

Advanced Information Technology Public Company Limited
Report and financial statements
31 December 2023

Independent Auditor's Report

To the Shareholders of Advanced Information Technology Public Company Limited

Opinion

I have audited the accompanying financial statements in which equity method is applied of Advanced Information Technology Public 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, and have also audited the separate financial statements of Advanced Information Technology Public Company Limited for the same period.

In my opinion, the financial statements in which equity method is applied and the separate financial statements referred to above present fairly, in all material respects, the financial position of Advanced Information Technology Public 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.

Key Audit Matters

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

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

Key audit matters and how audit procedures respond to each matter are described below.

Revenue recognition

The Company has disclosed its policies on revenue recognition for sales and services provided under contracts and cost estimates for projects under contracts in Note 4.1 a) and Note 4.1 c) to the financial statements. I identified revenue recognition to be areas of significant risk in the audit. This is because the amount of revenue that the Company recognises from such contracts in each period forms a significant portion of the Company's total revenue. In addition, the process of identifying performance obligations to customers, and measurement and recognition of revenue are areas requiring management to exercise significant judgement to consider the terms and conditions in the contracts and assess the percentage of completion. There are therefore risks with respect to amount and timing of the recognition of revenue.

I assessed and tested the internal controls put in place by the Company over the process of identifying performance obligations, estimates of project costs and revisions thereto, recognition of revenue and estimation of percentage of completion by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.

I also selected major contracts and randomly selected additional samples and performed the following procedures:

- Read the contracts to consider the conditions relating to revenue recognition and the identification of performance obligations.
- Inquired with the Company's engineers/the project managers about the terms of and risks associated with these contracts relevant to revenue recognition.
- Made enquiries of the Company's engineers/the project managers, gained an understanding of the Company's process to assess the percentage of completion and cost estimates for projects, compared estimates of project costs to the project budgets approved by authorised person, and on a sampling basis, examined relevant documents and considered the rationale for budget revisions, compared past estimates with actual project costs in order to evaluate the project management's competency in estimating project costs, checked actual costs to supporting documents and performed an analytical review to compare the percentage of completion estimated by the Company's engineers/the project managers to the percentage of completion derived from the actual costs incurred.
- Examined the accounting transactions related to revenue recognition that were recorded through journal vouchers, in order to detect any irregularities.
- Reviewed the disclosures made in the notes to the financial statements with respect to the basis of revenue recognition.

Other Information

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

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

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

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

Khitsada Lerdwana

Certified Public Accountant (Thailand) No. 4958

EY Office Limited

Bangkok: 15 February 2024

Advanced Information Technology Public Company Limited

Statement of financial position

As at 31 December 2023

(Unit: Baht)

	Note	Financial statements			
		in which equity method is applied		Separate financial statements	
		2023	2022	2023	2022
Assets					
Current assets					
Cash and cash equivalents	7	1,952,157,136	1,486,594,618	1,952,157,136	1,486,594,618
Trade and other receivables	8	1,960,307,983	1,890,677,914	1,960,307,983	1,890,677,914
Contract assets	9	905,359,580	1,130,657,568	905,359,580	1,130,657,568
Inventories	10	720,527,041	882,717,689	720,527,041	882,717,689
Other current assets		269,218,769	203,126,717	269,218,769	203,126,717
Total current assets		5,807,570,509	5,593,774,506	5,807,570,509	5,593,774,506
Non-current assets					
Other non-current financial assets	11	3,000,000	3,000,000	3,000,000	3,000,000
Investments in joint venture	13	-	-	-	4,000,000
Property, plant and equipment	14	229,237,279	96,231,394	229,237,279	96,231,394
Right-of-use assets		10,516,757	16,245,855	10,516,757	16,245,855
Equipment for lease	15	300,527,536	358,510,665	300,527,536	358,510,665
Intangible assets	16	43,129,108	41,699,101	43,129,108	41,699,101
Deferred tax assets	25	111,689,690	138,030,258	111,689,690	138,030,258
Other non-current assets		75,786,651	93,669,743	75,786,651	93,669,743
Total non-current assets		773,887,021	747,387,016	773,887,021	751,387,016
Total assets		6,581,457,530	6,341,161,522	6,581,457,530	6,345,161,522

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

Advanced Information Technology Public Company Limited

Statement of financial position (continued)

As at 31 December 2023

(Unit: Baht)

	Note	Financial statements			
		in which equity method is applied		Separate financial statements	
		2023	2022	2023	2022
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	17	982,856,725	921,042,561	982,856,725	921,042,561
Unbilled payables		713,525,434	837,328,758	713,525,434	837,328,758
Current portion of liabilities under financial arrangement agreements	18	54,361,458	93,798,974	54,361,458	93,798,974
Current portion of lease liabilities		5,693,907	8,750,693	5,693,907	8,750,693
Income tax payable		27,027,089	53,318,740	27,027,089	53,318,740
Contract liabilities	9	325,544,640	272,939,255	325,544,640	272,939,255
Provision for penalty on project delay	19	88,651,000	81,584,955	88,651,000	81,584,955
Other current financial liabilities		2,859,925	11,716,501	2,859,925	11,716,501
Other current liabilities		116,807,310	66,748,066	116,807,310	66,748,066
Total current liabilities		2,317,327,488	2,347,228,503	2,317,327,488	2,347,228,503
Non-current liabilities					
Liabilities under financial arrangement agreements					
- net of current portion	18	70,217,669	124,579,139	70,217,669	124,579,139
Lease liabilities - net of current portion		5,160,995	5,210,248	5,160,995	5,210,248
Provision for long-term employee benefits	20	135,479,940	126,438,410	135,479,940	126,438,410
Total non-current liabilities		210,858,604	256,227,797	210,858,604	256,227,797
Total liabilities		2,528,186,092	2,603,456,300	2,528,186,092	2,603,456,300

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

Advanced Information Technology Public Company Limited

Statement of financial position (continued)

As at 31 December 2023

(Unit: Baht)

	Note	Financial statements			
		in which equity method is applied		Separate financial statements	
		2023	2022	2023	2022
Shareholders' equity					
Share capital	21				
Registered					
1,547,406,727 ordinary shares of Baht 1 each		1,547,406,727	1,547,406,727	1,547,406,727	1,547,406,727
Issued and fully paid-up					
1,464,672,802 ordinary shares of Baht 1 each					
(2022: 1,331,125,351 ordinary shares of Baht 1 each)		1,464,672,802	1,331,125,351	1,464,672,802	1,331,125,351
Share premium		736,505,408	602,957,957	736,505,408	602,957,957
Share subscriptions received in advance from					
exercise warrants	22	5,372,216	-	5,372,216	-
Retained earnings					
Appropriated-statutory reserve	23	154,740,673	150,003,000	154,740,673	150,003,000
Unappropriated		1,691,980,339	1,651,053,267	1,691,980,339	1,657,618,914
Other components of shareholders' equity		-	2,565,647	-	-
Total shareholders' equity		4,053,271,438	3,737,705,222	4,053,271,438	3,741,705,222
Total liabilities and shareholders' equity		6,581,457,530	6,341,161,522	6,581,457,530	6,345,161,522
		-	-	-	-

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

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Directors
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Advanced Information Technology Public Company Limited

Statement of comprehensive income

For the year ended 31 December 2023

(Unit: Baht)

