474	198,440,595	1,981,955	4,036,425,646	78,674,707	353,760,776	4,900,946,580
Less Accumulated depreciation	(6,693,609)	(15,026,138)	(61,354,858)	(27,567,135)	(119,981,375)	(1,933,885)	(825,741,097)	-	-	(1,058,298,097)
Less Impairment loss on assets	-	-	-	-	-	-	-	-	(3,661,584)	(3,661,584)
Net book value	23,738,354	34,685,886	46,261,582	16,335,339	78,459,220	48,070	3,210,684,549	78,674,707	350,099,192	3,838,986,899
For the year ended 31 December 2021										
Opening net book value	23,738,354	34,685,886	46,261,582	16,335,339	78,459,220	48,070	3,210,684,549	78,674,707	350,099,192	3,838,986,899
Additions	-	10,300	212,049	2,709,753	370,998	-	16,042,395	294,299	267,617,579	287,257,373
Transfer in (out)	-	-	-	-	-	-	136,418,300	(4,000,000)	(132,418,300)	-
Transfer to work in process	-	-	-	-	-	-	-	(12,901,165)	-	(12,901,165)
Transfer from right-of-use assets	-	-	-	-	-	-	16,298,745	-	-	16,298,745
Depreciation charge	(1,148,608)	(5,042,870)	(11,134,367)	(6,362,170)	(19,766,613)	(48,065)	(208,774,046)	-	-	(252,276,739)
Closing net book value	22,589,746	29,653,316	35,339,264	12,682,922	59,063,605	5	3,170,669,943	62,067,841	485,298,471	3,877,365,113
As at 31 December 2021										
Cost	30,431,963	49,722,324	107,828,489	46,612,227	198,811,593	1,981,955	4,205,185,086	62,067,841	488,960,055	5,191,601,533
Less Accumulated depreciation	(7,842,217)	(20,069,008)	(72,489,225)	(33,929,305)	(139,747,988)	(1,981,950)	(1,034,515,143)	-	-	(1,310,574,836)
Less Impairment loss on assets	-	-	-	-	-	-	-	-	(3,661,584)	(3,661,584)
Net book value	22,589,746	29,653,316	35,339,264	12,682,922	59,063,605	5	3,170,669,943	62,067,841	485,298,471	3,877,365,113

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	Consolidated financial statements										
	Land Baht	Building Baht	Building improvement Baht	Infrastructure system Baht	Furniture, fixtures and office equipment Baht	Tool and equipment Baht	Vehicle Baht	Tele communication network equipment Baht	Equipment under construction Baht	Construction in progress Baht	Total Baht
As at 1 January 2022											
Cost	-	30,431,963	49,722,324	107,828,489	46,612,227	198,811,593	1,981,955	4,205,185,086	62,067,841	488,960,055	5,191,601,533
<u>Less</u> Accumulated depreciation	-	(7,842,217)	(20,069,008)	(72,489,225)	(33,929,305)	(139,747,988)	(1,981,950)	(1,034,515,143)	-	-	(1,310,574,836)
<u>Less</u> Impairment loss on assets	-	-	-	-	-	-	-	-	-	(3,661,584)	(3,661,584)
Net book value	-	22,589,746	29,653,316	35,339,264	12,682,922	59,063,605	5	3,170,669,943	62,067,841	485,298,471	3,877,365,113
For the year ended 31 December 2022											
Opening net book value	-	22,589,746	29,653,316	35,339,264	12,682,922	59,063,605	5	3,170,669,943	62,067,841	485,298,471	3,877,365,113
Additions	23,804,287	-	164,696	584,663	5,671,455	2,712,403	-	43,573,246	182,441	297,820,459	374,513,650
Transfer in (out)	-	-	-	-	-	-	-	335,711,868	(84,112)	(335,627,756)	-
Write-off	-	-	-	-	(6,511)	-	-	-	-	-	(6,511)
Transfer to work in process	-	-	-	-	-	-	-	-	(3,435,456)	-	(3,435,456)
Transfer from right-of-use assets	-	-	-	-	-	-	-	53,545,315	-	-	53,545,315
Transfer to right of use assets under the Trust	(23,804,287)	(22,184,122)	(8,237,544)	(31,517,921)	(592,319)	(59,531)	-	(4,491,843)	(295,200)	-	(91,182,767)
Depreciation charge	-	(287,676)	(3,295,979)	(2,894,944)	(5,659,679)	(18,036,665)	-	(229,485,997)	-	-	(259,660,940)
Closing net book value	-	117,948	18,284,489	1,511,062	12,095,868	43,679,812	5	3,369,522,532	58,435,514	447,491,174	3,951,138,404
As at 31 December 2022											
Cost	-	8,247,841	41,649,476	76,895,231	51,684,852	201,464,465	1,981,955	4,633,523,672	58,435,514	451,152,758	5,525,035,764
<u>Less</u> Accumulated depreciation	-	(8,129,893)	(23,364,987)	(75,384,169)	(39,588,984)	(157,784,653)	(1,981,950)	(1,264,001,140)	-	-	(1,570,235,776)
<u>Less</u> Impairment loss on assets	-	-	-	-	-	-	-	-	-	(3,661,584)	(3,661,584)
Net book value	-	117,948	18,284,489	1,511,062	12,095,868	43,679,812	5	3,369,522,532	58,435,514	447,491,174	3,951,138,404

