

XSpring Digital Company Limited  
Report and financial statements  
31 December 2023

## **Independent Auditor's Report**

To the Shareholders of XSpring Digital Company Limited

### **Opinion**

I have audited the accompanying financial statements of XSpring Digital Company Limited (the Company), which comprise the statement of financial position as at 31 December 2023, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

### **Basis for Opinion**

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

## **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Wanwilai Phetsang

Certified Public Accountant (Thailand) No. 5315

EY Office Limited

Bangkok: 20 February 2024

**XSpring Digital Company Limited****Statement of financial position****As at 31 December 2023**

(Unit: Baht)

	Note	31 December 2023	31 December 2022
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	96,056,107	111,493,121
Trade receivables	7	1,844,745	262,778
Digital assets	8	30,425,755	9,368,261
Other current assets	9	72,702,518	41,886,244
<b>Total current assets</b>		<b>201,029,125</b>	<b>163,010,404</b>
<b>Non-current assets</b>			
Restricted bank deposits	10	30,252,490	30,038,553
Leasehold improvement and equipment	11	5,716,882	8,562,558
Right-of-use assets	12	12,408,203	27,921,183
Intangible assets	13	10,697,058	258,559,541
Other non-current assets		4,556,790	4,485,308
<b>Total non-current assets</b>		<b>63,631,423</b>	<b>329,567,143</b>
<b>Total assets</b>		<b>264,660,548</b>	<b>492,577,547</b>

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

**XSpring Digital Company Limited**  
**Statement of financial position (continued)**  
**As at 31 December 2023**

(Unit: Baht)

	Note	31 December 2023	31 December 2022
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Loans from parent company	19	56,000,000	-
Current portion of lease liabilities	15	3,264,003	5,249,879
Accrued expenses		8,867,030	11,074,482
Other current liabilities		3,333,577	2,032,836
<b>Total current liabilities</b>		<b>71,464,610</b>	<b>18,357,197</b>
<b>Non-current liabilities</b>			
Long-term loans from parent company	19	-	235,000,000
Provision for long-term employee benefits	14	3,924,175	1,760,531
Lease liabilities - net of current portion	15	9,506,091	23,253,022
Other non-current liabilities		6,652,850	10,382,943
<b>Total non-current liabilities</b>		<b>20,083,116</b>	<b>270,396,496</b>
<b>Total liabilities</b>		<b>91,547,726</b>	<b>288,753,693</b>
<b>Shareholders' equity</b>			
Share capital	16		
Registered			
5,750,000 ordinary shares of Baht 100 each			
(2022: 4,750,000 ordinary shares of Baht 100 each)		575,000,000	475,000,000
Issued and fully paid-up			
5,750,000 ordinary shares of Baht 100 each			
(2022: 4,750,000 ordinary shares of Baht 100 each)		575,000,000	475,000,000
Deficit		(401,887,178)	(271,176,146)
<b>Total shareholders' equity</b>		<b>173,112,822</b>	<b>203,823,854</b>
<b>Total liabilities and shareholders' equity</b>		<b>264,660,548</b>	<b>492,577,547</b>
		-	-

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

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Directors  
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**XSpring Digital Company Limited**  
**Statement of comprehensive income**  
**For the year ended 31 December 2023**

		(Unit: Baht)	
	Note	2023	2022
<b>Profit or loss:</b>			
<b>Revenues</b>			
Fees and service income		5,372,807	25,909,874
Interest income		722,666	294,549
Gain (loss) on revaluation of digital assets		21,416,517	(3,422,899)
Other income		284,598	302,325
<b>Total revenues</b>		<b>27,796,588</b>	<b>23,083,849</b>
<b>Expenses</b>			
Fees and service expenses		13,914,677	3,638,566
Selling and administrative expenses	17	140,421,589	126,021,082
Expected credit loss		-	5,470,713
Loss on exchange rate		1,575,142	726,164
<b>Total expenses</b>		<b>155,911,408</b>	<b>135,856,525</b>
<b>Loss from operation</b>		<b>(128,114,820)</b>	<b>(112,772,676)</b>
Finance cost		(2,596,212)	(3,052,366)
<b>Net loss for the year</b>		<b>(130,711,032)</b>	<b>(115,825,042)</b>
<b>Other comprehensive income</b>			
Other comprehensive income not to be reclassified			
to profit or loss in subsequent periods:			
Actuarial gain		-	1,743,526
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>1,743,526</b>
<b>Total comprehensive income for the year</b>		<b>(130,711,032)</b>	<b>(114,081,516)</b>
<b>Earnings (loss) per share</b>			
Basic loss per share	18	(23.06)	(24.38)

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

**XSpring Digital Company Limited****Statement of changes in shareholders' equity****For the year ended 31 December 2023**