	Financial statements				
	<u>Note</u>	in which equity method is applied		Separate financial statements	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues					
Sales and service income		6,109,523,790	6,293,296,919	6,109,523,790	6,293,296,919
Rental income from equipment for lease		319,690,941	259,367,117	319,690,941	259,367,117
Gain from sales of investment		-	108,627,530	-	63,475,691
Other income		91,243,178	65,298,759	84,677,531	65,298,759
Total revenues		<u>6,520,457,909</u>	<u>6,726,590,325</u>	<u>6,513,892,262</u>	<u>6,681,438,486</u>
Expenses					
Cost of sales and service		5,039,103,886	5,140,818,844	5,039,103,886	5,140,818,844
Cost of equipment for lease		170,509,937	132,721,790	170,509,937	132,721,790
Selling and distribution expenses		337,029,455	270,467,565	337,029,455	270,467,565
Administrative expenses		344,508,131	330,941,532	344,508,131	402,941,332
Impairment loss on financial assets (reversal)		(28,977,968)	96,765,919	(28,977,968)	96,765,919
Fair value loss on FVTPL equity instrument		-	70,584,500	-	70,584,500
Total expenses		<u>5,862,173,441</u>	<u>6,042,300,150</u>	<u>5,862,173,441</u>	<u>6,114,299,950</u>
Operating profit		<u>658,284,468</u>	<u>684,290,175</u>	<u>651,718,821</u>	<u>567,138,536</u>
Finance income		10,033,718	3,257,458	10,033,718	3,257,458
Finance cost		(1,625,002)	(2,793,830)	(1,625,002)	(2,793,830)
Profit before income tax expenses		<u>666,693,184</u>	<u>684,753,803</u>	<u>660,127,537</u>	<u>567,602,164</u>
Income tax expenses	25	(163,022,754)	(143,108,832)	(163,022,754)	(143,108,832)
Profit for the year		<u>503,670,430</u>	<u>541,644,971</u>	<u>497,104,783</u>	<u>424,493,332</u>
Other comprehensive income for the year		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>503,670,430</u>	<u>541,644,971</u>	<u>497,104,783</u>	<u>424,493,332</u>
Earnings per share					
28					
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.36</u>	<u>0.49</u>	<u>0.35</u>	<u>0.38</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		<u>0.34</u>	<u>0.39</u>	<u>0.33</u>	<u>0.30</u>

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

Advanced Information Technology Public Company Limited

Statements of changes in shareholders' equity

For the year ended 31 December 2023

(Unit: Baht)

Financial statements in which equity method is applied								
	Note	Issued and paid-up share capital	Share premium	Share subscriptions received in advance from exercise of warrants	Retained earnings		Other components of equity	Total shareholders' equity
					Appropriated	Unappropriated	Share of other comprehensive income from joint venture	
Balance as at 1 January 2022		1,031,604,485	303,437,091	-	128,778,000	1,594,853,520	2,565,647	3,061,238,743
Profit for the year		-	-	-	-	541,644,971	-	541,644,971
Other comprehensive income for the year		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	541,644,971	-	541,644,971
Increase in share capital from exercise warrants	21	299,520,866	299,520,866	-	-	-	-	599,041,732
Dividend paid	29	-	-	-	-	(464,220,224)	-	(464,220,224)
Transfer to legal reserve	23	-	-	-	21,225,000	(21,225,000)	-	-
Balance as at 31 December 2022		<u>1,331,125,351</u>	<u>602,957,957</u>	<u>-</u>	<u>150,003,000</u>	<u>1,651,053,267</u>	<u>2,565,647</u>	<u>3,737,705,222</u>
								-
Balance as at 1 January 2023		1,331,125,351	602,957,957	-	150,003,000	1,651,053,267	2,565,647	3,737,705,222
Profit for the year		-	-	-	-	503,670,430	-	503,670,430
Other comprehensive income for the year		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	503,670,430	-	503,670,430
Increase in share capital from exercise warrants	21	133,547,451	133,547,451	-	-	-	-	267,094,902
Exercise warrants	22	-	-	5,372,216	-	-	-	5,372,216
Dividend paid	29	-	-	-	-	(458,005,685)	-	(458,005,685)
Transfer to legal reserve	23	-	-	-	4,737,673	(4,737,673)	-	-
Restructuring of investments in associate of joint venture	11	-	-	-	-	-	(2,565,647)	(2,565,647)
Balance as at 31 December 2023		<u>1,464,672,802</u>	<u>736,505,408</u>	<u>5,372,216</u>	<u>154,740,673</u>	<u>1,691,980,339</u>	<u>-</u>	<u>4,053,271,438</u>

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

Advanced Information Technology Public Company Limited

Statements of changes in shareholders' equity (continued)

For the year ended 31 December 2023

(Unit: Baht)

Separate financial statements

	Note	Share subscriptions				Retained earnings		Total shareholders' equity
		Issued and paid-up share capital	Share premium	received in advance from exercise of warrants	Appropriated	Unappropriated		
Balance as at 1 January 2022		1,031,604,485	303,437,091	-	128,778,000	1,718,570,806	3,182,390,382	
Profit for the year		-	-	-	-	424,493,332	424,493,332	
Other comprehensive income for the year		-	-	-	-	-	-	
Total comprehensive income for the year		-	-	-	-	424,493,332	424,493,332	
Increase in share capital from exercise warrants	21	299,520,866	299,520,866	-	-	-	599,041,732	
Dividend paid	29	-	-	-	-	(464,220,224)	(464,220,224)	
Transfer to legal reserve	23	-	-	-	21,225,000	(21,225,000)	-	
Balance as at 31 December 2022		<u>1,331,125,351</u>	<u>602,957,957</u>	<u>-</u>	<u>150,003,000</u>	<u>1,657,618,914</u>	<u>3,741,705,222</u>	
							-	
Balance as at 1 January 2023		1,331,125,351	602,957,957	-	150,003,000	1,657,618,914	3,741,705,222	
Profit for the year		-	-	-	-	497,104,783	497,104,783	
Other comprehensive income for the year		-	-	-	-	-	-	
Total comprehensive income for the year		-	-	-	-	497,104,783	497,104,783	
Increase in share capital from exercise warrants	21	133,547,451	133,547,451	-	-	-	267,094,902	
Exercise warrants	22	-	-	5,372,216	-	-	5,372,216	
Dividend paid	29	-	-	-	-	(458,005,685)	(458,005,685)	
Transfer to legal reserve	23	-	-	-	4,737,673	(4,737,673)	-	
Balance as at 31 December 2023		<u>1,464,672,802</u>	<u>736,505,408</u>	<u>5,372,216</u>	<u>154,740,673</u>	<u>1,691,980,339</u>	<u>4,053,271,438</u>	

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

Advanced Information Technology Public Company Limited

Cash flow statement

For the year ended 31 December 2023

(Unit: Baht)