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	Separate financial statements										
	Land Baht	Building Baht	Building improvement Baht	Infrastructure system Baht	Furniture, fixtures and office equipment Baht	Tool and equipment Baht	Vehicle Baht	Tele communication network equipment Baht	Equipment under construction Baht	Construction in progress Baht	Total Baht
As at 1 January 2022											
Cost	-	30,431,963	49,722,324	107,828,489	46,612,227	198,811,593	1,981,955	4,205,185,086	62,067,841	488,960,055	5,191,601,533
<u>Less</u> Accumulated depreciation	-	(7,842,217)	(20,069,008)	(72,489,225)	(33,929,305)	(139,747,988)	(1,981,950)	(1,034,515,143)	-	-	(1,310,574,836)
<u>Less</u> Impairment loss on assets	-	-	-	-	-	-	-	-	-	(3,661,584)	(3,661,584)
Net book value	-	22,589,746	29,653,316	35,339,264	12,682,922	59,063,605	5	3,170,669,943	62,067,841	485,298,471	3,877,365,113
For the year ended 31 December 2022											
Opening net book value	-	22,589,746	29,653,316	35,339,264	12,682,922	59,063,605	5	3,170,669,943	62,067,841	485,298,471	3,877,365,113
Additions	23,804,287	-	164,696	584,663	4,227,979	2,712,403	-	43,573,246	182,441	297,820,459	373,070,174
Transfer in (out)	-	-	-	-	-	-	-	335,711,868	(84,112)	(335,627,756)	-
Write-off	-	-	-	-	(6,508)	-	-	-	-	-	(6,508)
Transfer to work in process	-	-	-	-	-	-	-	-	(3,435,456)	-	(3,435,456)
Transfer from right-of-use assets	-	-	-	-	-	-	-	53,545,315	-	-	53,545,315
Transfer to right of use assets under the Trust	(23,804,287)	(22,184,122)	(8,237,544)	(31,517,921)	(592,319)	(59,531)	-	(4,491,843)	(295,200)	-	(91,182,767)
Depreciation charge	-	(287,676)	(3,295,979)	(2,894,944)	(5,583,239)	(18,036,665)	-	(229,485,997)	-	-	(259,584,500)
Closing net book value	-	117,948	18,284,489	1,511,062	10,728,835	43,679,812	5	3,369,522,532	58,435,514	447,491,174	3,949,771,371
As at 31 December 2022											
Cost	-	8,247,841	41,649,476	76,895,231	50,241,379	201,464,465	1,981,955	4,633,523,672	58,435,514	451,152,758	5,523,592,291
<u>Less</u> Accumulated depreciation	-	(8,129,893)	(23,364,987)	(75,384,169)	(39,512,544)	(157,784,653)	(1,981,950)	(1,264,001,140)	-	-	(1,570,159,336)
<u>Less</u> Impairment loss on assets	-	-	-	-	-	-	-	-	-	(3,661,584)	(3,661,584)
Net book value	-	117,948	18,284,489	1,511,062	10,728,835	43,679,812	5	3,369,522,532	58,435,514	447,491,174	3,949,771,371

During the year ended 31 December 2022, borrowing cost of Baht 20.39 million was capitalised as the cost of fixed assets and are included in additions (2021: Baht 17.84 million). A capitalisation rate of 4.23% (2021: 4.23%) was used representing the actual borrowing cost of the borrowings used to finance the project.

As at 31 December 2022, the Group pledged fixed asset and telecommunication networks as collateral against the long-term borrowings from a financial institution with net book value amount of Baht 84.66 million (2021: Baht 232.14 million) (Note 22).

15 Right-of-use assets, net

As at 31 December, right-of-use asset balance are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Building	64,042,438	70,338,503	59,733,510	70,338,503
Equipment	130,913,174	195,566,515	130,913,174	195,566,515
Vehicles	88,244,458	37,979,255	88,244,458	37,979,255
Total right-of-use assets	283,200,070	303,884,273	278,891,142	303,884,273

For the year ended 31 December, amounts charged to profit or loss and cash flows relating to leases are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Depreciation charge of right-of-use assets:				
Building	18,825,023	17,505,371	17,495,380	17,505,371
Equipment	11,096,128	13,027,409	11,096,128	13,027,409
Vehicles	36,259,557	35,180,117	36,259,557	35,180,117
Total	66,180,708	65,712,897	64,851,065	65,712,897
Addition to the right-of-use assets during the year	87,872,287	29,934,687	93,510,858	29,934,687
Total cash outflow for leases	93,578,892	101,409,876	91,982,459	101,409,876
Expense relating to short-term leases	23,291,357	21,171,470	23,291,357	21,171,470
Expense relating to leases of low-value assets	713,628	604,252	386,580	604,252

16 Intangible assets, net

	Consolidated	Separate financial
	financial statements	statements
	Computer software	Computer software
	Baht	Baht
As at 1 January 2021		
Cost	33,285,376	33,285,376
Less Accumulated amortisation	(7,832,950)	(7,832,950)
Net book value	25,452,426	25,452,426
For the year ended 31 December 2021		
Opening net book value	25,452,426	25,452,426
Amortisation charge	(2,867,015)	(2,867,015)
Closing net book value	22,585,411	22,585,411
As at 31 December 2021		
Cost	33,285,376	33,285,376
Less Accumulated amortisation	(10,699,965)	(10,699,965)
Net book value	22,585,411	22,585,411
For the year ended 31 December 2022		
Opening net book value	22,585,411	22,585,411
Additions	4,053,948	410,938
Transfer to right of use assets under the Trust	(18,813)	(18,813)
Amortisation	(3,042,186)	(2,896,092)
Closing net book value	23,578,360	20,081,444
As at 31 December 2022		
Cost	37,310,698	33,667,688
Less Accumulated amortisation	(13,732,338)	(13,586,244)
Net book value	23,578,360	20,081,444

17 Deferred taxes

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2022	2021	2022	2021
	Baht	Baht	Baht	Baht
Deferred tax assets	158,512,648	32,527,118	158,086,196	32,527,118
Deferred tax liabilities	(39,386,990)	(59,362,054)	(39,386,990)	(59,362,054)
Deferred tax, net	119,125,658	(26,834,936)	118,699,206	(26,834,936)

