

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

## **AUDITOR'S REPORT**

### **To The Shareholders of Qualitech Public Company Limited**

#### **Opinion**

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

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Qualitech Public Company Limited and subsidiaries and of Qualitech Public Company Limited as at December 31, 2023, and their 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 Consolidated and Separate Financial Statements section of my report. I am independent of the Group 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 consolidated and separate 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.

### **Emphasis of Matter**

I draw your attention to notes 9 to financial statements, in the second quarter of 2023 that pertaining to an associate (Property Aim Solutions Company Limited) has ceased its business operation caused by 1) the associate lacks financial liquidity and is unable to pay salaries to all employees. As a result, some employees complained to the Department of Labor Protection and Welfare for requesting the payment of unpaid salaries and the employees stopped their working. The termination of employee performance may cause the customer to terminate the employment contract and claim damages, prosecution against the associate including non-payment outstanding services fee, and 2) three members of the Board of directors of associate had resigned from their position due to conflicts in management. Subsequently, on August 8, 2023, the Board of directors' meeting No. 8/2023, passed the resolution to offer all investment in associate for 14,700 shares at totaling price of Baht 1 because the Company was unable to solve any problems in the associates and assigned the Executive Committee as the authority to sell shares investment in the associates. And on October 27, 2023, the Company has sold investment in such associate to the individual in the price of Baht 1 and recognized loss on sale of investment in associate amount of Baht 122.94 million and Baht 126.47 million in the consolidated and separate financial statements, respectively.

### **Key Audit Matters**

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

### **Recognition of revenues from services and contract assets**

As at December 31, 2023, the Group has material amount of unbilled revenues from services of Baht 57.45 million in the consolidated financial statements. The calculation of unbilled services income is complicated procedure because of various rates of services fee and depending on the nature of service rendering of each contract. There is a lot of internal control document for recoding services rendering in each day which result to the collection of such document may incomplete and/or calculation of unbilled revenue from services income may inaccurate. Accordingly, I have addressed as key audit matter.

I have obtained an assurance in respect of the accuracy and completeness of unbilled services income, by included;

- Obtained an understanding of internal control system relating to revenues from services recognition.
- Tested the significant internal control system relating to the accuracy and completeness of revenues from services.
- Checked the details of unbilled services income with document of time record and completed works, the rate of service fee and nature of work as stipulated in engagement contract.
- Tested the calculating amount of details of unbilled services income.

#### **Control of equipment and tools on site work**

As stated in notes 11 to financial statements, as at December 31, 2023 the Group has material amount of equipment and tools of Baht 21.32 million (net of accumulated depreciation amount of Baht 181.63 million) in the consolidated financial statements. Such tools and equipment are main assets used for providing services rendering to customers since the Group has many service sites and have to take such assets to perform the work at the site as stipulated by customers. Such assets, therefore, may easily lost. Accordingly, I have addressed the existing of such assets as key audit matter.

I have obtained an assurance in respect of the existing of tools and equipment, by included;

- Obtained an understanding of internal control system relating to tools and equipment.
- Performed of the physical count stock of tools and equipment as at the end of year as disclosed in details of tools and equipment of each site work.
- Reconciled the details of tools and equipment of each service site as at the end of year and the register of tools and equipment.

#### **Other Information**

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

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

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information 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 Group, 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 appropriately.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements**

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

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

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

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

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's 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 Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

D I A International Audit Co., Ltd.

(Miss Suphaphorn Mangjit)

C.P.A. (Thailand)

Registration No. 8125

February 16, 2024

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2023	2022	2023	2022
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	5	32,055,031.48	35,252,439.44	19,867,610.81	26,279,941.09
Trade and other current receivables	6	104,382,193.57	98,332,580.35	95,045,871.69	92,754,000.91
Contract assets	7	57,451,478.43	60,177,575.00	57,506,063.48	60,191,788.92
Inventories		8,743,931.00	7,735,226.76	4,887,594.06	4,437,124.64
<b>Total current assets</b>		<b>202,632,634.48</b>	<b>201,497,821.55</b>	<b>177,307,140.04</b>	<b>183,662,855.56</b>
<b>Non-current assets</b>					
Capital lease receivables	8	17,178,250.48	18,158,065.57	0.00	0.00
Investments in associate	9	0.00	122,935,115.86	0.00	126,466,276.77
Investment in subsidiaries	10	0.00	0.00	32,263,430.00	26,663,430.00
Property, plant and equipment	11	130,715,432.06	145,242,935.64	129,880,927.07	144,087,666.32
Right-of-use assets	12	16,375,162.74	14,653,868.09	16,375,162.74	14,653,868.09
Goodwill	13	4,844,339.37	4,844,339.37	0.00	0.00
Other intangible assets other than goodwill	14	3,499,524.18	2,085,292.72	3,499,524.18	2,085,292.72
Deferred tax assets	15	6,328,499.32	3,101,832.46	6,644,632.13	3,404,918.65
Income tax for refund		9,630,574.86	7,475,047.77	9,621,934.33	7,466,491.95
Non-current non-cash financial assets					
pledged as collateral		0.00	3,010,000.00	0.00	3,010,000.00
Others non-current assets	16	511,158.66	811,508.66	511,158.66	811,508.66
<b>Total non-current assets</b>		<b>189,082,941.67</b>	<b>322,318,006.14</b>	<b>198,796,769.11</b>	<b>328,649,453.16</b>
<b>Total assets</b>		<b>391,715,576.15</b>	<b>523,815,827.69</b>	<b>376,103,909.15</b>	<b>512,312,308.72</b>

Notes to financial statements are parts of these financial statements



QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT DECEMBER 31, 2023

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2023	2022	2023	2022
<b>Liabilities and shareholders' equity</b>					
Current liabilities					
Bank overdrafts and short-term borrowings					
from financial institutions	17	14,377,456.78	7,741,711.57	14,377,456.78	7,741,711.57
Trade and other current payables	18	44,929,882.52	42,906,337.34	44,377,338.81	43,870,602.18
Current portion of lease liabilities	19	3,389,118.07	3,185,562.40	3,389,118.07	3,185,562.40
Corporate income tax payable		449,058.23	354,741.24	0.00	0.00
<b>Total current liabilities</b>		<b>63,145,515.60</b>	<b>54,188,352.55</b>	<b>62,143,913.66</b>	<b>54,797,876.15</b>
<b>Non-current liabilities</b>					
Lease liabilities	19	6,280,241.05	3,444,016.73	6,280,241.05	3,444,016.73
Non-current provisions for employee					
benefit	20	23,664,943.96	20,009,067.38	23,534,070.61	19,902,113.23
Others non-current liabilities		2,928,289.69	2,995,000.00	0.00	0.00
<b>Total non-current liabilities</b>		<b>32,873,474.70</b>	<b>26,448,084.11</b>	<b>29,814,311.66</b>	<b>23,346,129.96</b>
<b>Total liabilities</b>		<b>96,018,990.30</b>	<b>80,636,436.66</b>	<b>91,958,225.32</b>	<b>78,144,006.11</b>