	Financial statements		Separate financial statements	
	in which equity method is applied			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash flows from operating activities				
Profit before tax	666,693,184	684,753,803	660,127,537	567,602,164
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	164,297,464	138,332,294	164,297,464	138,332,294
Impairment loss on financial assets (reversal)	(28,977,968)	96,765,919	(28,977,968)	96,765,919
Impairment loss on investments in joint venture (reversal)	-	-	(54,000,000)	71,999,800
Gain from disposal of investments in joint venture	-	(108,627,530)	-	(63,475,691)
Gain from decrease of investments in joint venture	(6,565,647)	-	-	-
Gain on sales of unit trust in open-end mutual funds - debt instruments	-	(644,715)	-	(644,715)
Reversal of provision for project loss	(1,442,575)	-	(1,442,575)	-
Provision for penalty on project delay	17,108,733	5,231,678	17,108,733	5,231,678
Loss on sales/write-off of building improvement and equipment	10,018	2,041	10,018	2,041
Differences from termination of lease	327,535	-	327,535	-
Provision for long-term employee benefits	15,561,702	16,143,188	15,561,702	16,143,188
Unrealised loss (gain) on exchange	6,385,524	(2,318,679)	6,385,524	(2,318,679)
Loss (gain) on fair value adjustments of financial instruments	(8,856,576)	82,178,195	45,143,424	82,178,195
Finance cost	1,625,002	2,793,830	1,625,002	2,793,830
Profit from operating activities before changes in operating assets and liabilities	826,166,396	914,610,024	826,166,396	914,610,024
Operating assets (increase) decrease				
Trade and other receivables	(69,745,892)	168,801,074	(69,745,892)	168,801,074
Contract assets	254,382,379	(293,363,429)	254,382,379	(293,363,429)
Inventories	163,633,223	(19,156,757)	163,633,223	(19,156,757)
Other current assets	(66,092,052)	(34,560,474)	(66,092,052)	(34,560,474)
Other non-current assets	17,883,092	(29,110,378)	17,883,092	(29,110,378)
Operating liabilities increase (decrease)				
Trade and other payables	22,730,893	91,623,067	22,730,893	91,623,067
Unbilled payables	(123,803,324)	(58,778,070)	(123,803,324)	(58,778,070)
Contract liabilities	52,605,385	(132,961,865)	52,605,385	(132,961,865)
Cash paid for penalty on project delay	(10,042,688)	(746,723)	(10,042,688)	(746,723)
Other current liabilities	49,554,598	(59,302,473)	49,554,598	(59,302,473)
Cash paid for long-term employee benefits	(6,520,172)	(10,983,627)	(6,520,172)	(10,983,627)
Cash from operating activities	1,110,751,838	536,070,369	1,110,751,838	536,070,369
Interest paid	(1,625,002)	(2,793,830)	(1,625,002)	(2,793,830)
Income tax paid	(162,973,837)	(153,806,387)	(162,973,837)	(153,806,387)
Net cash from operating activities	946,152,999	379,470,152	946,152,999	379,470,152

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

Advanced Information Technology Public Company Limited

Cash flow statement (continued)

For the year ended 31 December 2023

(Unit: Baht)

	Financial statements			
	in which equity method is applied		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash flows from investing activities				
Cash received from sales of unit trust in open-end mutual funds - debt instruments	-	720,643,304	-	720,643,304
Cash received from disposal of investments in joint venture	-	125,975,591	-	125,975,591
Cash received from decrease of investments in joint venture	58,000,000	-	58,000,000	-
Cash payment for purchase of non-listed equity instruments	(54,000,000)	-	(54,000,000)	-
Decrease in short-term loan to related party	-	13,000,000	-	13,000,000
Cash payment for purchase of building improvement and equipment	(150,138,498)	(21,645,686)	(150,138,498)	(21,645,686)
Cash payment for purchase of equipment for lease	(35,789,217)	(226,019,929)	(35,789,217)	(226,019,929)
Cash payment for purchase of computer software	(8,658,450)	(10,346,807)	(8,658,450)	(10,346,807)
Net cash from (used in) investing activities	<u>(190,586,165)</u>	<u>601,606,473</u>	<u>(190,586,165)</u>	<u>601,606,473</u>
Cash flows from financing activities				
Increase (decrease) in liabilities under financial arrangement agreements	(93,798,986)	4,220,012	(93,798,986)	4,220,012
Cash payment for lease liabilities	(11,171,409)	(12,240,104)	(11,171,409)	(12,240,104)
Cash received from share subscriptions from exercise of warrants	272,467,118	599,041,732	272,467,118	599,041,732
Dividend paid	(457,501,039)	(464,006,181)	(457,501,039)	(464,006,181)
Net cash from (used in) financing activities	<u>(290,004,316)</u>	<u>127,015,459</u>	<u>(290,004,316)</u>	<u>127,015,459</u>
Net increase in cash and cash equivalents	465,562,518	1,108,092,084	465,562,518	1,108,092,084
Cash and cash equivalents at beginning of year	1,486,594,618	378,502,534	1,486,594,618	378,502,534
Cash and cash equivalents at end of year	<u>1,952,157,136</u>	<u>1,486,594,618</u>	<u>1,952,157,136</u>	<u>1,486,594,618</u>
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions				
Purchase of building improvement and equipment for which no cash has been paid	11,649,847	7,950,467	11,649,847	7,950,467
Purchase of equipment for lease for which no cash has been paid	21,057,300	28,382,037	21,057,300	28,382,037
Purchase of computer software for which no cash has been paid	-	4,045,000	-	4,045,000
Invested in non-listed equity instruments for which no cash has been paid	-	2,000,000	-	2,000,000
Additions to right-of-use assets and lease liabilities	8,065,370	3,372,092	8,065,370	3,372,092
Transfer deposits to offset with cash received from disposal of investments in joint venture	-	7,500,000	-	7,500,000

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

Advanced Information Technology Public Company Limited
Notes to financial statements
For the year ended 31 December 2023

1. General information of the Company

Advanced Information Technology Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the sale, design, installation, service, ongoing repair and maintenance, training and lump sum turnkey for information and communication technology network systems and the renting of computers and electronic equipment. The registered office of the Company is at 37/2 Suthisarnvinijchai Road, Samsaennok, Huaykwang, Bangkok.

2. Basis of preparation

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

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

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

2.2 The separate financial statements present investments in joint ventures under the cost method.

2.3 The Company has interests in joint operations which are joint arrangements whereby the Company has rights to assets and obligations relating to the joint arrangements. The Company recognises assets, liabilities, revenues and expenses in relation to its interest in the following joint operations in financial statements in which equity method is applied and separate financial statements from the date that joint control commences until the date that joint control ceases.

Name of entity	Nature of business	Country of incorporation	Interest in joint operations	
			2023	2022
			Percent	Percent
AWD Joint Venture	Construction	Thailand	50	50
SA Joint Venture	Construction	Thailand	45	45

Name of entity	Nature of business	Country of incorporation	Interest in joint operations	
			2023	2022
			Percent	Percent
AA Joint Venture	Provision of services related to the development and integration of computer systems, software and related equipment	Thailand	51	51

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 Revenue and expense recognition

a) Revenues from contract with customer

The Company considers that the contracts with customers are obtained when the Company is committed by the contracts with customers to transfer to the rights and obligations. The Company identifies the performance obligations in the contracts and allocates the transaction price to the performance obligations in the contracts.

Revenue arising from contracts with customers are recognised when control of goods or service have passed to customers at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to customers, excluding value added tax.