The movement of the deferred tax is as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2022	2021	2022	2021
	Baht	Baht	Baht	Baht
As at 1 January	(26,834,936)	(8,705,497)	(26,834,936)	(8,705,497)
Charged / (credited) to profit or loss	147,746,409	(18,129,439)	147,344,680	(18,129,439)
Charged / (credited) to other comprehensive income	(1,785,815)	-	(1,810,538)	-
As at 31 December	119,125,658	(26,834,936)	118,699,206	(26,834,936)

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The movements in deferred tax assets and liabilities during the years are as follows:

	Consolidated financial statements								
	Allowance for expected credit losses Baht	Impairment loss on assets Baht	Provision Baht	Employee benefit obligations Baht	Depreciation Baht	Service contracts Baht	Lease liabilities under the agreement with Trust Baht	Others Baht	Total Baht
Deferred tax assets									
As at 1 January 2022	436,585	732,317	10,272,296	3,639,030	6,942,926	5,942,520	-	4,561,444	32,527,118
Charged / (credited) to profit or loss	1,540,838	-	(944,494)	1,013,250	725,225	(5,942,520)	128,260,152	999,734	125,652,185
Charged / (credited) to other comprehensive income	-	-	-	(446,790)	-	-	-	780,135	333,345
As at 31 December 2022	1,977,423	732,317	9,327,802	4,205,490	7,668,151	-	128,260,152	6,341,313	158,512,648
As at 1 January 2021	2,270,541	732,317	12,641,869	2,990,883	6,256,242	2,823,052	-	14,785	27,729,689
Charged / (credited) to profit or loss	(1,833,956)	-	(2,369,573)	648,147	686,684	3,119,468	-	4,546,659	4,797,429
As at 31 December 2021	436,585	732,317	10,272,296	3,639,030	6,942,926	5,942,520	-	4,561,444	32,527,118

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	Separate financial statements								
	Allowance for expected credit losses Baht	Impairment loss on assets Baht	Provision Baht	Employee benefit obligations Baht	Depreciation Baht	Service contracts Baht	Lease liabilities under the agreement with Trust Baht	Others Baht	Total Baht
Deferred tax assets									
As at 1 January 2022	436,585	732,317	10,272,296	3,639,030	6,942,926	5,942,520	-	4,561,444	32,527,118
Charged / (credited) to profit or loss	1,489,975	-	(944,494)	673,026	725,225	(5,942,520)	128,260,152	989,092	125,250,456
Charged / (credited) to other comprehensive income	-	-	-	(471,513)	-	-	-	780,135	308,622
As at 31 December 2022	1,926,560	732,317	9,327,802	3,840,543	7,668,151	-	128,260,152	6,330,671	158,086,196
As at 1 January 2021	2,270,541	732,317	12,641,869	2,990,883	6,256,242	2,823,052	-	14,785	27,729,689
Charged / (credited) to profit or loss	(1,833,956)	-	(2,369,573)	648,147	686,684	3,119,468	-	4,546,659	4,797,429
As at 31 December 2021	436,585	732,317	10,272,296	3,639,030	6,942,926	5,942,520	-	4,561,444	32,527,118

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	Consolidated and Separate financial statements			
	Leases Baht	Remeasurement of financial asset at fair value Baht	Others Baht	Total Baht
Deferred tax liabilities				
As at 1 January 2022	(40,063,480)	-	(19,298,574)	(59,362,054)
(Charged) / credited to profit or loss	19,251,860	-	2,842,364	22,094,224
(Charged) / credited to other comprehensive income	-	(2,119,160)	-	(2,119,160)
As at 31 December 2022	(20,811,620)	(2,119,160)	(16,456,210)	(39,386,990)
As at 1 January 2021	(31,440,301)	-	(4,994,885)	(36,435,186)
(Charged) / credited to profit or loss	(22,003,165)	-	(923,703)	(22,926,868)
As at 31 December 2021	(53,443,466)	-	(5,918,588)	(59,362,054)

18 Short-term borrowings from financial institutions, net

As at 31 December 2022, short-term borrowings from financial institutions comprise unsecured promissory notes, totally Baht 983.06 million and Baht 881.26 million, respectively bearing interest rates between 2.00% - 8.37% per annum. These borrowings are due for repayment within 1 year. (31 December 2021: totally Baht 2,248.34 million bearing interest rates between 2.00% - 4.30% per annum and due for repayment within 1 year).

19 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Trade payables	955,854,870	538,031,326	705,237,981	538,031,326
Trade payables - related parties (Note 31.4)	17,071,926	6,400,455	129,523,000	6,400,455
Total accounts payables	972,926,796	544,431,781	834,760,981	544,431,781
Other payables	34,712,134	29,674,676	26,181,082	29,674,676
Other payables - related parties (Note 31.5)	2,520,355	2,586,047	2,520,355	2,586,047
Network installation cost payables	89,415,608	92,954,714	89,415,608	92,954,714
Service agreement payables	20,352,489	34,728,386	20,352,489	34,728,386
Retention payables	50,949,850	59,172,798	50,949,850	59,172,798
Accrued expenses	30,924,085	29,213,853	26,468,212	29,213,853
Accrued bonus	32,134,347	22,752,000	27,752,680	22,752,000
Total trade and other payables	1,233,935,664	815,514,255	1,078,401,257	815,514,255

20 Lease liabilities, net

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Within 1 year	84,862,450	88,757,120	82,942,450	88,757,120
Over 1 years, but less than 5 years	169,516,193	152,212,658	167,116,193	152,212,658
Over 5 years	12,560,880	22,609,584	12,560,880	22,609,584
	266,939,523	263,579,362	262,619,523	263,579,362
<u>Less</u> Future interest paid of finance lease liabilities	(20,044,963)	(22,255,337)	(19,767,099)	(22,255,337)
Present value of finance lease liabilities, net	246,894,560	241,324,025	242,852,424	241,324,025