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT DECEMBER 31, 2023

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2023	2022	2023	2022
<b>Liabilities and shareholders' equity</b>					
<b>Shareholders' equity</b>					
Share capital					
Authorized share capital					
98,568,485 common shares of					
Baht 1 each		98,568,485.00	98,568,485.00	98,568,485.00	98,568,485.00
Issued and paid-up share capital					
98,568,485 common shares of					
Baht 1 each		98,568,485.00	98,568,485.00	98,568,485.00	98,568,485.00
Share premium on ordinary shares		75,175,543.40	75,175,543.40	75,175,543.40	75,175,543.40
Equity-settled share-based payment reserve		10,680,188.03	10,680,188.03	10,680,188.03	10,680,188.03
Retained earnings					
Appropriated - legal reserve		10,346,848.50	10,346,848.50	10,346,848.50	10,346,848.50
Unappropriated		100,909,420.34	242,992,040.47	89,374,618.90	239,397,237.68
Other components of equity		201,493.95	0.00	0.00	0.00
<b>Total owners of the Company</b>		<b>295,881,979.22</b>	<b>437,763,105.40</b>	<b>284,145,683.83</b>	<b>434,168,302.61</b>
Non-controlling interests		(185,393.37)	5,416,285.63	0.00	0.00
<b>Total shareholders' equity</b>		<b>295,696,585.85</b>	<b>443,179,391.03</b>	<b>284,145,683.83</b>	<b>434,168,302.61</b>
<b>Total liabilities and shareholders' equity</b>		<b>391,715,576.15</b>	<b>523,815,827.69</b>	<b>376,103,909.15</b>	<b>512,312,308.72</b>

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2023	2022	2023	2022
Sales and services income		427,591,979.87	455,373,732.25	404,996,658.60	420,753,963.62
Cost of sale and services		(316,927,395.07)	(322,348,815.78)	(306,298,734.58)	(296,026,500.79)
Gross profit		110,664,584.80	133,024,916.47	98,697,924.02	124,727,462.83
Other income		3,016,031.63	2,300,191.91	3,439,127.10	3,156,326.98
Distribution costs		(12,373,714.28)	(9,916,737.05)	(9,719,456.82)	(8,457,509.82)
Administrative expenses		(236,588,953.60)	(110,568,782.80)	(236,678,153.29)	(109,066,291.51)
(Expected credit losses) reversed		(7,092,735.10)	9,371,083.36	(7,092,735.10)	9,371,083.36
Profit (loss) from operating activities		(142,374,786.55)	24,210,671.89	(151,353,294.09)	19,731,071.84
Share of loss from investments in associate		0.00	(4,111,261.95)	0.00	0.00
Finance costs		(1,079,320.13)	(728,443.50)	(1,075,849.66)	(726,345.06)
Profit (loss) before income tax expense		(143,454,106.68)	19,370,966.44	(152,429,143.75)	19,004,726.78
Tax (expense) income	23	2,317,800.01	(1,389,424.65)	3,186,139.46	(704,777.81)
Profit (loss) for the year		(141,136,306.67)	17,981,541.79	(149,243,004.29)	18,299,948.97
Other comprehensive income					
Components of other comprehensive income					
that will not be reclassified to profit or loss					
- Gains (loss) on remeasurments of defined benefit plans		(791,793.53)	6,042,996.83	(833,188.51)	6,042,996.83
- Share of other comprehensive income					
of associate		0.00	580,101.04	0.00	0.00
- Income tax of other comprehensive income					
that will not be reclassified to profit or loss		45,295.02	(363,425.83)	53,574.02	(363,425.83)
Total components of other comprehensive income					
that will not be reclassified to profit or loss		(746,498.51)	6,259,672.04	(779,614.49)	5,679,571.00
Other comprehensive income (expense) for the year - net of tax		(746,498.51)	6,259,672.04	(779,614.49)	5,679,571.00
Total comprehensive income (expense) for the year		(141,882,805.18)	24,241,213.83	(150,022,618.78)	23,979,519.97

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (Cont'd)

FOR THE YEAR ENDED DECEMBER 31, 2023

	Consolidated financial statements (Baht)		Separate financial statements (Baht)		
	Note	2023	2022	2023	2022
Profit (loss) attributable to :					
Owners of the Company		(141,336,121.62)	17,856,192.25	(149,243,004.29)	18,299,948.97
Non-controlling interests		199,814.95	125,349.54	0.00	0.00
Total		<u>(141,136,306.67)</u>	<u>17,981,541.79</u>	<u>(149,243,004.29)</u>	<u>18,299,948.97</u>
Total comprehensive income (expense) attributable to :					
Owners of the Company		(142,082,620.13)	24,115,864.29	(150,022,618.78)	23,979,519.97
Non-controlling interests		199,814.95	125,349.54	0.00	0.00
Total		<u>(141,882,805.18)</u>	<u>24,241,213.83</u>	<u>(150,022,618.78)</u>	<u>23,979,519.97</u>
Earnings per share					
Basic earnings per share		(1.43)	0.18	(1.51)	0.19
Weighted average number of common shares		98,568,485	98,568,485	98,568,485	98,568,485

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2023

Consolidated financial statements (Baht)

Note	Owners of the Company					Total owners of the Company	Non-controlling interests	Total shareholders' equity
	Issued and paid-up share capital	Share premium	Equity-settled share-based payment reserve	Retained earnings	Other components of equity			
		Appropriated	Unappropriated	Different of change in percentage of investment in subsidiary				
	98,568,485.00	75,175,543.40	10,346,848.50	242,992,040.47	0.00	437,763,105.40	5,416,285.63	443,179,391.03
Beginning balance of the year 2023								
Changes in shareholders' equity for the year:								
Purchase of investment in subsidiary	3	0.00	0.00	0.00	201,493.95	201,493.95	(5,801,493.95)	(5,600,000.00)
Loss for the year		0.00	0.00	(141,336,121.62)	0.00	(141,336,121.62)	199,814.95	(141,136,306.67)
Other comprehensive expense for the year		0.00	0.00	(746,498.51)	0.00	(746,498.51)	0.00	(746,498.51)
Ending balance of the year 2023		98,568,485.00	75,175,543.40	10,346,848.50	100,909,420.34	295,881,979.22	(185,393.37)	295,696,585.85
Beginning balance of the year 2022		98,568,485.00	75,175,543.40	10,346,848.50	238,587,773.18	433,358,838.11	3,790,916.09	437,149,754.20
Changes in shareholders' equity for the year:								
Ordinary shares-additional paid-up	10	0.00	0.00	0.00	0.00	0.00	1,500,020.00	1,500,020.00
Dividend paid	22	0.00	0.00	(19,711,597.00)	0.00	(19,711,597.00)	0.00	(19,711,597.00)
Profit for the year		0.00	0.00	17,856,192.25	0.00	17,856,192.25	125,349.54	17,981,541.79
Other comprehensive income for the year		0.00	0.00	6,259,672.04	0.00	6,259,672.04	0.00	6,259,672.04
Ending balance of the year 2022		98,568,485.00	75,175,543.40	10,346,848.50	242,992,040.47	437,763,105.40	5,416,285.63	443,179,391.03