	(Unit: Baht)		
	Issued and fully paid-up	Total	
	share capital	shareholders' equity	
	Deficit		
<b>Balance as at 1 January 2022</b>	475,000,000	(157,094,630)	317,905,370
Loss for the year	-	(115,825,042)	(115,825,042)
Other comprehensive income for the year	-	1,743,526	1,743,526
Total comprehensive income for the year	-	(114,081,516)	(114,081,516)
<b>Balance as at 31 December 2022</b>	475,000,000	(271,176,146)	203,823,854
<b>Balance as at 1 January 2023</b>	475,000,000	(271,176,146)	203,823,854
Loss for the year	-	(130,711,032)	(130,711,032)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(130,711,032)	(130,711,032)
Increase share capital (Note 16)	100,000,000	-	100,000,000
<b>Balance as at 31 December 2023</b>	575,000,000	(401,887,178)	173,112,822
	-	-	-

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

**XSpring Digital Company Limited****Cash flows statement****For the year ended 31 December 2023**

	(Unit: Baht)	
	2023	2022
<b>Cash flows from operating activities</b>		
Net loss before income tax	(130,711,032)	(115,825,042)
Adjustments to reconcile net loss before income tax		
to net cash provided by (paid for) operating activities		
Depreciation and amortisation	24,579,613	14,945,626
Loss on written-off of assets	-	4,347,907
Unrealised (gain) loss on exchange rate and revaluation of assets	(7,430,940)	9,779,382
Gain on right-of-use assets	(284,498)	(147,697)
Expected credit loss	-	5,470,713
Provision for employee benefits	5,731,190	6,320,321
Unearned fees and service income	(3,730,093)	(6,945,922)
Fees paid with digital assets	110,446	225,942
Finance cost	2,596,212	3,052,366
Interest income	(722,666)	(294,549)
Loss from operating activities before changes		
in operating assets and liabilities	(109,861,768)	(79,070,953)
(Increase) decrease in operating assets		
Trade receivables	(1,581,967)	(262,778)
Digital assets	(14,613,166)	(11,330,041)
Other current assets	(30,338,933)	(35,419,723)
Restricted bank deposits	(213,937)	(30,038,553)
Other non-current assets	(300)	1,117,140
Increase (decrease) in operating liabilities		
Accrued expenses	(4,692,560)	(24,271,363)
Other current liabilities	400,941	113,936
Cash paid from operating activities	(160,901,690)	(179,162,335)
Cash paid for interest	(3,366,726)	-
Cash received from interest	722,666	294,549
Cash paid for income tax	(71,182)	(574,911)
<b>Net cash used in operating activities</b>	<b>(163,616,932)</b>	<b>(179,442,697)</b>

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

**XSpring Digital Company Limited****Cash flows statement (continued)****For the year ended 31 December 2023**

	(Unit: Baht)	
	2023	2022
<b>Cash flows from investing activities</b>		
Cash paid for purchase of leasehold improvement and equipment	(177,145)	(5,157,833)
Cash paid for purchase of intangible assets	(48,077,100)	(148,221,375)
Cash received from disposal intangible asset	277,638,184	-
<b>Net cash provided by (used in) investing activities</b>	<b>229,383,939</b>	<b>(153,379,208)</b>
<b>Cash flows from financing activities</b>		
Cash received from loans from related company	90,000,000	235,000,000
Repayment of loans from related company	(269,000,000)	-
Cash paid for liabilities under lease agreements	(3,502,646)	(7,144,376)
Cash received from increase share capital	100,000,000	-
<b>Net cash provided by (used in) financing activities</b>	<b>(82,502,646)</b>	<b>227,855,624</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(16,735,639)</b>	<b>(104,966,281)</b>
Net foreign exchange difference	1,298,625	(1,298,684)
Cash and cash equivalents at the beginning of the year	111,493,121	217,758,086
<b>Cash and cash equivalents at the ending of the year</b>	<b>96,056,107</b>	<b>111,493,121</b>
	-	-
<b>Supplementary disclosures of cash flows information</b>		
Non-cash items:		
Purchase of leasehold improvement and intangible assets on credit	-	1,056,000
Purchase of other current assets on credit	899,800	1,019,234

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

**XSpring Digital Company Limited**  
**Notes to financial statements**  
**For the year ended 31 December 2023**

**1. General information**

XSpring Digital Company Limited (the “Company”) is incorporated as a limited company and domiciled in Thailand. The main objective of the Company is to conduct digital asset business. The registered office is located at no.59 Siri Campus, Building D, 1<sup>st</sup> Floor, Soi Rim Khlong Phra Khanong, Phra Khanong Nuea, Vadhana, Bangkok.

On 7 October 2019, the Company has obtained an approval to operate as an ICO portal by the Office of the Securities and Exchange Commission. On 22 November 2021, the Company has obtained an approval to operate broker and dealer business of cryptocurrency and token digital from the Office of the Securities and Exchange Commission.

The Company is wholly owned by XSpring Capital Public Company Limited (100% shareholding), which is incorporated in Thailand.