Finance lease liabilities excluded future interest paid are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Finance lease liabilities, net	246,894,560	241,324,025	242,852,424	241,324,025
<u>Less</u> Current portion of finance lease liabilities, net	(76,176,616)	(80,521,879)	(74,427,130)	(80,521,879)
	170,717,944	160,802,146	168,425,294	160,802,146

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Changes in lease liabilities are as follows:

	Consolidated financial statements			Separate financial statements		
	Lease liabilities - due within 1 year	Lease liabilities - due over 1 year	Total	Lease liabilities - due within 1 year	Lease liabilities - due over 1 year	Total
Net liabilities as at 1 January 2021						
Cash flows:						
Payment for lease liabilities	98,151,405 (101,409,876)	214,647,809 -	312,799,214 (101,409,876)	98,151,405 (101,409,876)	214,647,809 -	312,799,214 (101,409,876)
Non-cash items:						
Addition of lease liabilities, excluding future interest	7,856,182	22,078,505	29,934,687	7,856,182	22,078,505	29,934,687
Transferred from lease liabilities that is due over 1 year to lease liabilities due within 1 year	75,924,168	(75,924,168)	-	75,924,168	(75,924,168)	-
Net liabilities as at 31 December 2021	80,521,879	160,802,146	241,324,025	80,521,879	160,802,146	241,324,025
Net liabilities as at 1 January 2022						
Cash flows:						
Payment for lease liabilities	80,521,879 (93,578,893)	160,802,146 -	241,324,025 (93,578,893)	80,521,879 (91,982,459)	160,802,146 -	241,324,025 (91,982,459)
Non-cash items:						
Addition of lease liabilities, excluding future interest	24,781,454	74,367,974	99,149,428	23,031,967	70,478,891	93,510,858
Transferred from lease liabilities that is due over 1 year to lease liabilities due within 1 year	64,452,176	(64,452,176)	-	62,855,743	(62,855,743)	-
Net liabilities as at 31 December 2022	76,176,616	170,717,944	246,894,560	74,427,130	168,425,294	242,852,424

21 Lease liabilities under the agreement with Trust, net

Change in lease liabilities under the agreement with Trust are as follows:

	Consolidated and Separate financial statements
Lease liabilities under the agreement with Trust, net as at 1 January 2022	-
Increase	745,093,458
Cash flows:	
Payment for lease liabilities under the agreement with Trust	(5,016,778)
Payment fees and costs of transactions under the agreement with Trust	(52,568,551)
Non-Cash items:	
Amortised fees and costs of transaction under the agreement with Trust	802,785
Lease liabilities under the agreement with Trust, net as at 31 December 2022	688,310,914

At the Company's Board of Directors' Meeting No. 2/2022 held on 22 February 2022, the Board had a resolution to approve the transaction regarding the disposal of assets to a Real Estate Investment Trust (the Trust) and the related transaction of an asset acquisition relevant to the land of Interlink Data Center with a related party.

On 30 March 2022, the Company entered into the agreements with the Trust, to transfer the ownership of the properties under the Interlink Data Center project at the Department of Lands and to lease the properties under the Interlink Data Center project for three years and pledge irrevocably to renew the agreement nine times, every three years, the end of the last renewal period is 29 March 2052, and to comply with other terms and conditions specified in the agreements.

The Company considered the transfer of asset transaction with the Trust is satisfied the requirements of TFRS 15 Contracts with Customers as a sale of asset. The Company measured the right-of-use assets arising from the leaseback at the proportion of the previous carrying amount of the asset that related to the right of use retained by the Company.

22 Long-term borrowings from a financial institution, net

	Consolidated and Separate financial statements	
	2022 Baht	2021 Baht
Current portion of long-term borrowings from a financial institution		
Borrowings	485,844,515	516,961,445
<u>Less</u> Deferred financing service fees due within one year	(675,009)	(1,153,472)
Current portion of long-term borrowings from financial institutions, net	485,169,506	515,807,973
Long-term borrowings from financial institutions		
Borrowings	983,881,523	1,245,891,909
<u>Less</u> Deferred financing service fees due later than one year	(860,896)	(1,403,840)
Long-term borrowings from financial institutions, net	983,020,627	1,244,488,069
Total long-term borrowings from financial institutions, net	1,468,190,133	1,760,296,042

The movement of the long-term borrowings from financial institutions can be analysed as follows:

	Consolidated and Separate financial statements	
	2022 Baht	2021 Baht
For the years ended 31 December		
Opening book value	1,760,296,042	1,810,142,970
Cash flows:		
Proceed from borrowings during the year	225,636,800	314,820,000
Repayment to borrowings during the year	(524,794,011)	(372,108,808)
Addition of deferred financing fee	-	(1,440,000)
Non-cash items:		
Amortisation of financing fee	1,203,331	1,676,303
Adjusted by using the effective interest rate method	5,847,971	7,205,577
Closing book value	1,468,190,133	1,760,296,042

The fair value of long-term borrowings from financial institutions approximated their carrying amount, as the impact of discounting from floating rate from major borrowings is not significant.

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate of 3.87% - 4.75% (2021: 3.87% - 4.75%) and are within level 2 of the fair value hierarchy.

