

Overview of the business group

Overview of the Business Group for the Year 2024, Capital Engineering Network Public Company Limited and its subsidiaries (collectively referred to as the "Group") are observing a continuous growth trend in the Thai economy following the recovery from the COVID-19 crisis. Key factors influencing economic growth include the recovery of the tourism and export sectors, as well as investments in public infrastructure projects such as expressway projects, transportation network development, and investments in renewable energy.

However, there are still challenges that may affect economic growth, such as rising inflation, fluctuating oil and energy prices, as well as external factors influenced by the global economy and geopolitical uncertainties. The monetary policy of the Bank of Thailand therefore plays a crucial role in controlling inflation and maintaining economic stability.

Overview of the performance results for the year 2024

Overview of the group's performance shows a net loss for the year 2024 amounting to 58.98 million baht, a decrease of 328.60 million baht or 84.78%. The company recognized a gross profit from operations of 99 million baht, an increase of 104 million baht compared to the performance in 2023. **The company recorded a loss attributable to the company of 21.59 million baht and a loss per share of 0.03 baht per share.** The financial statements for the specific entity show a net loss of 13.18 million baht, resulting in a net loss per share of 0.02 baht per share. The summary is as follows.

Summary of the operational results for the year 2024

The performance of the group of companies resulted in a loss of 58.98 million baht, with an operational loss of 49.28 million baht. There was a profit from the fair value adjustment of financial assets amounting to 20.34 million baht and an impairment of assets recognized at 10.64 million baht. Compared to the previous year's performance, 2024 showed better results than the previous year.

Revenue

1. Revenue from Sales

Revenue from the sale of steel wire decreased compared to the same period last year, with a decline of 168.28 million baht. This decrease is attributed to a reduction in sales volume, coupled with intense market competition, which has led to increased price competition. Revenue from the sale of electricity and thermal energy from the power plant located in the Nong Kha Industrial Estate, which uses natural gas as fuel, benefited from electricity price support and adjustments in the natural gas pricing formula. As a result, revenue from energy grew compared to the previous year, and revenue from the sale of industrial products increased by 15.52 million baht from the previous year.

2. Revenue from Project Work and Services

The subsidiary has revenue from sales and services (STOWER) amounting to 370.61 million baht, with

domestic business revenue totaling 241.24 million baht, accounting for 65.09%, and revenue from telecommunications business in the Philippines amounting to 129.38 million baht, accounting for 34.91%. The businesses with potential and continuous growth include the hot-dip galvanizing service, industrial product sales, and telecommunications-related services in the Philippines. Revenue from domestic business consists of revenue from electricity and telecommunications services in the country amounting to 199.78 million baht and revenue from galvanizing services amounting to 25.94 million baht.

The significantly higher operating income comes from domestic government project work, which the company has already delivered and recognized revenue for in 2024, with the remaining approximately 12.70 million baht to be recognized in the first quarter of 2025. Additionally, the company is ready to participate in bidding for high-voltage power pole projects and substation structures that will be auctioned in 2025 by the Electricity Generating Authority of Thailand (EGAT), while also expanding its galvanizing services to continuously increase revenue.

Additionally, QROI Network Services Inc. (QNSI), a subsidiary in the Philippines, has experienced growth in its telecommunications service business, which includes increased services such as telecommunications station auditing and maintenance (Tower Audit and O&M), installation services for DC Power systems at telecommunications stations, and rooftop solar installation services.

3. Other revenue

In terms of other revenue, it consists of income from the sale of scrap materials, interest received, and others.

Expenses

The group of companies has total expenses of 1,268.62 million baht, a decrease of 308.89 million baht or 19.58% compared to the expenses for the same period in 2023, which amounted to a total of 1,577.51 million baht.

1. Cost of Sales and Project Costs

The cost of goods sold and service costs this year amounted to 1,058.67 million baht, a decrease of 116.07 million baht or 9.88% compared to the same period last year, which was 1,174.49 million baht. This decrease was due to several key factors, including a reduction in production capacity in the steel wire business due to the continuous decline in raw material prices in the global steel market. Additionally, natural gas prices in the power generation business also decreased from the previous year. The company has therefore prioritized effective raw material management to avoid excessive inventory and to mitigate risks from fluctuations in raw material prices.