**2. Basis for the preparation of financial statements**

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

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements. In case of a conflict or a difference in interpretation between the two languages, the Thai language financial statements shall prevail.

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

### **3. New financial reporting standards**

#### **3.1 Financial reporting standards that became effective in the current year**

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

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

#### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company believes that adoption of these amendments will not have any significant impact on the Company's financial statements.

### **4. Significant accounting policies**

#### **4.1 Cash and cash equivalents**

Cash and cash equivalents include cash on hand and bank deposit accounts and short-term, highly liquid investments maturing within three months from the date of acquisition and not subject to withdrawal restrictions.

#### **4.2 Recognition and derecognition of customers' assets**

Cash which customers have placed with the Company for digital assets trading are recorded as assets and liabilities of the Company for internal control purpose. At the financial position date, the Company excludes those amounts from both assets and liabilities and presents only assets which belong to the Company.

### **4.3 Trade receivables**

Trade receivables are stated at their invoice value less allowance for expected credit losses (if any). The allowance for expected credit losses has disclosed in Note 4.4 to the financial statements.

### **4.4 Financial instruments**

Financial assets are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of financial instruments.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition and/or issue of financial assets (other than financial assets measured at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognised immediately in profit or loss.

#### **Financial assets**

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### *Classification of financial assets*

- 1) Debt instruments that meet the following conditions are measured subsequently at amortised cost.
  - The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
  - The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- 2) All other financial assets are measured subsequently at fair value through profit or loss.

#### *Impairment of financial assets*

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income, trade receivables and contract assets. The amount of expect credit losses is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instruments.

The Company recognises lifetime expected credit losses for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Lifetime expected credit losses represents the expected credit losses that will result from all possible default events over the expected life of financial instruments. In contrast, 12-month expected credit losses represents the portion of lifetime expected credit losses that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(1) Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(2) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the asset's gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for financial instruments at an amount equal to lifetime expected credit losses in the previous reporting period but determines at the current reporting date that the conditions for lifetime expected credit losses are no longer met, the Company measures the loss allowance at an amount equal to 12-month expected credit losses at the current reporting date, except for assets for which simplified approach was used.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

#### **4.5 Digital assets**

The Company as a digital assets broker-trader measures digital assets, that acquired with the purpose of selling in the near future, at fair value less costs to sell. Any changes in fair value less costs to sell are recognised in profit or loss in the period of the change.

#### **4.6 Leasehold improvement and equipment**

Leasehold improvement and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

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

Leasehold improvement	5 years
Office equipment	3 - 5 years

Depreciation is included in determining income.

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

#### 4.7 Intangible assets

Intangible assets acquired are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

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

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

Computer software	5 years
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License - digital asset business with indefinite useful lives is not amortised but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

#### 4.8 Leases

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

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

##### ***Right-of-use assets***

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

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

Buildings	2 - 3 years
Equipment	3 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost of such asset reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

### ***Lease liabilities***

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

The Company discounted the present value of the lease payments by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### ***Short-term leases and leases of low-value assets***

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

#### **4.9 Impairment of non-financial assets**

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

In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

#### **4.10 Employee benefits**

##### **a) Short-term employee benefits**

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

##### *Unused paid vacation leave*

The Company recognises the expected cost of short-term employee benefits in the form of accumulating unused paid vacation leave when the employees render service that increases their entitlement to future paid vacation leave. The expected cost of accumulating unused paid vacation leave is measured as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

b) Post-employment benefits (Defined benefit plans)

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

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

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

#### **4.11 Income tax**

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

##### **Current tax**

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

##### **Deferred tax**

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

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

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

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

#### **4.12 Revenue recognition**

##### **Fee and service income**

ICO portal fee income is recognised when the Company has satisfied its performance obligation to provide the promised service to the customer for a certain period of time, based on the percentage of completion and rate agreed with the customer.

##### **Interest income**

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

#### **4.13 Recognition of expenses**

##### **Finance cost**

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

##### **Other expense**

The Company recognises other expenses on an accrual basis.

#### **4.14 Related party transactions**

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

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

#### **4.15 Foreign currencies**

The financial statements are presented in Baht, which is also the Company's functional currency.

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

Gains and losses on exchange are included in determining income.

#### **4.16 Fair value measurement**

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

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

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

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

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

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

## **5. Significant accounting judgements and estimates**

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

### **5.1 Recognition and derecognition of assets and liabilities**

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgement on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

### **5.2 Allowances for expected credit losses of financial assets**

The management is required to use judgement in estimating allowance for expected credit losses for financial assets. The Company's calculation of allowance for expected credit losses depends on the criteria used for assessment of a significant increase in credit risk, the development of a model, the risk that collateral value cannot be realised, collective and individual analyses of the status of receivables, the probability of debt collection and the selection of the forecasted macroeconomic data inputs used in the model. The use of different estimates and assumptions could affect the amount of the allowance for expected credit losses and, therefore, the allowance may need to be adjusted in the future.