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As at 31 December 2022, the Group had long-term borrowings denominated in Thai Baht with a local financial institution which were secured amounting to Baht 1,476.35 million (2021: Baht 1,775.50 million) as follows:

Number	Outstanding balance as at 31 December 2022 (Baht)	Outstanding balance as at 31 December 2021 (Baht)	Interest rate per annum	Principal repayment term	Interest payment period
1*	46,100,000	140,300,000	MLR - 1.5%	Repayment every month from November 2016	Payment every month
2*	55,000,000	115,000,000	MLR - 1.5%	Repayment every month from December 2017	Payment every month
3*	54,800,000	94,400,000	MLR - 1.5%	Repayment every month from May 2018	Payment every month
4*	81,200,000	120,800,000	MLR - 1.5%	Repayment every month from January 2019	Payment every month
5*	84,500,000	124,100,000	MLR - 1.5%	Repayment every month from February 2019	Payment every month
6*	97,700,000	137,300,000	MLR - 1.5%	Repayment every month from June 2019	Payment every month
7*	107,600,000	147,200,000	MLR - 1.5%	Repayment every month from September 2019	Payment every month
8*	421,760,000	531,680,000	MLR - 1.5%	Repayment every month from November 2021	Payment every month
9**	6,181,000	21,217,000	MLR - 1.0%	Repayment every month from February 2021	Payment every month
10**	30,000,000	30,000,000	MLR - 1.5%	Repayment every month from January 2022	Payment every month
11**	450,000,000	245,820,000	MLR - 1.5%	Repayment every month from June 2023	Payment every month
12**	-	5,612,246	4%	Repayment every month from May 2018	Payment every month
13**	-	326,762	4%	Repayment every month from July 2018	Payment every month
14**	-	4,701,423	4%	Repayment every month from July 2018	Payment every month
15**	-	10,492,920	4%	Repayment every month from June 2018	Payment every month
16**	-	750,614	4%	Repayment every month from August 2018	Payment every month
17**	1,413,761	3,755,514	4.26%	Repayment every month from November 2019	Payment every month
18**	2,145,884	3,500,939	4.26%	Repayment every month from July 2020	Payment every 3 months
19**	12,207,441	29,936,964	3.87%	Repayment every month from September 2020	Payment every month
20**	2,265,870	3,492,446	3.90%	Repayment every month from October 2020	Payment every month
21**	1,383,066	1,820,717	4.04%	Repayment every month from December 2020	Payment every month
22**	2,327,473	3,297,257	3.94%	Repayment every month from April 2021	Payment every month
23**	5,815,119	-	4.35%	Repayment every month from May 2022	Payment every month
24**	13,947,979	-	4.31%	Repayment every month from September 2022	Payment every month
Total	<u>1,476,347,593</u>	<u>1,775,504,802</u>			

* The long-term borrowings from financial institutions are secured by Director of the Group and 51% share of the Group. In addition, the Group is required to comply with certain conditions throughout the borrowings period such as maintaining borrowings from financial institution to the equity and borrowings from related parties ratio, maintaining debt service coverage ratio, etc.

** The long-term borrowings from financial institutions are secured by pledge of fixed assets and telecommunication networks as mentioned in Note 14.

23 Employee benefit obligations

The movements in the employee benefit obligations during the years are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Opening balance	18,195,151	14,954,420	18,195,151	14,954,420
Addition from business combination	1,997,599	-	-	-
Current service cost	2,757,356	2,959,241	3,021,595	2,959,241
Interest cost	311,294	281,490	343,531	281,490
Remeasurements:				
Gain from change in demographic assumptions	(18,385)	-	(18,385)	-
Gain from change in financial assumptions	(7,082,512)	-	(6,886,250)	-
Experience loss	4,866,948	-	4,547,072	-
Closing balance	21,027,451	18,195,151	19,202,714	18,195,151

The following table is a summary of the assumptions relating to the actuarial technique as at the date of financial statements:

	Consolidated financial statements		Separate financial statements	
	2022 %	2021 %	2022 %	2021 %
Discount rate	3.07 - 3.10	1.88	3.07	1.88
Salary increase rate	3.00 - 6.00	6.50	6.00	6.50
Turnover rate	5 - 18, 9 - 18	5 - 15	5 - 18	5 - 15
Mortality rate	TMO 2017	TMO 2017	TMO 2017	TMO 2017
Disability rate	TMO 2017	TMO 2017	TMO 2017	TMO 2017

	Consolidated financial statements 2022		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.5%	Decreased by Baht 1,423,506	Increased by Baht 1,560,480
Salary increase rate	0.5%	Increased by Baht 1,511,916	Decreased by Baht 1,394,964
Turnover rate	10.0%	Decreased by Baht 2,076,664	Increased by Baht 2,409,752
	Separate financial statements 2022		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.5%	Decreased by Baht 1,299,741	Increased by Baht 1,425,698
Salary increase rate	0.5%	Increased by Baht 1,382,188	Decreased by Baht 1,274,501
Turnover rate	10.0%	Decreased by Baht 1,966,080	Increased by Baht 2,289,071

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	Consolidated and Separate financial statements		
	2021		
	Impact on defined benefit obligation		
Change in assumption	Increase in assumption	Decrease in assumption	
Discount rate	0.5%	Decreased by Baht 1,458,141	Increased by Baht 1,618,800
Salary increase rate	0.5%	Increased by Baht 1,724,852	Decreased by Baht 1,562,807
Turnover rate	10.0%	Decreased by Baht 2,634,801	Increased by Baht 3,206,726

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The weighted average durations of the Group's defined benefit obligation is equal to 17 years (2021: 21 years).