The Company transfers the control either over time or at a point in time depending upon conditions of contracts and laws applied to such contracts. The Company transfers control of assets over time if one of the following criteria is met:

- the customer simultaneously receives and consumes all of the benefits provided by the entity as the entity performs
- the entity's performance creates or enhances an asset that the customer controls as the asset is created
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Sales and service income

Revenues from the sale, design, installation, service, ongoing repair and maintenance, training and lump sum turnkey for information and communication technology network systems and long-term are recognised over time when services have been rendered taking into account the stage of completion, measuring based on information provided by the Company's engineers/the project managers.

The recognised revenue which is not yet due per the contracts has been presented under the caption of "Unbilled receivables" in the statement of financial position.

The obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer is presented under the caption of "Advance received from customers" in the statement of financial position.

The service-type warranties provided customers with a service in addition to the assurance with agreed-upon specifications are recognised as revenue over the periods in which the service is provided.

Using the practical expedient, the Company elects not to adjust the promised amount of consideration for the effects of a significant financing component because they expect, at contract inception, that the period between the transfer of the promised good or service to customer and when the customer pays for that good or service is one year or less.

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

Service revenues are recognised when the services have been rendered taking into account the stage of completion.

Maintenance income is recognised over the period of maintenance.

Rental income

Rental income is recognised over the period of rental.

b) 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).

c) Cost of sales and service

Costs of sales, design, installation, service, ongoing repair and maintenance, training, contract lump sum turnkey for information and communication technology network systems and long-term construction are recognised in accordance with the percentage of work completed for which revenue has already been recognised, based on total estimated costs. Provision for anticipated losses on projects is made in the accounts in full when the possibility of loss is ascertained. Differences between the estimated costs and the actual costs are recognised as “work in progress” under inventories or “unbilled payables” under current liabilities in the statement of financial position.

d) Finance cost

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

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and cash at banks, and all highly liquid investments with an original maturity of 3 months, or less, and are not subject to withdrawal restrictions.

4.3 Inventories

Equipment, work in progress and goods in transit are valued at the lower of cost and net realisable value. Cost consists of the cost of equipment, labour, subcontract works and other relevant expenses.

4.4 Investments in joint venture

Investments in joint venture are accounted for in the financial statements in which equity method is applied using the equity method.

Investments in joint venture are accounted for in the separate financial statements using the cost method.

4.5 Property, plant, equipment and equipment for lease/Depreciation

Land is stated at cost. Building, equipment and equipment for lease are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant, equipment and equipment for lease is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Building	20 years
Building improvement	5 years
Furniture, fixtures and office equipment	5, 10 years
Computers	3, 5 years
Equipment used in projects	3, 5 years
Equipment for lease	5 - 6 years

Depreciation is included in determining income.

No depreciation is provided for land.

An item of property, plant, equipment and equipment for lease 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 as profit or loss when the asset is derecognised.

4.6 Intangible assets

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.

The estimated useful lives of computer software are 10 years.

4.7 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 as a lessee

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 costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Buildings	2 - 4 years
Machinery and equipment	2 - 5 years
Motor vehicles	2 - 5 years

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

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the 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.

The Company as a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

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

4.9 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.

4.10 Impairment of non-financial assets

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

4.11 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

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 qualified independent actuary based on actuarial techniques, using the projected unit credit method.

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

4.12 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.13 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.

4.14 Financial instruments

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Company’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

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

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

Financial assets at FVTPL

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

These financial assets include derivatives and equity investments which the Company has not irrevocably elected to classify at FVOCI.

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

The Company may elect to measure financial assets at FVTPL if doing so eliminates, or significantly reduces a recognition inconsistency (Accounting mismatch).

Classification and measurement of financial liabilities

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

Derecognition of financial instruments

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

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

Impairment of financial assets

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

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

The Company considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 180 days past due. However, in certain cases, the Company may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

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

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

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

Offsetting of financial instruments

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

4.15 Derivatives

The Company uses derivatives (forward currency contracts) to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

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 technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the 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 times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Revenue from contracts with customers

Identification of performance obligations

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

Determination of timing of revenue recognition

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Company recognises revenue over time in the following circumstances:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

In calculating the revenue recognised over time, the management is required to use judgement regarding measuring progress towards complete satisfaction of a performance obligation, measuring based on information provided by the Company's engineers or project managers. The management has exercised judgement based on their best knowledge of the current events and arrangements and their experience of the business in order to estimate the percentage of completion according to output method to reflect the Company's performance obligation to complete.

Provision for loss/penalty on project delay

The management apply their judgements in estimating the loss/penalty on project delay they expect to be realised on each project, based on estimates of anticipated costs that take into account the progress of the project and actual costs incurred to date, together with fluctuations in cost of equipment, labour, other relevant expenses and the current situation.

Allowance for expected credit losses of trade receivables and contract assets

In determining an allowance for expected credit losses of trade receivables and contract assets, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for each customer. The Company's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess of the results of the litigation and recorded the provisions as described in Note 30.3 to the financial statements.

6. Related party transactions

During the years, the Company had significant business transactions with the related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	2023	2022	Transfer pricing policy
<u>Transactions with the related parties</u>			
Sales of goods and services	1	6	Market price
Purchase of goods and service	123	-	Market price

The balance of the accounts between the Company and those related parties as at 31 December 2023 and 2022 are as follow.

	(Unit: Million Baht)	
	2023	2022
Trade receivables - related party (Note 8)		
Related company (common director)	-	2
Total trade receivables - related party	-	2
Trade payables - related party (Note 17)		
Related company (common director)	78	-
Total trade payables - related party	78	-

Directors and management's benefits

During the years ended 31 December 2023 and 2022, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Million Baht)	
	2023	2022
Short-term employee benefits	71	81
Post-employment benefits	2	7
Total	73	88

7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	2023	2022
Cash	340	327
Bank deposits	1,951,817	1,486,268
Total	1,952,157	1,486,595

As at 31 December 2023, bank deposits in savings accounts carried interests between 0.05% - 1.75% per annum (2022: 0.05% - 0.35% per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)	
	2023	2022
<u>Trade receivables - related party</u>		
Aged on the basis of due dates		
Not yet due	-	2,407
Total trade receivables - related party	-	2,407
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	684,584	652,033
Past due		
Up to 3 months	784,400	811,127
3 - 6 months	228,196	311,741
Over 6 - 12 months	163,315	87,023
Over 12 months	165,432	127,588
Total	2,025,927	1,989,512
Less: Allowance for expected credit losses	(77,846)	(109,566)
Total trade receivables - unrelated parties, net	1,948,081	1,879,946
Total trade receivables - net	1,948,081	1,882,353
<u>Other receivables</u>		
Other receivables	55,269	51,367
Less: Allowance for expected credit losses	(43,042)	(43,042)
Total other receivables - net	12,227	8,325
Total trade and other receivables - net	1,960,308	1,890,678

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

	(Unit: Thousand Baht)
Beginning balance	152,608
Provision for expected credit losses	382
Amount recovered	(275)
Amount written off	(31,827)
Ending balance	120,888

9. Contract assets / Contract liabilities

	(Unit: Thousand Baht)	
	2023	2022
Contract assets		
Unbilled receivables	1,006,659	1,262,467
Retention receivables	1,898	19,630
Total	1,008,557	1,282,097
Less: Allowance for expected credit losses	(103,197)	(151,439)
Total contract assets - net	905,360	1,130,658
Contract liabilities		
Advances received from hirers	57,024	25,539
Revenue received in advance	268,521	247,400
Total contract liabilities	325,545	272,939

As at 31 December 2023, the balance of unbilled receivables of Baht 858 million (2022: Baht 1,041 million) is expected to be billed within one year and Baht 149 million (2022: Baht 221 million) is expected to be billed after one year.