### **5.3 Leasehold improvement, equipment and depreciation**

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

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

#### **5.4 Determining the lease term of contracts with renewal and termination options**

In determining the lease term, the management is required to exercise judgement in assessing whether the Company is reasonably certain to exercise the option to renew or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Company to exercise either the renewal or termination option.

#### **5.5 Estimating the incremental borrowing rate**

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

#### **5.6 Intangible assets**

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

#### **5.7 Deferred tax asset**

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

#### **5.8 Post-employment benefits under defined benefit plans**

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

#### **5.9 Fair value of financial instruments**

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the financial statements and disclosures of fair value hierarchy.

## 6. Cash and cash equivalents

	(Unit: Baht)	
	2023	2022
Cash	6,966	1,027
Cash at banks - saving accounts	58,027,820	100,989,693
Cash at banks - current accounts	46,679,866	16,713,010
Less: Cash deposits held for customers	(8,658,545)	(6,210,609)
Total	<u>96,056,107</u>	<u>111,493,121</u>

As at 31 December 2023, bank deposits in saving accounts and current accounts carried interests between 0.05 - 0.55 percent per annum (2022: 0.05 - 0.325 percent per annum) as announced by the banks.

## 7. Trade receivable

	(Unit: Baht)	
	2023	2022
Trade receivable	1,844,745	262,778
Total	<u>1,844,745</u>	<u>262,778</u>

## 8. Digital assets

	(Unit: Baht)	
	2023	2022
Digital assets	141,780,061	25,763,695
Less: Digital assets held for customers	(111,354,306)	(16,395,434)
Total	<u>30,425,755</u>	<u>9,368,261</u>

## 9. Other current assets

	(Unit: Baht)	
	2023	2022
Prepaid expenses	13,457,614	14,055,462
Receivable from the Revenue Department	11,204,663	23,008,183
Receivable from digital asset exchanges	52,631,919	9,863,351
Others	879,035	429,961
Less: Allowance for expected credit loss of receivable from digital asset exchanges	(5,470,713)	(5,470,713)
Total	<u>72,702,518</u>	<u>41,886,244</u>

## 10. Restricted bank deposits

As at 31 December 2023, the Company has restricted bank deposits amounted to Baht 30 million (2022: Baht 30 million) as collateral for derivatives transactions with Krung Thai Bank Public Company Limited.

## 11. Leasehold improvement and equipment

	(Unit: Baht)		
	Leasehold improvement	Office equipment	Total
<b>Cost</b>			
1 January 2022	10,739,153	4,062,691	14,801,844
Additions	3,102,637	2,055,196	5,157,833
Disposals/write-off	(5,482,131)	(70,841)	(5,552,972)
31 December 2022	8,359,659	6,047,046	14,406,705
Additions	-	177,145	177,145
31 December 2023	8,359,659	6,224,191	14,583,850
<b>Accumulated depreciation</b>			
1 January 2022	(2,338,936)	(1,770,931)	(4,109,867)
Depreciation for the year	(1,453,158)	(1,486,187)	(2,939,345)
Depreciation on disposals/write-off	1,176,238	28,827	1,205,065
31 December 2022	(2,615,856)	(3,228,291)	(5,844,147)
Depreciation for the year	(1,670,763)	(1,352,058)	(3,022,821)
31 December 2023	(4,286,619)	(4,580,349)	(8,866,968)
<b>Net book value</b>			
31 December 2022	5,743,803	2,818,755	8,562,558
31 December 2023	4,073,040	1,643,842	5,716,882
<b>Depreciation recognised in the statement of comprehensive income for the years</b>			
2022			2,939,345
2023			3,022,821

As at 31 December 2023 and 2022, certain equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 2 million and Baht 1 million, respectively.

## 12. Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2023 and 2022 are as follows:

	Buildings	Motor vehicles	Equipment	Total
1 January 2022	3,477,528	2,583,657	-	6,061,185
Additions	32,209,432	-	897,953	33,107,385
Contract termination	(3,319,563)	(1,823,746)	-	(5,143,309)
Depreciation for the year	(5,070,271)	(759,911)	(273,896)	(6,104,078)
31 December 2022	27,297,126	-	624,057	27,921,183
Contract modification	(12,257,587)	-	-	(12,257,587)
Depreciation for the year	(2,956,075)	-	(299,318)	(3,255,393)
31 December 2023	12,083,464	-	324,739	12,408,203

(Unit: Baht)