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	Separate financial statements (Baht)						Total shareholders' equity
		Issued and paid-up share capital	Share premium	Equity-settled share-based payment reserve		Retained earnings		
				Appropriated	Unappropriated	Appropriated	Unappropriated	
Beginning balance of the year 2023		98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	239,397,237.68	434,168,302.61	
Changes in shareholders' equity for the year:								
Loss for the year		0.00	0.00	0.00	0.00	(149,243,004.29)	(149,243,004.29)	
Other comprehensive expense for the year		0.00	0.00	0.00	0.00	(779,614.49)	(779,614.49)	
Ending balance of the year 2023		98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	89,374,618.90	284,145,683.83	
Beginning balance of the year 2022		98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	235,129,314.71	429,900,379.64	
Changes in shareholders' equity for the year:								
Dividend paid	22	0.00	0.00	0.00	0.00	(19,711,597.00)	(19,711,597.00)	
Profit for the year		0.00	0.00	0.00	0.00	18,299,948.97	18,299,948.97	
Other comprehensive income for the year		0.00	0.00	0.00	0.00	5,679,571.00	5,679,571.00	
Ending balance of the year 2022		98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	239,397,237.68	434,168,302.61	

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Consolidated financial statements (Baht)		Separate financial statements (Baht)		
	Note	2023	2022	2023	2022
<b>Cash flows from operating activities</b>					
Profit (loss) for the year		(141,136,306.67)	17,981,541.79	(149,243,004.29)	18,299,948.97
<b>Adjustments to reconcile profit (loss) to cash received (paid)</b>					
Unrealized (gain) loss on exchange rate		11,158.48	41,188.11	11,158.48	41,188.11
Expected credit losses (reversed)		6,269,299.02	(9,371,083.36)	6,269,299.02	(9,371,083.36)
Loss on devaluation of inventories		(13,051.24)	55,898.81	(13,051.24)	55,898.81
(Increase) decrease in unbilled service income		2,688,100.39	11,495,896.14	2,647,729.26	11,314,154.02
Impairment loss of investment in associate		(500,000.00)	18,583,723.23	(500,000.00)	18,583,723.23
Loss on dissolution of associate		123,169.12	0.00	123,169.12	0.00
Loss on sale of investment in associate		122,935,115.86	0.00	126,466,276.77	0.00
Impairment loss of investment in subsidiaries		0.00	0.00	0.00	1,751,443.20
Share of loss from investments in associate		0.00	4,111,261.95	0.00	0.00
Depreciation		26,056,936.46	22,275,339.24	25,646,322.04	21,853,941.54
Loss on sale of equipment		5,979,593.16	1,003,082.70	6,132,912.59	1,073,302.62
Impairment loss on properties foreclosed (reversed)		(6,728.76)	1,642,191.74	(6,728.76)	1,642,191.74
(Gain)loss on cancel of lease		(14,552.60)	0.00	(14,552.60)	0.00
Amortized other intangible assets other than goodwill		512,968.54	425,016.13	512,968.54	425,016.13
Provisions for employee benefits		2,829,380.87	1,825,669.50	2,767,537.16	1,799,127.25
Interest expenses		1,079,320.13	728,443.50	1,075,849.66	726,345.06
Tax expenses (income)		(2,317,800.01)	1,389,424.65	(3,186,139.46)	704,777.81
		<u>24,496,602.75</u>	<u>72,187,594.13</u>	<u>18,689,746.29</u>	<u>68,899,975.13</u>
<b>(Increase) Decrease in portion of operating assets</b>					
Trade and other current receivables		(11,857,370.57)	(11,919,068.81)	(8,057,900.26)	(8,955,267.76)
Inventories		(995,653.00)	2,746,689.19	(437,418.18)	1,672,300.42
Capital lease receivables		1,021,542.96	(19,003,783.56)	0.00	0.00
Non-current non-cash financial assets pledged as collateral		3,010,000.00	(3,010,000.00)	3,010,000.00	(3,010,000.00)
Other assets		300,355.00	(27,287.84)	300,355.00	(88,427.84)
<b>Increase (Decrease) in portion of operating liabilities</b>					
Trade and other current payables		3,020,062.11	2,915,609.44	1,503,253.56	2,811,608.35
Others non-current liabilities		(66,710.31)	2,995,000.00	0.00	0.00

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

**STATEMENTS OF CASH FLOWS (Cont'd)**

FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2023	2022	2023	2022
Cash generated (paid) from operation		18,928,828.94	46,884,752.55	15,008,036.41	61,330,188.30
Employee benefit paid		(530,133.33)	0.00	(530,133.33)	0.00
Interest paid		(514,484.62)	(208,110.49)	(514,484.62)	(208,110.49)
Income tax paid		(6,044,164.00)	(5,914,680.09)	(5,274,824.45)	(5,387,528.33)
Income tax refunded		3,119,382.07	0.00	3,119,382.07	0.00
<b>Net cash provided by (used in) operating activities</b>		<b>14,959,429.06</b>	<b>40,761,961.97</b>	<b>11,807,976.08</b>	<b>55,734,549.48</b>
<b>Cash flows from investing activities</b>					
Proceeds from equity securities of other parties		0.00	130,664,562.16	0.00	130,664,562.16
Payments for acquire of equity securities of other parties		0.00	(10,000,000.00)	0.00	(10,000,000.00)
Payments for acquire of ordinary shares in associate		0.00	(145,050,000.00)	0.00	(145,050,000.00)
Payments for acquire of investment in subsidiaries		0.00	0.00	(5,600,000.00)	(3,499,980.00)
Proceeds from sales of equipment		1,543,801.31	5,652,028.20	1,308,401.31	5,231,130.92
Payments for equipment acquisition		(14,246,969.16)	(12,786,938.99)	(14,075,038.50)	(12,400,667.73)
Payments for right-of-use assets		(472,710.28)	(1,074,750.00)	(472,710.28)	(1,074,750.00)
Payments for other intangible assets acquisition other than goodwill		(1,507,200.00)	(61,950.00)	(1,507,200.00)	(61,950.00)
<b>Net cash provided by (used in) investing activities</b>		<b>(14,683,078.13)</b>	<b>(32,657,048.63)</b>	<b>(20,346,547.47)</b>	<b>(36,191,654.65)</b>
<b>Cash flows from financing activities</b>					
Bank overdrafts and short-term borrowings from financial institutions, increase (decrease)		6,635,745.21	7,741,711.57	6,635,745.21	7,741,711.57
Payments for lease liabilities		(4,509,504.10)	(3,271,391.36)	(4,509,504.10)	(3,271,391.36)
Payments for dividend		0.00	(19,711,597.00)	0.00	(19,711,597.00)
Proceeds from non-controlling interests		0.00	1,500,020.00	0.00	0.00
Payments for acquire of non-controlling interests		(5,600,000.00)	0.00	0.00	0.00
<b>Net cash provided by (used in) financing activities</b>		<b>(3,473,758.89)</b>	<b>(13,741,256.79)</b>	<b>2,126,241.11</b>	<b>(15,241,276.79)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(3,197,407.96)</b>	<b>(5,636,343.45)</b>	<b>(6,412,330.28)</b>	<b>4,301,618.04</b>
<b>Cash and cash equivalents as at the beginning of the year</b>		<b>35,252,439.44</b>	<b>40,888,782.89</b>	<b>26,279,941.09</b>	<b>21,978,323.05</b>
<b>Cash and cash equivalents as at the end of the year</b>	5	<b>32,055,031.48</b>	<b>35,252,439.44</b>	<b>19,867,610.81</b>	<b>26,279,941.09</b>