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

	(Unit: Thousand Baht)
Beginning balance	151,439
Provision for expected credit losses	1,281
Reversal	(22,689)
Amount recovered	(7,677)
Amount written off	(19,157)
Ending balance	<u>103,197</u>

10. Inventories

	(Unit: Thousand Baht)					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2023	2022	2023	2022	2023	2022
Equipment and work						
in process	695,772	854,422	-	(1,442)	695,772	852,980
Goods in transit	24,755	29,738	-	-	24,755	29,738
Total	<u>720,527</u>	<u>884,160</u>	<u>-</u>	<u>(1,442)</u>	<u>720,527</u>	<u>882,718</u>

During the current year, the Company reversed the write-down of cost of work in process by Baht 1.4 million, and reduced the amount of work in process recognised as expenses during the year.

11. Other non-current financial assets

	(Unit: Million Baht)	
	2023	2022
<u>Debt instrument at amortised cost</u>		
Convertible loan	10	10
Less: Allowance for impairment losses	(10)	(10)
Convertible loan - net	-	-
<u>Financial assets at FVTPL</u>		
Non-listed equity instruments		
Campana Group Pte. Ltd.	194	140
Fair value adjustments financial assets	(194)	(140)
	-	-
Blue Green Solution Co., Ltd.	3	3
Total financial assets at FVTPL	3	3
Total other non-current financial assets - net	3	3

Convertible loan is loan to Campana Group Pte. Ltd. which is a related party (related by common director) and designated at amortised cost. It represents a US dollar loan of USD 318,058. The loan is unsecured and carries interest at the rate of 9.125% per annum. It is repayable in September 2025 or convertible into share capital of such company at a price of USD 50 per share.

Loxley & AIT Holding Company Limited (a joint venture of the Company) established a restructuring plan for holding investments in Campana Group Pte. Ltd. (associate of joint venture). The objective was to transfer these instruments to both companies, who have joint control, to direct holding by both companies. In this regard, the joint venture sold the equity instruments in Campana Group Pte. Ltd. to both companies at Baht 54 million each, considering the price based on the net book value of Campana Group Pte. Ltd.. The Company made full payment for these instruments on 8 December 2023, resulting to an increase in the equity instruments in Campana Group Pte. of Baht 54 million (52,798 ordinary shares of Baht 1,030 each). However, the Company's management determined the fair value of the instruments in Campana by using a discounted future cash flow model, taking into account the credit risk and liquidity of these instrument. The Company's management assessed that Campana's business operation might not generate sufficient profit to return the capital to the Company in near future. As a result, the Company recorded a decrease in the fair value of such instruments of Baht 54 million, equal to the cost of instruments transferred to the Company, in profit or loss during the year.

12. Joint arrangements - joint operations

Financial information of the Company and the joint arrangements which is the joint operations as described in Note 2.3 to the financial statements are presented including in the separate financial statements as below.

(Unit: Million Baht)

	As at 31 December 2023			
	The Company	The joint arrangements	Elimination entries	Separate financial statements
Summarised information about financial position:				
Current assets	5,797	204	(194)	5,807
Non-current assets	774	-	-	774
Current liabilities	2,303	223	(209)	2,317
Non-current liabilities	211	-	-	211
Shareholders' equity	4,057	(19)	15	4,053

(Unit: Million Baht)

	As at 31 December 2022			
	The Company	The joint arrangements	Elimination entries	Separate financial statements
Summarised information about financial position:				
Current assets	5,586	431	(423)	5,594
Non-current assets	752	-	-	752
Current liabilities	2,333	450	(435)	2,348
Non-current liabilities	256	-	-	256
Shareholders' equity	3,749	(19)	12	3,742

(Unit: Million Baht)

For the year ended 31 December 2023

	The Company	The joint arrangements	Elimination entries	Separate financial statements
Summarised information about profit or loss:				
Total revenues	6,511	233	(230)	6,514
Total expenses	(5,862)	(232)	232	(5,862)
Operating profit	649	1	2	652
Finance income	10	-	-	10
Finance cost	(2)	-	-	(2)
Profit before income tax expenses	657	1	2	660
Income tax expenses	(163)	-	-	(163)
Profit for the year	494	1	2	497

(Unit: Million Baht)

For the year ended 31 December 2022

	The Company	The joint arrangements	Elimination entries	Separate financial statements
Summarised information about profit or loss:				
Total revenues	6,672	397	(388)	6,681
Total expenses	(6,116)	(393)	395	(6,114)
Operating profit	556	4	7	567
Finance income	3	-	-	3
Finance cost	(3)	-	-	(3)
Profit before income tax expenses	556	4	7	567
Income tax expenses	(143)	-	-	(143)
Profit for the year	413	4	7	424

13. Investments in joint venture

13.1 Details of investments in joint venture

Investments in joint venture represent investments in entity which are jointly controlled by the Company and other company. Details of this investments are as follows:

Joint venture	Nature of business	Country of incorporation	Shareholding percentage		Cost		Allowance for impairment of investments		Investments under cost method		Investments under equity method	
			2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
			(%)	(%)								
Loxley & AIT Holding Co., Ltd.	Invest in the business of lump sum turnkey contracting for the installation of communication tools, electricity plants and sales of related equipment	Thailand	50	50	42	100	(42)	(96)	-	4	-	-
Total					42	100	(42)	(96)	-	4	-	-

(Unit: Million Baht)

During the years 2023 and 2022, the Company did not receive dividend from its joint venture.

Following the restructuring plan for holding investments in Campana Group Pte. Ltd. of Loxley & AIT Holding Company Limited (a joint venture) as described in Note 11 to the financial statements, the joint venture decreased its share capital by Baht 117 million, from Baht 200 million to Baht 83 million, and returned the investments to both shareholders. On 14 December 2023, the Company received cash of Baht 58 million from these investments. As a result the Company reversed the allowance for impairment of these investments amounting to Baht 54 million in profit or loss in the separate financial statements. In addition, the Company recorded gain from decrease of investments in joint venture amounting to Baht 6 million in profit or loss in the financial statements in which equity method is applied.

13.2 Summarised financial information about material joint venture

Summarised information about financial position.

	(Unit: Million Baht)	
	2023	2022
Cash and cash equivalents	0.5	9.0
Other current liabilities	-	(0.2)
Net assets	0.5	8.8
Shareholding percentage (%)	50.0	50.0
Carrying amounts of joint venture based on equity method	-	-

Summarised information about comprehensive income.

(Unit: Million Baht)

	Loxley & AIT Holding Co., Ltd.	
	For the years ended 31 December	
	2023	2022
Selling and administrative expense	-	(0.2)
Loss	-	(0.2)
Other comprehensive income	-	-
Total comprehensive income	-	(0.2)

13.3 Investment in joint venture with capital deficit

The Company recognised share of losses from investment in Loxley & AIT Holding Co., Ltd., until the value of the investments approached zero. Subsequent losses incurred by this joint venture have not been recognised in the Company's accounts since the Company has no obligations, whether legal or constructive, to make any payments on behalf of this joint venture.