## 13. Intangible assets

	Computer software	Work under installation	Licenses	Digital asset	Total
<b>Cost</b>					
1 January 2022	20,772,603	96,710,000	-	6,596,042	124,078,645
Additions/transfer-in	22,626,400	149,225,575	4,500,000	-	176,351,975
Disposals/transfer-out	-	(27,074,600)	-	(6,596,042)	(33,670,642)
31 December 2022	43,399,003	218,860,975	4,500,000	-	266,759,978
Additions/transfer-in	265,771,275	47,577,100	-	-	313,348,375
Disposals/transfer-out	(302,561,784)	(265,271,275)	-	-	(567,833,059)
31 December 2023	6,608,494	1,166,800	4,500,000	-	12,275,294
<b>Accumulated amortisation</b>					
1 January 2022	(2,298,234)	-	-	-	(2,298,234)
Amortisation for the year	(5,902,203)	-	-	-	(5,902,203)
31 December 2022	(8,200,437)	-	-	-	(8,200,437)
Amortisation for the year	(18,301,399)	-	-	-	(18,301,399)
Accumulated amortisation from disposals/written-off	24,923,600	-	-	-	24,923,600
31 December 2023	(1,578,236)	-	-	-	(1,578,236)
<b>Net book value</b>					
31 December 2022	35,198,566	218,860,975	4,500,000	-	258,559,541
31 December 2023	5,030,258	1,166,800	4,500,000	-	10,697,058
<b>Amortisation recognised in the statement of comprehensive income for the years</b>					
2022					5,902,203
2023					18,301,399

As at 31 December 2023 and 2022, the Company does not have intangible assets which have been fully amortised but are still in use.

#### 14. Provision for long-term employee benefits

The Company operates post-employment benefits plans under the Thai Labor Protection Act, which are considered as unfunded defined benefit plans.

Provision for long-term employee benefits, which are the severance payments upon retirement, are as follows:

	(Unit: Baht)	
	For the years ended 31 December	
	2023	2022
<b>Provision for long-term employee benefits</b>		
<b>at beginning of the year</b>	1,760,531	1,863,146
Included in profit or loss:		
Current service cost	2,098,324	1,636,471
Interest cost	65,320	4,440
Actuarial (gains) losses from		
Demographic assumptions changes	-	264,589
Financial assumptions changes	-	(248,223)
Experience adjustments changes	-	(1,759,892)
<b>Provision for long-term employee benefits</b>		
<b>at end of the year</b>	<u>3,924,175</u>	<u>1,760,531</u>

As at 31 December 2023, the average duration of the liabilities for long-term employee benefits is 29 years (2022: 29 years).

Significant actuarial assumptions are summarised below.

	(Unit: Percent per annum)	
	2023	2022
Discount rate	3.71	3.71
Turnover rate	1 - 26	1 - 26
Salary increase rate	5	5

The results of sensitivity analysis for significant assumptions that affect the present value of the employee benefit obligation as at 31 December 2023 and 2022 are summarised below.

(Unit: Baht)

	2023		2022	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(486,493)	591,529	(228,369)	278,110
Turnover rate	(523,233)	410,042	(245,533)	196,820
Salary increase rate	634,939	(528,371)	278,089	(232,495)

## 15. Lease liabilities

(Unit: Baht)

	2023	2022
Lease payment	13,313,265	32,944,872
Less: Deferred interest expenses	(543,171)	(4,441,971)
Total	12,770,094	28,502,901
Less: Portion due within one year	(3,264,003)	(5,249,879)
Lease liabilities - net of current portion	9,506,091	23,253,022

Movements in lease liabilities for the years ended 31 December 2023 and 2022, are as follows:

(Unit: Baht)

	For the years ended 31 December	
	2023	2022
Balance at beginning of the year	28,502,901	6,186,204
Increase	-	33,107,385
Contract modification	(12,542,085)	-
Contract termination	-	(5,291,006)
Interest expense	311,924	1,644,694
Lease payment	(3,502,646)	(7,144,376)
Balance at end of the year	12,770,094	28,502,901

A maturity analysis of lease payments is disclosed in Note 21 to the financial statements under the liquidity risk.

Expenses related leases that are recognised in profit or loss for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Baht)	
	For the years ended 31 December	
	2023	2022
Depreciation of right-of-use assets	3,255,393	6,104,078
Interest expense on lease liabilities	311,924	1,644,694
Expense relating to short-term lease	33,600	36,000
Total	<u>3,600,917</u>	<u>7,784,772</u>

The Company had total cash outflows on leases for the years ended 31 December 2023 and 2022 of Baht 4 million and Baht 7 million, respectively.

## 16. Share capital

On 25 January 2023, the Extraordinary General Meeting of Shareholders No. 1/2023 passed a resolution approving an increase in its registered share capital, from Baht 475 million to Baht 575 million, by issuing 1 million new ordinary shares with a par value Baht 100 each, totaling Baht 100 million. On 31 January 2023, the Company registered the increase in its registered share capital with the Ministry of Commerce.