Notes to financial statements are parts of these financial statements



**QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**1. GENERAL INFORMATION**

- 1.1 Qualitech Public Company Limited (the Company) was registered as a company limited on February 11, 1991, with registration No. 0105534013647 and on December 12, 2007, the Company has changed its status to public company limited with registration No. 0107550000220 and is listed company in the Market for Alternative Investment (MAI) on June 9, 2009.
- 1.2 Head office is located at 21/3 Banplong Road, Maptaphut, Muang, Rayong and two branches office are, 1) at 50, Soi Pattanakarn 57, Prawet, Bangkok, and 2) at 83/50 Moo 10, Nongkham, Siracha, Chonburi.
- 1.3 The Company engaged in business of provides the technical services testing, inspection and certification for operation safety of industry equipment, pressure vessel, industrial boiler, piping and steel structures which is important for the production process, storage, transport of the products in power generating, petrochemical industry and construction to comply with industrial standard and the government laws.

**2. PREPARATION OF FINANCIAL STATEMENTS BASIS**

- 2.1 These financial statements have been prepared in accordance with Thai Financial Reporting Standards under the Accounting Professions Act B.E. 2547 and presented in accordance with the Notification of the Department of Business Development by the Ministry of Commerce dated December 26, 2019, regarding the condensed form should be included in the financial statements (No. 3) B.E. 2562 and the relevant regulations and announcements of the Securities and Exchange Commission.

The Company's financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

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

- 2.2 New Financial Reporting Standards

- 2.2.1 Financial reporting standards that became effective in the current year

The Federation of Accounting Professions has announced for adoption a number of revised financial reporting standards, which are effective for the financial statements for the fiscal year beginning on or after January 1, 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards.

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

2.2.2 Financial reporting standards that will become effective for the financial statements for fiscal year beginning on or after January 1, 2024

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

The management of the Group believes that these financial reporting standards does not have any significant impact on the Group's financial statements.

**3. CONSOLIDATED FINANCIAL STATEMENTS PREPARATION BASIS**

3.1 The consolidated financial statements incorporate the financial statements of the Company and subsidiaries which called as "the Group".

3.2 The consolidated financial statements have been prepared by including the financial statements of subsidiaries on which Qualitech Public Company Limited has ability to control in making financial and operating decisions until the controllable is ceased, and recognized investments in associate by using equity method as below :

	Registration in	Percentage of investment %		Type of business
		2023	2022	
<u>Subsidiaries</u>				
Qualitech Myanmar Company Limited.	Republic of the Union of Myanmar	80.00	80.00	Providing safety engineering services in Myanmar and engage in relevant business
Duwell Intertrade Co., Ltd.	Thailand	99.99	99.99	Providing materials and equipment for engineering services, inspection
Qualitech Solution Energy Company Limited	Thailand	99.99	70.00	Producing and distributing electricity from solar power or other sources of energy
<u>Associates</u>				
Property Aim Solutions Company Limited. (Note 9)	Thailand	0.00	0.00	Providing real estate management services both purchase and sale, rent and related real estate services
NGINDEX Co., Ltd. (Note 9)	Thailand	0.00	0.00	Artificial intelligence computer system Improve of information technology Research, development and design

- 3.3 The consolidated financial statements have been prepared in conformity with the same accounting policy for the same accounts and accounting events of the Company and subsidiaries.
- 3.4 The balance of accounts and transactions between Qualitech Public Company Limited and subsidiaries, unrealized gain between of the Company and net assets of subsidiaries have been eliminated from the consolidated financial statements.
- 3.5 Non-controlling interests

On May 13, 2023, the Board of directors' meeting No. 5/2023 passed the resolution to purchase additional investment in 149,999 ordinary shares of Qualitech Solution Energy Co., Ltd. at the price of Baht 37.33 per share, totaling Baht 5.60 million, equivalent to 29.99%. As a result, the Company's shareholding proportion in such subsidiary will increase from 70% to 99.99% (note 10).

From the purchase of investment in such subsidiary, as a result, the Company has a difference of changes in the proportion of investment in subsidiary as follows

	Unit: Baht
Net assets of subsidiary	<u>19,338,466.61</u>
Carrying value of net assets acquired (29.99%)	5,801,493.95
Payments for acquired investment from non-controlling interests	<u>(5,600,00.00)</u>
Difference from changes in investment proportion in subsidiary	<u><u>201,493.95</u></u>

- 3.6 According to the minutes of the Board of directors' meeting No. 4/2023 held on May 6, 2023, passed the resolution to approve the establishment another subsidiary with registered capital of Baht 10 million, for 100,000 ordinary shares with a par value of Baht 100 each, engaged in real estate management business, in which the Company acquired 99.998%.

On June 3, 2023, the Board of directors' meeting No. 6/2023, passed the resolution to approve the cancellation of a subsidiary because one of the directors who proposed to establish a subsidiary in order to engage such business, has already resigned from the director position of the Company.

#### **4. SUMMARY SIGNIFICANT ACCOUNTING POLICIES**

##### **4.1 Income and expenses recognition**

4.1.1 Revenues from services, the Group satisfied a performance obligation for the most of service contracts which recognized revenues from services on over time based on the period or completed work.

Revenues from services that have been recognized as income but are not yet due per contracts, have been presented under caption "Contract assts" in the statements of financial position.

4.1.2 Revenues from sales based on the consideration to which the Group expects to be entitled in a contract, are recognized when it satisfies a performance obligation, therefore revenues from sales are recognized at a point in time when the power of control of goods have been transferred to the customers. For sales contracts that are classified as capital leases, which the performance obligation in delivery of assets under the capital lease to customers is satisfied, the Company recognizes revenue from the sale of assets under capital leases in a point of time whenever the control of capital lease assets has been transferred to the customers.

4.1.3 Interest income under capital lease is gradually recognized on over time by using effective interest rate based on an accrual basis and systematically on over the relevant lease.

4.1.4 Dividend income is recognized when the shareholder's right to receive payment term.

4.1.5 Other income and expenses are recognized on an accrual basis.

#### 4.2 Cash and cash equivalents

Cash and cash equivalents included cash on hand and at bank of which the maturity is less than three months from the deposit date and without restriction on withdrawal.

#### 4.3 Trade receivables/contract assets

4.3.1 Trade receivables are stated at net realizable value/invoice less allowance for loss on financial assets.

4.3.2 The Group recognized the expected credit losses on its financial assets which measured at amortized cost, without requiring a credit-impaired event to have occurred prior to the recognition which a simplified approach to determine the lifetime expected credit losses.