Expected maturity analysis of undiscounted retirement:

	Consolidated financial statements				
	Less than a year Baht	Between 1-2 years Baht	Between 2-5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2022					
Retirement benefits	-	594,323	3,211,496	141,477,590	145,283,409
Total	-	594,323	3,211,496	141,477,590	145,283,409

	Separate financial statements				
	Less than a year Baht	Between 1-2 years Baht	Between 2-5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2022					
Retirement benefits	-	390,323	3,211,496	127,643,160	131,244,979
Total	-	390,323	3,211,496	127,643,160	131,244,979

	Consolidated and Separate financial statements				
	Less than a year Baht	Between 1-2 years Baht	Between 2-5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2021					
Retirement benefits	-	-	2,243,000	105,280,516	107,523,516
Total	-	-	2,243,000	105,280,516	107,523,516

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24 Share capital and premium on share capital

	Consolidated and Separate financial statements				
	Authorised share capital Shares	Issued and paid-up Shares	Issued and paid-up Baht	Premium on share capital Baht	Total Baht
At 1 January 2021	1,500,000,000	1,000,000,000	500,000,000	814,942,915	1,314,942,915
Increased	312,500,000	247,165,194	123,582,597	617,913,389	741,495,986
At 31 December 2021	1,812,500,000	1,247,165,194	623,582,597	1,432,856,304	2,056,438,901
At 1 January 2022	1,812,500,000	1,247,165,194	623,582,597	1,432,856,304	2,056,438,901
Increased	392,600,000	67,562,480	33,781,240	260,870,593	294,651,833
Decreased	(259,507,302)	-	-	-	-
At 31 December 2022	1,945,592,698	1,314,727,674	657,363,837	1,693,726,897	2,351,090,734

On 30 December 2021, the warrants holder exercised their warrant (ITEL-W3) of 7.22 million units to purchase 7.22 million ordinary shares at Baht 3.30 each in the amount of Baht 23.83 million. The Company received the full payment and registered the share subscription with the Ministry of Commerce on 13 January 2022.

At the Company's Extraordinary Shareholders' meeting No. 1/2022 held on 27 January 2022, the shareholders approved the reduction of the registered capital by decreasing the unissued ordinary shares from the expiration of the warrants of 253.55 million units at par value of Baht 0.50 and increase of the registered capital by Baht 15.30 million by newly issued 30.60 million ordinary shares at a par value of Baht 0.50 for acquire Blue Solutions Company Limited. The Company registered the increase in share capital with the Ministry of Commerce on 10 February 2022.

On 28 February 2022, the Company acquired Blue Solutions Company Limited by issue 24.64 million ordinary shares at par value of Baht 0.50. The Company registered the share subscription with the Ministry of Commerce on 3 March 2022 (Note 13).

On 31 March 2022, the warrants holder exercised their warrant (ITEL-W3) of 35.01 million units to purchase 35.01 million ordinary shares at Baht 3.30 each in the amount of Baht 115.55 million. The Company registered the share subscription with the Ministry of Commerce on 19 April 2022.

At the Annual General Shareholders' meeting on 27 April 2022, the resolutions are approved the reduction of the Company's registered capital by Baht 2.98 million from the current registered capital of Baht 794.78 million to be Baht 791.80 million, by decreasing the remaining unissued ordinary shares after the acquisition of Blue Solutions Company Limited totalling 5.96 million shares at par value of Baht 0.50.

At the Annual General Shareholders' meeting on 27 April 2022, the resolutions are approved the increase and the allocation of the Company's ordinary shares under the General Mandate basis by Baht 20.00 million from the current registered capital of Baht 791.80 million to be Baht 811.80 million, by issuing newly 40.00 million shares with a par value of Baht 0.50 each by way of a Private Placement and not a related person.

At the Annual General Shareholders' meeting on 27 April 2022, the resolutions are approved the increase of share capital by Baht 161.00 million from the current registered capital of Baht 811.80 million to be Baht 972.80 million, by issuing new ordinary shares of 322.00 million shares at the par value of Baht 0.50 each, to support the issue of warrant to purchase the Company's ordinary share No.4 (ITEL-W4).

On 30 June 2022, the warrants holder exercised their warrant (ITEL-W3) of 0.31 million units to purchase 0.31 million ordinary shares at Baht 3.30 each in the amount of Baht 1.03 million. The Company registered the share subscription with the Ministry of Commerce on 11 July 2022.

On 30 September 2022, the warrants holder exercised their warrant (ITEL-W3) of 0.38 million units to purchase 0.38 million ordinary shares at Baht 3.30 each in the amount of Baht 1.25 million. The Company registered the share subscription with the Ministry of Commerce on 11 October 2022.

25 Warrants

The Company issued warrants on ordinary shares without charge to the Company's existing shareholders which is approved at the Annual General Meeting as follows:

Issued by	Allotted to	Approval date	Determined exercising date		As at	Decrease during the period							As at
			First exercise	Last exercise	31 December 2021	Outstanding warrant unit	Increase during the period unit	Exercise unit	Exercise ratio for ordinary shares per 1 warrant	Issue of ordinary shares during the period Share	Exercise price Baht	Amount Baht	Expired Share
The Company	Existing-shareholder (ITEL-W3)	20 April 2021	30 December 2021	14 April 2023	304,569,431	-	85,494,869	1	35,704,407	3.3	117,824,543	-	219,074,562
The Company	Existing-shareholder (ITEL-W4)	27 April 2022	30 September 2022	10 July 2024	-	262,802,218	-	1	-	11.5	-	-	262,802,218
	Total issuance by the Group				304,569,431	262,802,218	85,494,869		35,704,407		117,824,543	-	481,876,780

On 31 December 2022, 49,790,462 units of warrants were issued to purchase ordinary shares of the Company (ITEL-W3) to purchase 49,790,462 ordinary shares at 3.30 baht per unit, totalling Baht 164,308,525. The Company registered the share subscription with the Ministry of Commerce on 10 January 2023. The Company presented the cash received in advance for the exercise of warrants as advance received from share subscription in the shareholders' equity.