## 17. Selling and administrative expenses

	(Unit: Baht)	
	For the years ended 31 December	
	2023	2022
Personnel expenses	65,004,468	54,413,304
Premises and equipment expenses	25,999,969	17,035,452
Consulting fee and service fee expenses	12,994,044	17,520,422
Communication and information expenses	30,430,028	21,907,461
Publication and marketing expenses	2,569,410	6,859,974
Others	3,423,670	8,284,469
Total	<u>140,421,589</u>	<u>126,021,082</u>

## 18. Earnings (losses) per share

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

The following table sets forth the computation of basic earnings (losses) per share:

For the years ended 31 December						
Profit (loss) for the years		Weighted average number of ordinary shares		Earnings (losses) per share		
2023	2022	2023	2022	2023	2022	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
<b>Basic earnings per share</b>						
Net profit (loss)	(130,711)	(115,825)	5,668	4,750	(23.06)	(24.38)

## 19. Related party transactions

The Company has significant business transactions with related parties that related by way of common shareholders and/or common directors. The Company's management believes that the pricing policy the Company charged to related parties were the arm's length price applied in the normal course of business. These transactions can be summarised as follows:

As at 31 December 2023 and 2022, the outstanding balance of account between the Company and its related parties are as follows:

	(Unit: Baht)	
	2023	2022
<b>Parent Company</b>		
XSpring Capital Public Company Limited		
Loans	56,000,000	235,000,000
Accrued interest expense	325,233	1,407,672
Other accrued expense	120,469	15,360
<b>Related Companies</b>		
Sansiri Public Company Limited		
Other accrued expense	37	785
<b>Related persons</b>		
Directors and managements		
Deposit for digital assets business	404,741	-

Transactions with related parties for the years ended 31 December 2023 and 2022 are as follows:

(Unit: Baht)

	For the years ended		Pricing policy
	31 December		
	2023	2022	
<b>Parent Company</b>			
XSpring Capital Public Company Limited			
Interest expense from loans	2,284,288	1,407,672	At the rate determined under the contract
Service fee expenses	12,000,000	10,790,000	At the rate determined under the contract
Rental and service fee expenses	4,003,027	7,271,253	At the rate determined under the contract
Other expenses	175,795	137,474	At the actual rate
<b>Related companies</b>			
XSpring Asset Management Company Limited			
Other fee and service income	-	73,500	At the actual rate
Krungthai XSpring Securities Company Limited			
Other expenses	-	66,171	At the actual rate
Sansiri Public Company Limited			
Rental expenses	-	281,860	At the rate determined under the contract
Other expenses	84,059	129,787	At the rate determined under the contract
XSpring Advance Solution Company Limited (formerly known as "XSpring Alliance Company Limited")			
Cost of transferring intangible assets	277,638,184	-	At the rate determined under the contract
Other income	-	1,641	At the actual rate
Communication and information expenses	10,500,000	-	At the rate determined under the contract
<b>Related persons</b>			
Directors and managements			
Brokerage fees income from digital assets business	526	-	At the rate charged to other customers
Other income	844	-	At the actual rate

## 19.1 Directors' and key management's remuneration

During the years ended 31 December 2023 and 2022, benefits paid to directors and key managements of the Company, which presented as part of "Personnel expenses" are as follows:

(Unit: Baht)

	For the years ended 31 December	
	2023	2022
Short-term employee benefits	15,870,530	9,918,125
Post-employment benefits	661,793	551,583
Total	16,532,323	10,469,708

## 19.2 Movements of loans from related party

During the years ended 31 December 2023 and 2022, the Company had movements of loan transactions between the Company and its related party as follows:

	(Unit: Baht)			
	<u>1 January 2023</u>	<u>Increase</u>	<u>Decrease</u>	<u>31 December 2023</u>
Loans				
XSpring Capital				
Public Company Limited	235,000,000	90,000,000	(269,000,000)	56,000,000

  

	(Unit: Baht)			
	<u>1 January 2022</u>	<u>Increase</u>	<u>Decrease</u>	<u>31 December 2022</u>
Loans				
XSpring Capital				
Public Company Limited	-	235,000,000	-	235,000,000

## 19.3 Significant agreements with related parties

**19.3.1** On 1 August 2022, the Company entered into agreement with XSpring Capital Public Company Limited which is the parent company for providing service of compliance, risk management and operational policies, accounting, director and corporate administration, legal consulting, human resources consulting, marketing and public relations and personal data protection act compliance services. The Company was to pay a monthly fee of Baht 1,500,000 with the term of the agreement is one year from 1 August 2022 to 31 July 2023. The agreement is automatically extended on an annual basis unless either party notifies another party for the cancellation in written at least 60 days before the expiry date of the agreement in each time. Subsequently, on 1 January 2023, the Company entered into an amendment to the agreement, effective from 1 January 2023, whereby the Company will pay a monthly fee of Baht 1,000,000. On 1 January 2024, the Company entered into an amendment to the agreement, effective from 1 January 2024, whereby the Company will pay a monthly fee of Baht 500,000.