14. Property, plant and equipment

(Unit: Thousand Baht)

	Land	Building and improvement	Furniture, fixture and office equipment	Computers	Equipment used in projects	Total
Cost						
As at 1 January 2022	35,718	71,050	25,374	71,082	209,849	413,073
Additions	-	1,758	1,830	12,957	13,050	29,595
Disposals	-	-	(33)	(1,402)	(127)	(1,562)
As at 31 December 2022	35,718	72,808	27,171	82,637	222,772	441,106
Additions	118,500	16,582	1,026	6,849	18,831	161,788
Disposals/write-off	-	-	(27)	(3,377)	(129)	(3,533)
As at 31 December 2023	154,218	89,390	26,170	86,109	241,474	599,361
Accumulated depreciation						
As at 1 January 2022	-	51,275	19,632	59,054	188,843	318,804
Depreciation for the year	-	4,060	2,137	8,670	12,764	27,631
Depreciation on disposals	-	-	(33)	(1,402)	(125)	(1,560)
As at 31 December 2022	-	55,335	21,736	66,322	201,482	344,875
Depreciation for the year	-	2,908	1,945	9,515	14,404	28,773
Depreciation on disposals/write-off	-	-	(27)	(3,377)	(119)	(3,523)
As at 31 December 2023	-	58,243	23,654	72,460	215,767	370,124

(Unit: Thousand Baht)

	Land	Building and building improvement	Furniture, fixture and office equipment	Computers	Equipment used in projects	Total
Net book value						
As at 31 December 2022	35,718	17,473	5,435	16,315	21,290	96,231
As at 31 December 2023	154,218	31,147	4,516	13,649	25,707	229,237
Depreciation for the year						
2022 (Baht 12.8 million included in cost of sales and service, and the balance in administrative expenses)						27,631
2023 (Baht 14.4 million included in cost of sales and service, and the balance in administrative expenses)						28,773

As at 31 December 2023, certain items of building and equipment were fully depreciated but are still in use. The gross carrying amount before deducting the accumulated depreciation of those assets amounted to approximately Baht 330 million (2022: Baht 311 million).

15. Equipment for lease

(Unit: Thousand Baht)

	Equipment for lease
Cost	
As at 1 January 2022	473,769
Additions	254,402
As at 31 December 2022	728,171
Additions	56,847
As at 31 December 2023	785,018
Accumulated depreciation	
As at 1 January 2022	276,274
Depreciation for the year	93,386
As at 31 December 2022	369,660
Depreciation for the year	114,830
As at 31 December 2023	484,490
Net book value	
As at 31 December 2022	358,511
As at 31 December 2023	300,528
Depreciation for the year	
2022 (all included in cost of equipment for lease)	93,386
2023 (all included in cost of equipment for lease)	114,830

As at 31 December 2023, certain items of equipment for lease were fully depreciated but are still in use. The gross carrying amount before deducting the accumulated depreciation of those assets amounted to approximately Baht 197 million (2022: Baht 197 million).

16. Intangible assets

The net book value of intangible assets as at 31 December 2023 and 2022 is presented below.

	(Unit: Thousand Baht)	
	2023	2022
Cost	95,986	87,327
<u>Less</u> Accumulated amortisation	(52,857)	(45,628)
Net book value	<u>43,129</u>	<u>41,699</u>

A reconciliation of the net book value of intangible assets for the years 2023 and 2022 is presented below.

	(Unit: Thousand Baht)	
	2023	2022
Net book value at beginning of year	41,699	34,122
Acquisition	8,658	14,392
Amortisation	(7,228)	(6,815)
Net book value at end of year	<u>43,129</u>	<u>41,699</u>

17. Trade and other payables

	(Unit: Thousand Baht)	
	2023	2022
Trade accounts payable - related party	78,368	-
Trade accounts payable - unrelated parties	665,154	717,377
Other payables	43,723	55,838
Accrued expenses	195,612	147,828
Total trade and other payables	<u>982,857</u>	<u>921,043</u>

18. Liabilities under financial arrangement agreements

	(Unit: Million Baht)	
	2023	2022
Liabilities under financial arrangement agreements	125.1	220.0
Less: Deferred interest	(0.5)	(1.6)
Total	124.6	218.4
Less: Portion due within one year	(54.4)	(93.8)
Portion due more than one year	<u>70.2</u>	<u>124.6</u>

The Company entered into financial arrangement agreements to purchase computer equipment and services for project works. The liabilities under the agreements are payable on monthly, quarterly and yearly bases and the terms of agreements are generally 3 - 5 years.

The Company has future minimum payments required under the financial arrangement agreements as follows:

	(Unit: Million Baht)		
	As at 31 December 2023		
	Less than 1 year	1 - 5 years	Total
Future minimum payments	54.8	70.3	125.1
Deferred interest expenses	(0.4)	(0.1)	(0.5)
Present value of future minimum payments	<u>54.4</u>	<u>70.2</u>	<u>124.6</u>

	(Unit: Million Baht)		
	As at 31 December 2022		
	Less than 1 year	1 - 5 years	Total
Future minimum payments	94.9	125.1	220.0
Deferred interest expenses	(1.1)	(0.5)	(1.6)
Present value of future minimum payments	<u>93.8</u>	<u>124.6</u>	<u>218.4</u>

19. Provision for penalty on project delay

	(Unit: Thousand Baht)	
	2023	2022
As at 1 January	81,585	77,100
Increase during the year	21,352	5,232
Reversal	(4,243)	-
Utilised	<u>(10,043)</u>	<u>(747)</u>
As at 31 December	<u>88,651</u>	<u>81,585</u>

The Company recognised a provision for penalty on project delay that was calculated based on the number of delay days and penalty rate specified in the contract. The Company estimates the number of delay days and the expected complete work date to hand over the work to the customer which based on past experience of the engineer/project manager and historical actual information of the projects.

20. Provision for long-term employee benefits

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

	(Unit: Thousand Baht)	
	2023	2022
Provision for long-term employee benefits at beginning of year	126,438	121,279
Included in profit or loss:		
Current service cost	12,679	13,378
Interest cost	2,883	2,765
Benefits paid during the year	(6,520)	(10,984)
Provision for long-term employee benefits at end of year	135,480	126,438

The Company expects to pay Baht 14 million of long-term employee benefits during the next year (2022: Baht 12 million).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 16 years (2022: 16 years).

Significant actuarial assumptions used for the valuation are summarised below.

	2023	2022
	(% per annum)	(% per annum)
Discount rate	2.28	2.28
Salary increase rate	6	6
Staff turnover rate	1 - 17	1 - 17

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

	(Unit: Million Baht)			
	2023		2022	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(10)	12	(10)	11
Salary increase rate	13	(12)	12	(11)
Staff turnover rate	(8)	8	(7)	7

21. Share capital

In September 2022, the existing shareholders subscribed for 299,520,866 units of new ordinary shares based on a warrant ratio of 1 : 1 at a price of Baht 2 per share, totaling Baht 599 million. As a result, the Company had additional issued and paid-up share capital of Baht 299 million, the increase from Baht 1,032 million to Baht 1,331 million and share premium of Baht 300 million, the increase from Baht 303 million to Baht 603 million. The Company registered such issued and paid-up share capital with the Ministry of Commerce on 6 October 2022.