26 Legal reserve

	Consolidated and Separate financial statements	
	2022 Baht	2021 Baht
At 1 January	48,510,000	35,670,000
Appropriation during the year	11,440,000	12,840,000
At 31 December	59,950,000	48,510,000

Under the Public Limited Company Act., B.E. 2535, the Group is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficits brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

27 Revenue

27.1 In order to comply with the Notification of NBTC on License Fees for Telecommunications Business, the details of revenue used for the purpose of the calculation of the license fee ("license fee") were as follows:

For the years ended 31 December	Separate financial statements	
	2022 Baht	2021 Baht
Relevant revenue and must be used to calculate the license fee		
- Service income from network rendering	823,588,143	807,454,736
- Service income from data center space service	87,343,174	91,797,481
Total relevant revenue and must be used to calculate the license fee	910,931,317	899,252,217
Irrelevant revenue and were not be used to calculate the license fee		
- Service income from network rendering	487,140,190	473,852,237
- Service income from network installation service	1,488,848,068	1,092,780,482
- Other income	45,353,150	43,295,312
Total irrelevant revenue and were not be used to calculate the license fee	2,021,341,408	1,609,928,031
Revenue		
- Service income from network rendering	1,310,728,333	1,281,306,973
- Service income from network installation service	1,488,848,068	1,092,780,482
- Service income from data center space service	87,343,174	91,797,481
- Other income	45,353,150	43,295,312
Total revenue	2,932,272,725	2,509,180,248

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27.2 In order to comply with the Notification of NBTC on Criteria and Procedures for Universal Service Obligation Fee (“USO fee”), the details of revenue used for the purpose of the calculation of the USO fee were as follows:

For the years ended 31 December	Separate financial statements	
	2022 Baht	2021 Baht
Relevant revenue and must be used to calculate the USO fee		
- Service income from network rendering	823,588,143	807,454,736
Total relevant revenue and must be used to calculate the USO fee	823,588,143	807,454,736
Irrelevant revenue and was not be used to calculate the USO fee		
- Service income from network rendering	487,140,190	473,852,237
Total irrelevant revenue and was not be used to calculate the USO fee	487,140,190	473,852,237
Total service income from network rendering	1,310,728,333	1,281,306,973

28 Expenses by nature

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Subcontract costs	580,055,974	264,201,591	478,621,338	264,201,591
Service contract costs	135,516,000	110,576,500	135,516,000	110,576,500
Staff costs	156,512,295	119,965,853	128,558,093	119,965,853
Depreciation and amortisation charges	341,359,748	320,856,651	339,807,571	320,856,651
Repair and maintenance expense	135,137,197	127,277,442	135,119,947	127,277,442
Material and equipment used	1,024,033,931	608,842,910	731,005,544	608,842,910
System and network expense	261,937,478	245,615,733	261,937,478	245,615,733
Rental fee under service contracts	88,412,799	105,915,577	87,541,491	105,915,577

29 Income taxes

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Current tax	213,085,031	48,227,963	199,865,357	48,227,963
Deferred tax	(147,746,409)	18,129,439	(147,344,680)	18,129,439
Total income taxes	65,338,622	66,407,402	52,520,677	66,407,402

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The income tax on the profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Profit before income tax	343,630,692	317,198,258	281,218,894	323,058,445
Tax calculated at a tax rate of 20%	20%	20%	20%	20%
The result of the accounting profit multiplied by the income tax rate	68,726,138	63,439,652	56,243,779	64,611,689
Tax effect of:				
Joint ventures' resulting reported, net of tax	947,802	1,172,037	-	-
Income not subject to tax	(6,389,549)	-	(6,389,549)	-
Expenses not deductible for tax purpose	2,081,953	1,865,128	2,694,169	1,865,128
Double deductible expenses for tax purpose	(25,249)	(44,730)	(25,249)	(44,730)
1.5 deductible expenses for tax purpose	(2,473)	(24,685)	(2,473)	(24,685)
Income tax	65,338,622	66,407,402	52,520,677	66,407,402

30 Earnings per share

30.1 Basic earnings per share

The basic earnings per share is calculated by dividing the profit for the year attributable to shareholders of the Group by the weighted average number of ordinary shares in issue during the year.

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Profit attributable to the Group (Baht)	251,668,967	250,790,856	228,698,217	256,651,043
Weighted average number of ordinary shares in issue (Shares)	1,299,555,602	1,080,578,828	1,299,555,602	1,080,578,828
Basic earnings per share (Baht)	0.19	0.23	0.18	0.24

30.2 Diluted earnings per share

The diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has one category of dilutive potential ordinary shares: the warrants. A calculation is made to determine the number of shares that could have been acquired at fair value (determined as the average market price during the period of the Group's shares) based on the monetary value of the subscription rights attached to outstanding warrants. The number of shares calculated as above is compared with the number of shares that would have been issued assuming warrants which the exercise price is lower than the average market price of the Group's shares have been exercised.

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Profit attributable to the Group (Baht)	251,668,967	250,790,865	228,698,217	256,651,043
Weighted average number of ordinary shares in issue (Shares)	1,299,555,602	1,080,578,828	1,299,555,602	1,080,578,828
Adjustment: conversion of warrants (Shares)	88,411,077	51,599,589	88,411,077	51,599,589
Weighted average number of ordinary shares for diluted earnings per share (Shares)	1,387,966,679	1,132,178,417	1,387,966,679	1,132,178,417
Diluted earnings per share (Baht)	0.18	0.22	0.16	0.23

31 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, including holding companies, subsidiaries, and fellow subsidiaries, are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group and close members of the family of these individuals and companies associated with these individuals, also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The major shareholder of the Group is Interlink Communication Public Company Limited, holding 48.42% of the Group's shares.

ETIX ITEL Bangkok Company Limited is a joint venture of the Group (formerly named Genesis Data Center Company Limited).

Blue Solutions Company Limited is a subsidiary of the Group.

The pricing policies for particular types of related parties' transactions are explained further below.