**19.3.2** On 1 February 2022, the Company entered into an agreement with XSpring Capital Public Company Limited which is the parent company for the rental of office space and provision of utilities services. The term of the agreement is from 1 February 2022 to 31 January 2025, and the Company was to pay monthly rental fee of Baht 528,818.40 and monthly service fee of Baht 132,204.60. Subsequently, on 1 January 2023, the Company entered into amendment of the agreement in rental area from 668 square meters to 334 square meters, effective from 1 January 2023, whereby the Company will pay monthly rental fee of Baht 264,409.20 and monthly service fee of Baht 66,102.30.

**19.3.3** On 11 August 2022, The Company entered into a loan agreement with XSpring Capital Public Company Limited to request a subordinated loan facility of Baht 245,000,000 at interest rate of 2% per annum for use in maintaining a net capital ratio in accordance with the rules prescribed by the Office of the Securities and Exchange Commission. The term of agreement is not over 5 years, from 11 August 2022 onward. However, the Company repaid the loan and interest on 1 June 2023.

**19.3.4** On 1 June 2023, The Company entered into agreement with XSpring Advance Solution Company Limited (formerly known as “XSpring Alliance Company Limited”) to transfer ownership rights in ICO portal system and digital asset brokerage system, the Company shall receive the compensation of Baht 277,638,184.

**19.3.5** On 1 June 2023, The Company entered into agreement with XSpring Advance Solution Company Limited (formerly known as “XSpring Alliance Company Limited”) for providing service of information and system. The Company was to pay a monthly fee of Baht 1,500,000 with the term of the agreement is one year from 1 June 2023 to 31 May 2024. The agreement is automatically extended on an annual basis unless either party notifies another party for the cancellation in written at least 60 days before the expiry date of the agreement in each time.

**19.3.6** On 25 September 2023, The Company entered into a loan agreement with XSpring Capital Public Company Limited to request a loan limit of Baht 250,000,000 at interest rate of 2.25% per annum for use in maintaining a net capital ratio in accordance with the rules prescribed by the Office of the Securities and Exchange Commission. The term of agreement is not over 1 year, from 25 September 2023 onward.

## **20. Commitments and contingent liabilities**

As at 31 December 2023 and 2022, the Company has commitments under short-term lease agreements and long-term service agreements are as follow:

	(Unit: Baht)	
	2023	2022
Within 1 year	11,818,428	7,814,228
Over 1 year to 5 years	131,202	859,330
Total	11,949,630	8,673,558

## **21. Risk management**

### **Financial risk management objectives and policies**

The Company's financial instruments principally comprise cash and cash equivalents, trade receivables, restricted bank deposits, loans from parent company and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

#### **21.1 Credit Risk**

Credit risk is the risk arising from the inability of a counterparty of the Company to meet the terms of financial instruments, causing the Company to incur financial loss. The financial assets of the Company are not subject to significant concentration of credit risk. The maximum exposure to credit risk in the event the counterparties fail to perform their obligations is the carrying amount of the financial assets as indicated in the statements of financial position.

#### **21.2 Market risk**

Market risk is the risk of the Company caused by price volatility in markets including interest rates, exchange rates and digital assets prices, impacting its financial position. However, the Company manages such risk at acceptable levels through risk management policies, and establishment of proper risk limits and parameters, as well as market risk monitoring function are as follow:

##### **21.2.1 Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rate, and it will affect the operation results and cash flows of the Company. The Company's exposure to interest rate risk relates primarily to its bank deposit and lease liabilities. However, most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. Therefore, interest rate risk of the Company is limited.

As at 31 December 2023 and 2022, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Baht)

2023					
Transactions	Fixed interest rates		Floating interest rate	Without interest	Total
	Maturity date / repricing date				
	Within 1 year	1 - 5 years			
<b>Financial assets</b>					
Cash and cash equivalents	-	-	94,922,135	1,133,972	96,056,107
Trade receivables	-	-	-	1,844,745	1,844,745
Restricted bank deposits	-	-	30,252,490	-	30,252,490
<b>Financial liabilities</b>					
Loans from parent company	56,000,000	-	-	-	56,000,000
Lease liabilities	3,264,003	9,506,091	-	-	12,770,094

(Unit: Baht)

2022					
Transactions	Fixed interest rates		Floating interest rate	Without interest	Total
	Maturity date / repricing date				
	Within 1 year	1 - 5 years			
<b>Financial assets</b>					
Cash and cash equivalents	-	-	111,399,528	93,593	111,493,121
Trade receivables	-	-	-	262,778	262,778
Restricted bank deposits	-	-	30,038,553	-	30,038,553
<b>Financial liabilities</b>					
Long-term loans from parent company	-	235,000,000	-	-	235,000,000
Lease liabilities	5,249,879	23,253,022	-	-	28,502,901

Interest rate sensitivity

The sensitivity of the Company's profit before tax to a reasonably possible change in interest rates on that portion of floating rate of cash and cash equivalents and restricted bank deposits affected as at 31 December 2023 and 2022, with all other variables held constant over a period of 1 year are as follow:

(Unit: Baht)

	Increase / Decrease	Effect on profit before tax	
		31 December 2023	31 December 2022
Cash and cash equivalents	+0.25%	237,305	278,499
	-0.25%	(237,305)	(278,499)
Restricted bank deposits	+0.25%	75,631	75,096
	-0.25%	(75,631)	(75,096)

*This information is not a forecast or prediction of future market conditions, then actual result could differ from this analysis.*

## 21.2.2 Foreign exchange risk

The Company has foreign exchange risk due to foreign currency conversion.