#### 4.4 Other current financial assets

Investment in equity securities is measured at fair value through profit or loss, presented in statement of financial position at fair value. Changes in net fair value are recognized in profit of loss.

#### 4.5 Inventory

Supplies are valued at the lower of cost on a first - in first - out (FIFO) basis or net realizable value.

#### 4.6 Investment

4.6.1 Investments in subsidiaries and associate in separate financial statement are stated at cost less impairment of investments (if any).

4.6.2 Investments in associate in consolidated financial statements are stated value by using the equity method.

4.7 Property, plant and equipment

4.7.1 Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and provision for impairment of assets (if any). Cost of assets including the dismantlement, removal and restoration the site on which it is located, the obligation for which the Company incurs.

4.7.2 Building and equipment are depreciation on a straight-line basis over the estimated useful lives of the assets, and the depreciation charge has to be determined separately for each significant parts of property, plant and equipment with the cost that is significant in relation to the total cost of assets item. In addition, the entity is required to review the useful lives, residual value and depreciation method at least at each financial year-end.

The estimated useful lives of the assets are as follows :

	<u>Number of years</u>
Building	20
Building improvement	20
Office furniture and fixture	5
Tools and technical equipment	5
Office equipment	3, 5
Utilities system	5
Vehicles	5

Land and works under construction were not depreciated.

Except for parts of tools and technical equipment were depreciated on double declining balance method since such tools and technical equipment are made up of technology component. Such technology has greatly developed to be raised the efficiency all the time and the Company must use such tools and technical equipment for performing its work in the customers' office, thus, the tools and technical equipment may possible be obsolete or damage from the performance.

#### 4.8 Right-of-use assets / lease liabilities

##### Right-of-use assets

- 1) The Group recognized right-of-use assets at the commencement date. Right-of-use assets are stated at cost less any accumulated depreciation, provision for accumulated impairment, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred and the lease payments made at or before the commencement date, less any lease incentives received.
- 2) If it is reasonably certain to be exercised that the ownership of reference assets will be transferred the Group when the lease term is terminated. Depreciation of right-of-use is calculated by a straight-line basis from the commencement date until the termination date of the useful live of right-of-use assets or lease term termination date whichever is earlier.
- 3) The Group depreciated right-of-use assets by a straight-line basis on over the useful live of the right-of-use assets or the lease period as follows:

	<u>Number of years</u>
Vehicles	5

##### Lease liabilities

At the commencement date of the lease, the Group recognized lease liabilities at the present value of lease payments payable over the lease term, discounted by the interest rate implicit in the lease present value or the Group's incremental borrowing rate. 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 modification or reassessment.

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

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognized as expenses on a straight-line basis over the lease term.

#### 4.9 Goodwill

4.9.1 The Group initially recorded goodwill at cost, which equals to the excess of cost of business over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination the excess is immediately recognized as gain in profit or loss.

4.9.2 The Group carried goodwill at cost less any accumulated impairment losses and tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

#### 4.10 Other intangible assets other than goodwill

Intangible assets are valued at cost less accumulated amortization and provision for impairment of assets (if any). Amortization is determined on a straight-line basis 10 years.

	<u>Number of years</u>
Computer software	10
Assets in process were not amortization.	

#### 4.11 Impairment of assets - non-financial assets

The Group has considered the impairment of assets whenever events or changes indicated that the carrying amount of an assets exceeds its recoverable value (net selling price of the assets under current operation or its utilization value whichever is higher). The Group will consider the impairment for each asset item or each assets unit generating cash flows, whichever is practical. In case of the carrying amount of an asset exceeds its recoverable value, the Company will recognize an impairment in the statements of comprehensive income for the period. The Group will reverse the impairment loss whenever there is an indication that there is no longer impairment or reduction in impairment except for impairment lass recognized for goodwill is not reversed in a subsequent period.

#### 4.12 Transactions in foreign currencies

The Group records their transactions in foreign currencies converting into Thai Baht by using the exchange rates ruling on the transaction dates. The outstanding balances of accounts in foreign currencies as at the statements of financial position date are converted into Thai Baht by using the exchange rates ruling on the same date.

Gains or Loss on exchange rate are taken into income or expense in the results of operation.

#### 4.13 Financial instruments

##### Classification and measurement

- 1) The Group classifies financial assets, at the initial recognition, as to be subsequently measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss. The classification is derived by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.
- 2) The Group classifies financial liabilities, at the initial recognition, as to be measured at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortized cost using effective interest rate method. Gains or losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process. In determining amortized cost, the Group takes into account any fees or costs that are an integral part of the effective interest rate. The amortization of effective interest rate is included in finance costs in profit or loss.

##### Impairment of financial assets

The Group recognizes expected credit losses on its financial assets measured at amortized cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and effective interest rate applied at each stage. An exception from this approach is that for trade receivables or contract assets that do not contain a significant financing component, the Group applied a simplified approach to determine the lifetime expected credit losses.

#### 4.14 Related party transactions

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

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



#### 4.15 Employee benefits

##### 4.15.1 Provident Fund

The Group has established provident fund under the defined contribution plan. The fund's assets are separated entities which are administered by the outsider fund manager. The Company and employees made contribution into such provident fund. The Company's contribution payments to the provident fund were recorded as expenses in statements of comprehensive income in the period in which they are incurred.

##### 4.15.2 Post-employment benefits

The Group provide for post-employment benefits, payable to employees under the Thai Labor Law. The present value of employee benefit liabilities recognized in the statements of financial position is estimated on an actuarial basis using Projected Unit Credit Method of which calculated by the Independent Actuary by using Actuarial Technique. The calculation was made from determining the present value of future cash flows expected to be required to settle and determines discount rate by reference to market yield of government bonds should have terms to maturity approximately equal to the terms of such obligations. In determine the future cash flows expected to be required to settle is used from employees' salaries, turnover, length of services and other factors. Changes in actuarial gains or losses are recognized in the period in which they are incurred in other comprehensive income. Expenses related to employee benefits shall be recorded in profit or loss for sharing such expenses throughout the period of services rendering.

#### 4.16 Income tax and deferred tax

4.16.1 Income tax expense for the period comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income.

- Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized that it is probable that they will not utilize in the foreseeable future.

- 4.16.2 Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they adjust, using tax rates enacted or substantively enacted at the reporting date.
- 4.16.3 In determining the amount of current and deferred tax, the Group take into account the impact of uncertain tax positions and whether additional taxes and interest may be settled. The Group believe that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.
- 4.16.4 Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but the Group intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.
- 4.16.5 A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

#### 4.17 Provisions

The Group recognizes a provision when an entity has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits resources will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. If some or all the expenditure is required to settle a provision, is expected to be reimbursed when it is virtually certain that reimbursement will be received if the Group settle the obligation. The amount recognized should not exceed the amount of the provision.

#### 4.18 Measurement of fair values

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports directly to CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuation should be classified.

When measuring the fair value of an asset or a liability, the Group use market observable data as fair as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows :

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liabilities, either directly (i.e. as prices) or indirectly (i.e. observable prices).
- Level 3 : inputs are unobservable for the asset or liability.