Transactions	Pricing policies
Service	Contract price
Sales of goods	Market price or contract price where market price is not available
Rental expenses	Contract price
Service expenses	Contract price
Interest income / Interest paid	Contract rate

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The significant related party transactions are as follows:

31.1 Revenue from services

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Revenue from services				
- Parent company	2,792,500	3,576,500	2,792,500	3,576,500
- Joint venture	485,610	91,200	485,610	91,200
- Subsidiary	-	-	26,648,723	-
Other income				
- Parent company	102,220	123,552	102,220	123,552
- Joint venture	7,276,500	7,276,500	7,276,500	7,276,500
- Subsidiary	-	-	225,000	-

31.2 Purchases of goods

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Purchases of goods				
- Parent company	17,386,315	5,007,681	17,386,315	5,007,681
- Subsidiary	-	-	105,094,462	-
Purchases of fixed assets				
- Parent company	23,650,000	-	23,650,000	-
- Subsidiary	-	-	195,000	-

31.3 Other expenses

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Rental expenses				
- Parent company	11,799,923	12,206,069	11,799,923	12,206,069
Cost of other service				
- Parent company	-	5,223,705	-	5,223,705
Administrative expenses				
- Parent company	5,922,513	6,417,472	5,922,513	6,417,472
- Directors	2,112,000	2,112,000	2,112,000	2,112,000

31.4 Trade receivables and trade payables - related parties

As at 31 December	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Trade receivables				
- Parent company	244,495	370,755	244,495	370,755
- Joint venture	7,725	16,264	7,725	16,264
- Subsidiary	-	-	22,811,306	-
Trade payables				
- Parent company	5,545,848	2,649,809	5,545,848	2,649,809
- Joint venture	11,526,078	3,750,646	11,526,078	3,750,646
- Subsidiary	-	-	112,451,074	-

31.5 Amount due from and amount due to related parties

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
As at 31 December				
Other receivables				
- Parent company	1,170,544	891,910	1,170,544	891,910
- Joint venture	648,821	1,297,643	648,821	1,297,643
- Subsidiary	-	-	225,000	-
Other payables				
- Parent company	1,790,355	1,856,047	1,790,355	1,856,047
- Directors	730,000	730,000	730,000	730,000

31.6 Short-term borrowings to a joint venture

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
As at 31 December				
Short-term borrowings to a joint venture	58,040,000	12,000,000	58,040,000	12,000,000

As at 31 December 2022, short-term borrowings to a joint venture represent unsecured loans bearing interest rate at 4.25 - 4.55 % per annum (2021: 4.55% per annum) and are due for repayment at call.

31.7 Key management compensation

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
For the years ended 31 December				
Short-term benefits	30,260,724	27,753,558	28,421,246	27,753,558
Post benefits	723,285	364,976	689,545	364,976
	30,984,009	28,118,534	29,110,791	28,118,534

32 Commitments and contingent liabilities

For the year ended period 31 December 2022, there were no significant changes in commitments and significant contracts from the year ended 31 December 2021, except the commitments as follows:

32.1 Financial institution guarantees

As at 31 December 2022, there were outstanding guarantees issued by the financial institution on behalf of the Group of Baht 813.95 million (2021: Baht 772.87 million) in respect of certain performance obligations required in the normal course of business of the Group.

32.2 Service contracts

The Group has entered into several services contracts. The terms of the contracts are generally between 1 and 30 years, which future minimum lease payments required under these non-cancellable service contracts are as follows:

As at 31 December	Consolidated		Separate	
	financial statements		financial statements	
	(Unit : Million Baht)		(Unit : Million Baht)	
	2022	2021	2022	2021
Payment within:				
- Within 1 year	166.83	251.51	166.59	251.51
- 1 to 5 years	149.76	321.89	149.76	321.89
- More than 5 years	259.24	390.54	259.24	390.54

32.3 Significant Agreements

Agreements under Interlink Data Center project

On 30 March 2022, the Company entered into five associated agreements which are related to the Interlink Data Center project as follows:

a) Immovable property purchase and sale agreement

The Company entered into the immovable property purchase and sale agreement, to transfer the ownership of land, building and building improvements and systems related to the Interlink Data Center project to the Trust at Baht 675 million.

b) Movable property sale agreement

The Company entered into the movable property sale agreement, to transfer the ownership of furniture and equipment, generator, racks and connecting devices including storage data processors and software related to the Interlink Data Center project to the Trust at Baht 75 million.

c) Assignment agreement

The Company entered into the agreement with the Trust to assign the right over thoroughfare of the traded properties and the right to use the Interlink Data Center's name and/or trademark throughout 30 years from the date of transfer of ownership as stipulated in the immovable property purchase and sale agreement.

d) Property lease agreement

The Company entered into the property lease agreement, to lease the traded properties under the immovable property purchase and sale agreement and movable property sale agreement for operating the data center service for three years and pledge irrevocably to renew the agreement nine times, every three years with totally 30 years. The end of the last renewal period is 29 March 2052. The Company, at its own cost to provide maintenance and/or repair of the leased properties over the agreement periods.

e) Assignment agreement - Provision of the Trust's benefits

The Company entered into the agreement with the Trust to lease the traded properties throughout 30 years from the date of transfer of ownership. The trust has the sole right to consider the qualification of being a lessee of the business under the property lease agreement for 30 years. The Company agreed to perform the obligations outlined in the agreement on replacement of contracting party under the memorandum of servitude and central utilities.

33 **Events occurring after the reporting date**

On 23 February 2023, the Company's Board of Directors' Meeting No. 2/2023 approved to propose the dividend payments for the operation performance for the year ended 31 December 2022 at Baht 0.0635 per share, the total amount not exceeding Baht 100.67 million to the Company's Annual General Shareholders' meeting for the year 2023. The declaration of dividend payment must be approved by the resolution of the Company's shareholders' meeting.