As of 31 December 2023 and 2022, the Company has balance of financial asset and liabilities in foreign currencies as follows:

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2023	2022	2023	2022	2023	2022
	(Baht)	(Baht)	(Baht)	(Baht)	(Baht per 1 foreign currency unit)	
US Dollar	20,088,311	19,119,982	-	-	34.200	34.545

## 21.2.3 Liquidity risk

Liquidity risk is the risk that the Company will be unable to liquidate financial assets and/or procure sufficient funds to discharge obligations in a timely manner, resulting in a financial loss.

The Company have a policy to maintain liquidity by providing an appropriate short and long-term funding structure. In addition, the Company have a policy to maintain liquidity to ensure that they have sufficient liquidity to meet both present and future requirements.

As at 31 December 2023 and 2022, the Company have financial assets and financial liabilities that maturities were as follows:

(Unit: Baht)

Transactions	2023				Total
	At call	Within 1 year	Over 1 year	No maturity	
<b>Financial assets</b>					
Cash and cash equivalents	96,056,107	-	-	-	96,056,107
Trade receivables	-	1,844,745	-	-	1,844,745
Restricted bank deposits	-	-	-	30,252,490	30,252,490
<b>Financial liabilities</b>					
Loans from parent company	56,000,000	-	-	-	56,000,000
Lease liabilities	-	3,264,003	9,506,091	-	12,770,094

(Unit: Baht)

Transactions	2022				Total
	At call	Within 1 year	Over 1 year	No maturity	
<b><u>Financial assets</u></b>					
Cash and cash equivalents	111,493,121	-	-	-	111,493,121
Trade receivables	-	262,778	-	-	262,778
Restricted bank deposits	-	-	-	30,038,553	30,038,553
<b><u>Financial liabilities</u></b>					
Long-term loans from parent company	-	-	235,000,000	-	235,000,000
Lease liabilities	-	5,249,879	23,253,022	-	28,502,901

### 21.3 Fair value

The fair value disclosures, considerable judgement is necessarily required in estimation of fair value. Accordingly, the estimated fair value as presented is not necessarily indicative of the amount that could be realised in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The Company use method and assumptions to estimate fair value of financial instruments.

The estimated fair value of financial instruments, in comparison with the related amounts carried in the statement of financial position, is as follows:

(Unit: Baht)

Transactions	2023				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
<b><u>Financial assets</u></b>					
Cash and cash equivalents	96,056,107	96,056,107	96,056,107	-	-
Trade receivables	1,844,745	1,844,745	-	1,844,745	-
Restricted bank deposits	30,252,490	30,252,490	30,252,490	-	-
<b><u>Financial liabilities</u></b>					
Loans from parent company	56,000,000	56,000,000	-	56,000,000	-
Lease liabilities	12,770,094	12,770,094	-	12,770,094	-

(Unit: Baht)

	2022				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
<b><u>Financial assets</u></b>					
Cash and cash equivalents	111,493,121	111,493,121	111,493,121	-	-
Trade receivables	262,778	262,778	-	262,778	-
Restricted bank deposits	30,038,553	30,038,553	30,038,553	-	-
<b><u>Financial liabilities</u></b>					
Long-term loans from parent company	235,000,000	235,000,000	-	235,000,000	-
Lease liabilities	28,502,901	28,502,901	-	28,502,901	-

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

- 1) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents and trade receivables, their carrying amounts in the statement of financial position approximate their fair value.
- 2) Restricted bank deposits and loans from parent company present the fair value approximately to the carrying amounts in the statement of financial position.
- 3) Lease liabilities carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.

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

## 22. Segment information

The Company is principally engaged in the digital asset business. Its operations are carried on only in 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 these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

For the year 2023, the Company has revenue from 1 major customer in amount of Baht 4 million (2022: the Company has revenue from 3 major customers in amount of Baht 24 million).

**23. Capital management**

The primary objectives of the Company's capital management are to maintain the Company's ability to continue as a going concern and to maintain net capital in accordance with the rules laid down by the Office of the Securities and Exchange Commission. The Company specifies the scope of transactions and assigns the risk management to responsible for closely monitoring net capital ratio figures. During the year, the Company can maintain net capital ratio in accordance with the rules.

**24. Approval of the financial statements**

These financial statements have been approved for issuing by the Company's Board of Director on 20 February 2024.