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognized transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

#### 4.19 Significant accounting judgements and estimates

The preparation of financial statements in conformity with Thai 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:

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 groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Allowance for diminution in value of inventory

The determination of allowance for diminution in the value of inventory, requires management to make judgements and estimates. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business; and provision for obsolete, slow-moving and deteriorated inventories, is estimated based on the approximate useful life of each type of inventory.

Depreciation of plant and equipment / right-of-use assets

In determining depreciation of plant and equipment / right-of-use assets, the management is required to make estimates of the useful lives and residual values of the plant and equipment / right-of-use assets and to review estimate useful lives and residual values when there are any changes.

Amortization of intangible assets other than goodwill

To calculate the amortization of intangible assets, management is required to make an estimate of its useful life, and must be reconsidered if a change occurs.

Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized.

Allowance of impairment of assets

In testing of impairment of assets, the management requires to make judgment in estimating future cash flows or cash generating unit of assets including discount rate selection which are appropriate in calculating the valuation of that current cash flows.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plans and other long-term employee benefit plans are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

4.20 Earnings per share

Basic earnings per share is determined by dividing the profit (loss) for the year by the weighted average number of common shares issued and paid-up during the year.

**5. ADDITION DISCLOSURE OF STATEMENTS OF CASH FLOWS**

5.1 Cash and cash equivalents

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Cash	314,749.34	267,525.99	285,480.26	207,555.58
Cash at bank - current accounts	44,984.73	2,255,746.44	23,000.00	2,234,224.08
Cash at bank - savings deposit	31,695,297.41	32,729,167.01	19,559,130.55	23,838,161.43
Total	<u>32,055,031.48</u>	<u>35,252,439.44</u>	<u>19,867,610.81</u>	<u>26,279,941.09</u>

5.2 Non-cash transaction

Non-cash transaction for the year ended December 31, 2023 and 2022 are as follow :

	<u>Consolidated and Separate financial statements (Baht)</u>	
	<b>2023</b>	<b>2022</b>
Transfer equipment to be properties foreclosed	(752.88)	(1,167,191.74)
Transfer equipment to be other intangible assets other than goodwill	0.00	(610,396.43)
Transfer right-of-use assets to be equipment	(3,357,521.58)	(1,760,266.83)
Right-of-use assets under lease liabilities	8,486,178.05	3,224,250.00
Payables from acquire of equipment	996,516.93	935,979.99

**6. TRADE AND OTHER CURRENT RECEIVABLES**

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Trade accounts receivable	96,383,859.08	93,846,227.16	95,275,606.23	91,031,537.63
Other current receivables				
Prepaid expenses	8,546,040.43	4,886,289.66	8,499,427.34	4,815,788.48
Prepayment for purchase of goods	7,311,306.24	0.00	0.00	0.00
Employee welfare receivables	1,978,608.02	2,705,476.65	1,978,608.02	2,705,476.65
Others	3,056,287.35	4,005,136.95	2,186,137.65	1,311,748.22
Total	117,276,101.12	105,443,130.42	107,939,779.24	99,864,550.98
Less Allowance for expected credit losses - trade accounts receivable	(12,517,076.67)	(7,110,550.07)	(12,517,076.67)	(7,110,550.07)
Less Allowance for expected credit losses – other current receivables	(376,830.88)	0.00	(376,830.88)	0.00
Net	104,382,193.57	98,332,580.35	95,045,871.69	92,754,000.91

Billed trade accounts receivable separated on aging are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Undue trade accounts receivable	68,401,776.86	60,063,555.74	67,879,824.51	58,386,340.82
Overdue trade accounts receivable				
- Less than 3 months	13,326,146.72	24,809,194.82	12,888,515.22	24,036,055.21
- Over 3 months to 6 months	3,566,088.21	2,842,822.10	3,426,728.21	2,478,487.10
- Over 6 months to 9 months	904,131.20	139,163.00	894,822.20	139,163.00
- Over 9 months to 12 months	790,862.15	89,924.00	790,862.15	89,924.00
- Over 12 months	9,394,853.94	5,901,567.50	9,394,853.94	5,901,567.50
Total	96,383,859.08	93,846,227.16	95,275,606.23	91,031,537.63

For the year ended December 31, 2023 and 2022, movements of allowance for expected credit losses of trade and other current receivables are as follows:

	<b>Consolidated and Separate financial Statements (Baht)</b>	
	<b>2023</b>	<b>2022</b>
Carrying value as at January 1	7,110,550.07	19,390,765.04
Less Reversal of expected credit losses	0.00	(8,817,753.07)
Less Write-off bad debt	(447,945.36)	(4,129,579.89)
Add Expected credit losses increased	<u>5,854,471.96</u>	<u>667,117.99</u>
Carrying value as at December 31	<u>12,517,076.67</u>	<u>7,110,550.07</u>

## 7. CONTRACT ASSETS

### 7.1 Balance under contracts

	<b>Consolidated financial statements (Baht)</b>		<b>Separate financial statements (Baht)</b>	
	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Contract assets	58,069,602.82	63,051,312.45	58,124,187.87	63,065,526.37
Less Allowance for expected credit losses	<u>(3,173,334.59)</u>	<u>(4,529,360.59)</u>	<u>(3,173,334.59)</u>	<u>(4,529,360.59)</u>
Net	<u>54,896,268.23</u>	<u>58,521,951.86</u>	<u>54,950,853.28</u>	<u>58,536,165.78</u>
Retention receivable under contracts	5,033,595.84	4,134,008.78	5,033,595.84	4,134,008.78
Less Allowance for expected credit losses	<u>(2,478,385.64)</u>	<u>(2,478,385.64)</u>	<u>(2,478,385.64)</u>	<u>(2,478,385.64)</u>
Net	<u>2,555,210.20</u>	<u>1,655,623.14</u>	<u>2,555,210.20</u>	<u>1,655,623.14</u>
Total	<u>57,451,478.43</u>	<u>60,177,575.00</u>	<u>57,506,063.48</u>	<u>60,191,788.92</u>

### 7.2 Revenues expected to recognize for incomplete performance obligations

As at December 31, 2023 and 2022, the Group expects to have revenues to be recognize in the future for unsatisfied performance obligations (or partial) of contracts with customers in the amount of Baht 132.67 million and Baht 130.33 million respectively (Separate : Baht 132.67 million and Baht 130.33 million respectively). The Group expects to satisfy this performance obligation to be completed within 1 year (Separate : 1 year).