Additionally, in the telecommunications business sector, the company has been able to manage costs more effectively by continuously delivering telecommunications towers to customers, as well as efficiently controlling transportation costs within the established framework. All of this is a result of tight management and

a clear objective to reduce costs and enhance operational efficiency.

2. Administrative Expenses

The administrative expenses for this year amount to 202.15 million baht, a decrease of 17.65 million baht or 8.03% compared to the same period last year, which was 219.80 million baht. This decrease is a result of restructuring the management to be more agile and efficient, as well as reducing unnecessary expenses. The company continues to focus on cost management and the careful use of resources in line with the strategies implemented in the previous year to enhance operational efficiency and maintain competitiveness. This management approach has enabled the company to control expenses effectively and focus on increasing long-term returns.

3. Financial Costs

Financial costs mainly consist of interest expenses from obtaining credit lines from financial institutions. The management of liabilities has improved compared to the previous year, resulting in a reduction of financial costs by more than 26.44% compared to the year 2023.

Financial status

Statement of Financial Position	Y2024	%	Y2023	%	Increased (Decreased)	%
Current Assets	1,633.09	57%	1,598.29	50%	34.81	2%
Non-Current Assets	1,245.50	43%	1,601.10	50%	(355.60)	(22%)
Total Assets	2,878.59	100%	3,199.38	100%	(320.79)	(10%)
Current Liabilities	186.75	6%	215.79	7%	(29.04)	(14%)
Non-Current Liabilities	272.70	10%	380.58	12%	(107.88)	(28%)
Total Liabilities	459.45	16%	596.37	19%	(136.92)	(23%)
Shareholders' Equity of Company	1,483.27	52%	1,585.54	50%	(102.27)	(6%)
Shareholder's Equity of NC	935.87	33%	1,017.47	31%	(81.60)	(8%)
Total Shareholders' Equity	2,419.14	84%	2,603.01	81%	(183.87)	(7%)
Total Liabilities and Shareholders' Equity	2,878.59	100%	3,199.38	100%	(320.79)	(10%)

➤ Assets

As of December 31, 2024, the group of companies reported total assets of **2,878.59 million baht, reflecting a 320.79 million baht or 10% decline** from the previous year, attributed to a reduction in its holdings of land, buildings, and equipment.

➤ Liabilities

As of December 31, 2024, the group of companies has total liabilities of 459.45 million baht, a decrease of over 23% compared to the previous year. This reduction is a result of the subsidiaries continuously repaying loans from financial institutions, as well as a decrease in advance payments from asset sales in line with past operations. When considered alongside the corresponding decrease in total assets, it demonstrates that the

group has been able to manage its assets and liabilities effectively, leading to a more stable financial position and a reduction in long-term debt risk.

➤ Shareholders' Equity

As of December 31, 2024, the company's shareholders' equity amounted to 2,419.14 million baht, a decrease of 183.87 million baht or 7.06% compared to December 31, 2023, which was 2,603.01 million baht. This decrease is a result of operating losses in the past year, as well as the recognition of impairment of assets of the subsidiary, which is an adjustment of asset values to align with market conditions and actual operations. This management approach is in accordance with prudent accounting principles to reflect the true financial position of the group and to reduce potential risks in the future.

Financial Ratio

Financial Ratio Highlights	Y2024	Y2023	Y2022
Current Ratio	8.74	7.41	9.89
Debt to Equity Ratio (D/E Ratio)	0.19	0.23	0.17
Return on Assets (ROA)	(0.23%)	(6.17%)	(7.68%)
Return on Equity (ROE)	(0.46%)	(12.45%)	(15.43%)
Book Value Per Share **	1.99	2.13	2.29

****Calculated by the number of paid-up registered ordinary shares of the Company in the amount of 745,161,919 shares.**

Based on the financial position presented above, the group of companies has a stable financial status and high liquidity, with a current ratio of 8.74 times, reflecting its ability to effectively meet short-term debt obligations. Additionally, the group has low financial risk, with a debt-to-equity ratio (D/E Ratio) of only 0.19 times, indicating a strong financial structure and a low level of debt. This strong liquidity allows the group to maintain sufficient cash and cash flow for the continuous operation of its future business plans, enabling it to adapt well to economic conditions and seize new growth opportunities.

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