In March 2023, the existing shareholders subscribed for 100,248,383 units of new ordinary shares based on a warrant ratio of 1:1 at a price of Baht 2 per share, totaling Baht 200 million. As a result, the Company had additional issued and paid-up share capital of Baht 100 million, the increase from Baht 1,331 million to Baht 1,431 million and share premium of Baht 100 million, the increase from Baht 603 million to Baht 703 million. The Company registered such issued and paid-up share capital with the Ministry of Commerce on 5 April 2023.

In September 2023, the existing shareholders subscribed for 33,299,068 units of new ordinary shares based on a warrant ratio of 1:1 at a price of Baht 2 per share, totaling Baht 67 million. As a result, the Company had additional issued and paid-up share capital of Baht 34 million, the increase from Baht 1,431 million to Baht 1,465 million and share premium of Baht 34 million, the increase from Baht 703 million to Baht 737 million. The Company registered such issued and paid-up share capital with the Ministry of Commerce on 4 October 2023.

22. Warrants

On 21 December 2021, the extraordinary meeting of the Company No. 1/2021 approved the issuance of warrants to purchase the Company's ordinary shares No.2 (AIT-W2) allocated to the existing shareholders in proportion to their shareholdings without charge. The Company determined the shareholders who had the rights to receive the warrants on 10 January 2022, at the ratio of 2 existing shares to 1 warrant (any fraction shall be discarded). The term of warrants is not over 2 years from the date of issuance (13 January 2022). The exercise ratio is 1 warrant per 1 ordinary share at an exercise price of Baht 2. Such warrants can be exercised from 30 September 2022 to 12 January 2024.

Movements in number of warrants during the year are as follows:

	AIT-W2 warrants
	(Thousand units)
Balance as at 31 December 2022	216,267
Number of warrants exercised	(136,234)
Balance as at 31 December 2023	<u>80,033</u>

As at 31 December 2023, the existing shareholders subscribed for 2,686,108 units of new ordinary shares. The Company had cash received amounting to Baht 5 million from the exercise of rights to convert warrants to ordinary shares. As the Company registered the increase in its paid-up share capital as a result of this warrant exercise with the Ministry of Commerce on 19 January 2024, therefore the Company recorded such cash received as advance from share subscription in shareholders' equity.

23. Statutory reserve

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

24. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	2023	2022
Salaries, bonus, commission and other employee benefits	809,946	759,187
Installation and services expenses	867,236	1,227,057
Repair and maintenance expenses	863,137	687,265
Depreciation and amortisation	164,297	138,332
Entertainment expenses	64,664	56,937
Purchase inventories	2,640,621	2,881,204
Changes in inventories	(163,633)	(56,978)

25. Income tax

Income tax expenses for the years ended 31 December 2023 and 2022 are made up as follows:

	(Unit: Thousand Baht)	
	2023	2022
Current income tax:		
Current income tax charge	136,501	177,851
Adjustment in respect of income tax of previous year	182	-
Deferred tax:		
Relating to origination and reversal of temporary differences	26,340	(34,742)
Income tax expense reported in profit or loss	163,023	143,109

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

(Unit: Thousand Baht)

	Financial statements in which		Separate	
	equity method is applied		financial statements	
	2023	2022	2023	2022
Accounting profit before income tax expenses	666,693	684,754	660,128	567,602
Applicable tax rate	20%	20%	20%	20%
Accounting profit before income expense tax				
multiplied by applicable tax rate	133,339	136,951	132,026	113,520
Adjustment in respect of income tax of				
previous year	182	-	182	-
Effects of:				
Non-deductible expenses	32,126	16,152	32,126	30,553
Additional expense deductions allowed	(1,726)	(2,257)	(1,726)	(2,257)
Gain on disposal/ decrease of investments in joint venture	(1,313)	(9,030)	-	-
Others	415	1,293	415	1,293
Total	29,502	6,158	30,815	29,589
Income tax expenses reported in profit or loss	163,023	143,109	163,023	143,109

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	Statements	
	of financial position	
	2023	2022
Deferred tax assets		
Allowance for expected credit losses	17,040	44,198
Allowance for impairment of investments in joint venture	8,300	19,200
Allowance for impairment on financial assets	2,133	2,133
Unrealised fair value loss on adjustments of financial assets	38,793	27,917
Payables under forward contracts	572	2,343
Provision for penalty on project delay/ provision for project loss	17,730	16,606
Provision for long-term employee benefits	27,096	25,287
Revenue from contracts with customers	26	346
Total	111,690	138,030

26. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

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

The following tables set forth the computation of basic and diluted earnings per share:

Financial statements in which equity method is applied						
Profit for the year		Weighted average number of ordinary shares		Earnings per share		
2023	2022	2023	2022	2023	2022	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
503,670	541,645	1,415,048	1,107,100	0.36	0.49	
Effect of dilutive potential ordinary shares						
AIT-W2 (Note 22)						
-	-	75,700	292,086			
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares						
<u>503,670</u>	<u>541,645</u>	<u>1,490,748</u>	<u>1,399,186</u>	0.34	0.39	
Separate financial statements						
Profit for the year		Weighted average number of ordinary shares		Earnings per share		
2023	2022	2023	2022	2023	2022	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
497,105	424,493	1,415,048	1,107,100	0.35	0.38	
Effect of dilutive potential ordinary shares						
AIT-W2 (Note 22)						
-	-	75,700	292,086			
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares						
<u>497,105</u>	<u>424,493</u>	<u>1,490,748</u>	<u>1,399,186</u>	0.33	0.30	

27. Segment information

Operating segment information is reported in a manner consistent with the internal reports of the Company that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Company's Board of Directors.

The Company's business operations involve 2 principal segments: (1) sales and service and revenue from construction contracts (2) rental of equipment. The Company measured segment performance based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. During the years ended 31 December 2023 and 2022, there were no material activities pertaining to the rental segment. For this reason, no related financial information has been presented by either industry segment or geographical area.

Geographic information

The Company mainly operates in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

Major customers

In year 2023, the Company has revenue from a major customer in the amount of Baht 1,435 million which derived from sales and service income (2022: Baht 1,090 million).

28. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530, contributed to the fund monthly at rates of 5 - 15% of basic salary. The fund, which is managed by SCB Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2023, amounting to Baht 33 million (2022: Baht 31 million) were recognised as expenses.

29. Dividend paid

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends of 2021	Annual General Meeting of the Company's shareholders held on 11 April 2022	309.5	0.30
Interim dividends of 2022	Board of Directors' Meeting of the Company's shareholders held on 11 August 2022	154.7	0.15
Total for 2022		464.2	0.45
Final dividends of 2022	Annual General Meeting of the Company's shareholders held on 11 April 2023	243.3	0.17
Interim dividends of 2023	Board of Directors' Meeting of the Company's shareholders held on 10 August 2023	214.7	0.15
Total for 2023		458.0	0.32

30. Commitments and contingent liabilities

30.1 Obligations relating to undelivered and unrendered contracts

1. The Company has contracts related to selling goods and rendering services that are undelivered and unrendered to its customers of approximately Baht 3,941 million (2022: Baht 5,605 million). The Company expects to satisfy the performance obligations within 5 years (2022: 5 years).
2. The Company has engaged in various rental contracts with companies of which the government is a major shareholder, government agencies and private companies, with a total contract value for future services rendering as follows:

	(Unit: Million Baht)	
	2023	2022
In up to 1 year	200	294
In over 1 year and up to 5 years	180	322

The Company has obliged to complete the equipment installation and render maintenance services of these equipment in accordance with conditions stipulated in the contracts.