**8. CAPITAL LEASE RECEIVABLES**

	<b>Consolidated financial statements (Baht)</b>	
	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Capital lease receivables		
- Due within 1 year	2,386,272.40	2,455,803.84
- Due over 1year to 5 years	8,974,453.86	8,936,542.30
- Due over 5 years to 15 years	20,151,001.20	22,408,790.19
Total	31,511,727.46	33,801,136.33
Less Deferred interest income	(13,529,486.86)	(14,797,352.77)
Capital lease receivables - net	17,982,240.60	19,003,783.56
Less Current portion due within 1 year	(803,990.12)	(845,717.99)
Net	17,178,250.48	18,158,065.57

Capital lease receivables are derived from the sale of electricity current generated from solar power generation equipment in the premises of the electricity current purchaser. The purchaser agrees to enter into a power purchase contract by paying monthly electricity current purchase fees to the subsidiary at the rate specified in the contract, for a period of 15 years, The generating and sale of electricity current commenced in October 2022. At the termination of the contract, the subsidiary agreed to transfer the ownership of the solar power generation equipment to the buyer in the price of Baht 100.00. The management of the subsidiary considered the substance of the power sale contract, found that the contract consisted of a lease and characterized as a capital lease.

Transactions relating to capital leases for the year ended December 31, 2022 are as follows:

	<b>Consolidated financial statements (Baht) 2022</b>
Revenues from sale of assets under capital lease	18,900,000.00
Cost of assets sold under capital lease	(17,305,000.00)
Gains on sale of assets	1,595,000.00
Interest income realized for the year	410,283.06



**9. INVESTMENTS IN ASSOCIATES**

Company's name	Type of business	Relationship	Paid-up share capital (Baht)		Percentage of shareholding		Consolidated financial statements (Baht)		Separate financial statements (Baht)	
			September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
			Carrying amounts under equity method		Cost method					
Property Aim Solutions Company Limited.	Providing real estate management services both purchase and sale, rent and related real estate services	The Company held 49.00% share capital, Shareholders and directorship	3,000,000.00	49.00	49.00	0.00	122,935,115.86	144,550,000.00	144,550,000.00	144,550,000.00
NGINDEX Co., Ltd.	Artificial intelligence computer system, Improvement of information technology, research, development, design	The Company held 40.00% share capital, Common directors	1,250,000.00	40.00	40.00	0.00	0.00	500,000.00	500,000.00	500,000.00
	Total		0.00			0.00	122,935,115.86	145,050,000.00	145,050,000.00	145,050,000.00
	Less Provision for impairment of investment		0.00			0.00	0.00	(145,050,000.00)	(18,583,723.23)	(18,583,723.23)
	Net		0.00			0.00	122,935,115.86	0.00	126,466,276.77	126,466,276.77

9.1 Property Aim Solutions Company Limited.

- According to the minutes of the Board of directors' meeting No. 6/2022 held on August 1, 2022, passed the resolution to approve the Company to acquire ordinary shares from the shareholders of Property Aim Solutions Co., Ltd., for 14,700 shares (at par value of Baht 100 each) equivalent to 49% of total share capital. Total acquisition price of Baht 144.55 million by gradually paid in 3 installments and on September 23, 2022, the Company has already paid for ordinary shares acquisition in full.
- According to the minutes of the Board of directors' meeting No. 7/2023 held on July 7, 2023, the Board of directors has been informed of the incident with an associate (Property Aim Solutions Company Limited) as following; 1) the associate lacks financial liquidity and is unable to pay salaries to all employees. As a result, some employees complained to the Department of Labor Protection and Welfare for requesting the payment of unpaid salaries and the employees stopped working. Discontinuation of employees may cause the customer to terminate the employment contract and claim damages, 2) three members of the Board of directors of the associate have resigned from their position due to conflicts in the management, and 3) the associate has already ceased to operate its business. Therefore, the management of the Company deems that these incidents may result to the associate is unable to operate its business as a going concern, then allowance for impairment loss on investment in associate is provided in full.
- Subsequently, on August 8, 2023, the Board of directors' meeting No. 8/2023, passed the resolution to offer investment in all associate for 14,700 shares at totaling price of Baht 1 because the Company was unable to solve any problems in the associates and assigned the Executive Committee as the authority to sell shares investment in the associates.

On October 27, 2023, the Company has sold its investment in associate to the individual in the price of Baht 1 and recognized loss on sale of investment in associate amounting to Baht 122.94 million and Baht 126.47 million in the consolidated and separate financial statements, respectively.

- The financial statements for the year ended December 31, 2022 of above associate have been taken for preparing the consolidated financial statements were audited by the auditor.

	<b>Consolidated financial statements</b>	
	<b>(Baht)</b>	
	<b>2023</b>	<b>2022</b>
Total assets	0.00	48,452,435.64
Total liabilities	0.00	47,949,621.08
Total revenues for the year	0.00	174,158,051.33
Total comprehensive income (expense)	0.00	(7,983,156.17)

## 9.2 NGINDEX Co., Ltd.

- NGINDEX Co., Ltd. was established on August 4, 2022 with registered share capital of Baht 5 million (divided into 50,000 ordinary shares at a par value of Baht 100 each) by calling and receiving payment for establishment of 25% of the par value of which the Company has acquired 20,000 shares, representing 40% of total number of share capital.
- According to the minutes of the Boards of directors' meeting No.1/2023 held on February 3, 2023, passed the resolution to withdraw shares investment in NGINDEX Co., Ltd. due to the failure of business operation as plan and conflicts with the other shareholders.

On October 5, 2023, NGINDEX Co., Ltd. has registered its dissolution and completely registered the liquidation on December 13, 2023.

**10. INVESTMENTS IN SUBSIDIARIES**

Company's name	Type of business	Relationship	Paid-up share capital	Percentage of shareholding		Separate financial statements (Baht)	
				December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
				Cost price			
Qualitech Myanmar Company Limited	Providing safety engineering services in Myanmar and engage in relevant business	The Company held 80.00% share capital, has common director and management	200,000 USD	80.00	80.00	5,323,600.00	5,323,600.00
Duwell Intertrade Company Limited	Sales of materials and equipment use in engineering services, inspection	The Company held 99.99% share capital, has common director and management	9,930,000 Baht	99.99	99.99	14,413,500.00	14,413,500.00
Qualitech Solution Energy Company Limited	Producing and distributing electricity from solar power or other sources of energy	The Company held 99.99% share capital, has common director and management	17,500,000 Baht	99.99	70.00	17,849,930.00	12,249,930.00
Total						37,587,030.00	31,987,030.00
Less Provision for impairment of investment in Qualitech Myanmar Company Limited						(5,323,600.00)	(5,323,600.00)
Net						32,263,430.00	26,663,430.00

10.1 Qualitech Solution Energy Company Limited

- During the second quarter of 2022, subsidiary called for and received the additional payment for share capital another 10% of the par value, amounting to Baht 5 million, total paid-up share capital amounted to Baht 17.50 million (500,000 ordinary shares of Baht 35 each).
- On May 13, 2023, the Board of directors' meeting No. 5/2023, passed the resolution to purchase additional investment in 149,999 ordinary shares of Qualitech Solution Energy Co., Ltd. at the price of Baht 37.33 per share, totaling Baht 5.60 million, equivalent to 29.99%. As a result, the Company's shareholding proportion in such subsidiary from 70% to 99.99%, of which the Company has already purchased investment on June 2, 2023.

10.2 The financial statements for the year ended December 31, 2023 and 2022 of above subsidiaries have been taken for preparing the consolidated financial statements were audited by the auditor.