30.2 Guarantees

As at 31 December 2023, there were outstanding bank guarantees of Baht 1,427 million (2022: Baht 1,562 million) which have been issued by banks on behalf of the Company and consortium, in respect of certain performance bonds as required in the ordinary course of its business. These included letters of guarantee amounting to Baht 1,425 million (2022: Baht 1,560 million) to guarantee contractual performance and Baht 2 million (2022: Baht 2 million) to guarantee payments due to creditors.

30.3 Litigation

The Company was sued for fines in a lawsuit case brought by the government unit claiming damages for a breach of contract because the Company failed to complete work.

On 31 January 2024, the Court of First Instance pronounced its judgment on the lawsuit in which the Company was sued by the government unit. The Court ordered the Company to pay a fine of Baht 29.9 million with interest to the government unit. However, in the past the Company has recorded a provision of Baht 77.1 million for this lawsuit, as the government unit retains the right to appeal against the judgment of the Court of First Instance, thereby leaving the fine uncertain. Therefore, the management believes that the provision is sufficient under the current circumstances.

31. Fair value hierarchy

As at 31 December 2023 and 2022, the Company had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)		
	As at 31 December 2023		
	Level 2	Level 3	Total
Assets measured at fair value			
Financial assets measured at FVTPL			
Equity instruments	-	3	3
Liabilities measured at fair value			
Derivatives			
Foreign currency forward contracts	3	-	3
			(Unit: Million Baht)
	As at 31 December 2022		
	Level 2	Level 3	Total
Assets measured at fair value			
Financial assets measured at FVTPL			
Equity instruments	-	3	3
Liabilities measured at fair value			
Derivatives			
Foreign currency forward contracts	12	-	12

32. Financial instruments

32.1 Derivatives not designated as hedging instruments

	(Unit: Million Baht)	
	2023	2022
Derivative liabilities not designated as hedging instruments		
Foreign exchange forward contracts	3	12

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally 6 - 12 months.

32.2 Financial risk management objectives and policies

The Company's financial instruments principally comprise cash and cash equivalents, trade receivable, trade payable, liabilities under financial arrangement agreements and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade receivable, contract assets, deposits with banks and financial institutions and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Company's maximum exposure relating to derivatives is noted in the liquidity risk topic.

Trade receivables and contract assets

The Company manages the risk by adopting appropriate credit control policies and procedures and most customers are government agencies, companies in which the government is a major shareholder. Therefore, the Company does not expect to incur material financial losses. Outstanding trade receivables and contract assets are regularly monitored.

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

Financial instruments and cash deposits

The Company manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's chief financial officer on an annual basis, and may be updated throughout the year. The limits are set to mitigate financial loss through a counterparty's potential failure to make payments.

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

Market risk

There are two types of market risk comprising currency risk and interest rate risk. The Company enters into foreign exchange forward contracts to hedge the foreign currency risk arising on the export or import of goods to manage its risk exposure.

Foreign currency risk

The Company exposures to foreign currency risk related primarily to its trading transactions and loans that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers it appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2023 and 2022, the balances of forward exchange contracts are summarised below.

Foreign currency	2023			
	Bought amount	Sold amount	Contractual exchange rate	
			Bought	Sold
(Million)	(Million)	(Baht per 1 foreign currency unit)		
US dollar	3.7	-	33.09 - 34.74	-

Foreign currency	2022			
	Bought amount	Sold amount	Contractual exchange rate	
			Bought	Sold
(Million)	(Million)	(Baht per 1 foreign currency unit)		
US dollar	5.2	-	33.90 - 37.62	-

As at 31 December 2023, the Company has outstanding balance of trade receivables and trade payables denominated in foreign currency of USD 1.0 million and USD 1.5 million, respectively (2022: USD 1.0 million and USD 3.1 million, respectively).

Foreign currency sensitivity

The impact on the Company's profit before tax from the changes in the fair value of monetary assets and liabilities including foreign currency derivatives is not material since the management of the Company entered into derivatives with the similar amount of monetary assets and liabilities.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks, liabilities under financial arrangement agreements and lease liabilities. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The interest rate risk is expected to be minimal.

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: Million Baht)

	Fixed interest rates				Floating		Non-interest		Total		Effective		
	Within 1 year		1 - 5 years		Interest rate		bearing		Total		interest rate		
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	
													(% per annum)
Financial assets													
Cash and cash equivalents	1,864	1,413	-	-	-	-	88	74	1,952	1,487	6.1 - 1.8	0.1 - 0.4	
Trade and other receivables	-	-	-	-	-	-	1,960	1,891	1,960	1,891	-	-	
Contract assets	-	-	-	-	-	-	905	1,131	905	1,131	-	-	
	<u>1,864</u>	<u>1,413</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,953</u>	<u>3,096</u>	<u>4,817</u>	<u>4,509</u>			
Financial liabilities													
Trade and other payables	-	-	-	-	-	-	983	921	983	921	-	-	
Liabilities under financial arrangement agreements	54	94	70	125	-	-	-	-	124	219	0.0 - 3.3	1.0 - 3.3	
Lease liabilities	6	9	5	5	-	-	-	-	11	14	3.8 - 5.7	3.8	
	<u>60</u>	<u>103</u>	<u>75</u>	<u>130</u>	<u>-</u>	<u>-</u>	<u>983</u>	<u>921</u>	<u>1,118</u>	<u>1,154</u>			

Interest rate sensitivity

The impact on the Company's profit before tax from the changes in interest rate is not material since most of the Company's financial assets and liabilities are fixed interest and non-interest bearing.

Liquidity risk

The Company monitors the risk of a shortage of liquidity through the use of bank overdrafts, bank loans and lease contracts. The Company has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities and derivative financial instruments as at 31 December 2023 and 2022 based on contractual undiscounted cash flows:

	(Unit: Million Baht)		
	As at 31 December 2023		
	Less than 1 year	1 to 5 years	Total
Non-derivatives			
Trade and other payables	983	-	983
Liabilities under financial arrangement agreements	55	70	125
Lease liabilities	6	5	11
Total non-derivatives	1,044	75	1,119
	(Unit: Million Baht)		
	As at 31 December 2022		
	Less than 1 year	1 to 5 years	Total
Non-derivatives			
Trade and other payables	921	-	921
Liabilities under financial arrangement agreements	95	125	220
Lease liabilities	9	5	14
Total non-derivatives	1,025	130	1,155

32.3 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position. The exception to this is the non-listed equity instruments as described in Note 11 to financial statements.

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

33. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2023, the Company's debt-to-equity ratio was 0.6:1 (2022: 0.7:1).

34. Events after the reporting period

On 15 February 2024, the Board of Directors' meeting of the Company passed a resolution to propose the payment of a dividend in respect of the operating results of 2023 of Baht 0.17 per share, which is an addition of an interim dividend payment of Baht 0.15 per share. The Company will propose to the Annual General Meeting of the Company's shareholders that such dividend be paid.

35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 15 February 2024.