**11. PROPERTY, PLANT AND EQUIPMENT**

**Consolidated financial statements (Baht)**

	Land	Building	Building improvement	Other furniture and fixtures	Tools and technical equipment	Office equipment	Utilities system	Vehicles	Assets under construction	Total
Assets - cost :										
As at January 1, 2022	47,981,180.48	62,237,904.91	20,274,070.86	10,976,363.62	212,885,000.54	16,237,833.43	2,746,683.78	46,260,081.01	1,410,343.03	421,009,461.66
Acquisition	0.00	0.00	0.00	475,831.66	8,845,270.78	3,020,701.06	0.00	56,052.81	1,128,875.00	13,526,731.31
Transfer from right-of-use assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,411,233.66	0.00	2,411,233.66
Transfer to other intangible assets other than goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(610,396.43)	(610,396.43)
Disposal	0.00	0.00	(333,891.11)	(299,076.78)	(17,990,189.33)	(2,158,678.78)	0.00	(3,913,430.59)	(1,152,828.92)	(25,848,095.51)
Inter-transaction transfer	0.00	0.00	0.00	31,970.00	(50,964.39)	18,994.39	0.00	0.00	0.00	0.00
As at December 31, 2022	47,981,180.48	62,237,904.91	19,940,179.75	11,185,088.50	203,689,117.60	17,118,850.10	2,746,683.78	44,813,936.89	775,992.68	410,488,934.69
Acquisition	0.00	0.00	483,200.00	541,347.39	5,976,267.17	2,185,187.66	88,491.20	60,350.00	3,558,970.71	12,893,814.13
Transfer from right-of-use assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,888,962.61	0.00	4,888,962.61
Disposal	0.00	0.00	(2,870,635.05)	(244,085.53)	(7,487,862.54)	(1,547,748.99)	0.00	(6,018,804.68)	(264,557.87)	(18,433,694.66)
Inter-transaction transfer	0.00	0.00	3,138,905.05	68,438.86	770,539.91	92,521.70	0.00	0.00	(4,070,405.52)	0.00
As at December 31, 2023	47,981,180.48	62,237,904.91	20,691,649.75	11,550,789.22	202,948,062.14	17,848,810.47	2,835,174.98	43,744,444.82	0.00	409,838,016.77
Accumulated depreciation :										
As at January 1, 2022	0.00	26,286,201.87	8,230,656.80	10,258,477.45	175,176,505.77	13,445,457.97	2,263,217.06	26,121,641.66	0.00	261,782,158.58
Depreciation for the year	0.00	2,925,387.83	983,935.18	277,767.85	13,259,229.11	1,799,514.49	136,126.90	904,309.16	0.00	20,286,270.52
Transfer from right-of-use assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	650,966.83	0.00	650,966.83
Depreciation - write off	0.00	0.00	(333,888.11)	(286,368.76)	(11,319,549.41)	(2,031,123.94)	0.00	(3,502,466.66)	0.00	(17,473,396.88)
Inter-transaction transfer	0.00	0.00	0.00	31,965.00	(50,954.39)	18,989.39	0.00	0.00	0.00	0.00
As at December 31, 2022	0.00	29,211,589.70	8,880,703.87	10,281,841.54	177,065,231.08	13,232,837.91	2,399,343.96	24,174,450.99	0.00	265,245,999.05
Depreciation for the year	0.00	2,925,387.83	1,406,498.13	353,904.50	11,574,841.17	2,157,017.26	118,206.71	4,662,951.08	0.00	23,198,806.68
Transfer from right-of-use assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,531,441.03	0.00	1,531,441.03
Depreciation - write off	0.00	0.00	(401,183.98)	(240,417.01)	(7,013,488.16)	(1,525,614.26)	0.00	(1,672,958.64)	0.00	(10,853,662.05)
As at December 31, 2023	0.00	32,136,977.53	9,886,018.02	10,395,329.03	181,626,584.09	13,864,240.91	2,517,550.67	28,695,884.46	0.00	279,122,584.71
Net book value										
As at December 31, 2022	47,981,180.48	33,026,315.21	11,059,475.88	903,246.96	26,623,886.52	3,886,012.19	347,339.82	20,639,485.90	775,992.68	145,242,935.64
As at December 31, 2023	47,981,180.48	30,100,927.38	10,805,631.73	1,155,460.19	21,321,478.05	3,984,569.56	317,624.31	15,048,560.36	0.00	130,715,432.06

**11. PROPERTY, PLANT AND EQUIPMENT (Cont'd)**

	Separate financial statements (Baht)									
	Land	Building	Building improvement	Other furniture and fixtures	Tools and technical equipment	Office equipment	Utilities system	Vehicles	Assets under construction	Total
Assets - cost :										
As at January 1, 2022	47,981,180.48	56,851,858.52	19,989,926.33	10,879,848.78	211,726,125.75	16,003,760.07	2,226,683.78	47,843,445.71	5,421,825.00	418,924,654.42
Acquisition	0.00	0.00	0.00	306,625.61	4,032,268.40	1,168,187.22	0.00	130,100.00	1,997,365.42	7,634,546.65
Transfer from right-of-use assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,249,000.00	0.00	1,249,000.00
Transfer to other intangible assets other than goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(610,396.43)	(610,396.43)
Disposal	0.00	0.00	(49,746.58)	(284,646.98)	(17,602,474.76)	(2,114,457.98)	0.00	(3,913,430.59)	(1,152,828.92)	(25,117,585.81)
Inter-transaction transfer	0.00	0.00	0.00	31,970.00	(50,964.39)	18,994.39	0.00	0.00	0.00	0.00
As at December 31, 2022	47,981,180.48	62,237,904.91	19,940,179.75	11,144,934.28	202,394,171.92	16,905,321.27	2,746,683.78	44,364,104.37	775,992.68	408,490,473.44
Acquisition	0.00	0.00	483,200.00	535,055.39	5,936,569.04	2,059,247.13	88,491.20	60,350.00	3,558,970.71	12,721,883.47
Transfer from right-of-use assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,888,962.61	0.00	4,888,962.61
Disposal	0.00	0.00	(2,870,635.05)	(244,085.53)	(7,295,062.54)	(1,547,748.99)	0.00	(6,018,804.68)	(264,557.87)	(18,240,894.66)
Inter-transaction transfer	0.00	0.00	3,138,905.05	68,438.86	770,539.91	92,521.70	0.00	0.00	(4,070,405.52)	0.00
As at December 31, 2023	47,981,180.48	62,237,904.91	20,691,649.75	11,504,343.00	201,806,218.33	17,509,341.11	2,835,174.98	43,294,612.30	0.00	407,860,424.86
Accumulated depreciation :										
As at January 1, 2022	0.00	26,286,201.87	7,946,513.27	10,237,635.22	174,876,982.39	13,353,792.84	2,263,217.06	26,016,189.36	0.00	260,980,532.01
Depreciation for the year	0.00	2,925,387.83	983,935.18	268,116.03	12,981,070.69	1,755,893.33	136,126.90	814,342.86	0.00	19,864,872.82
Transfer from right-of-use assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	650,966.83	0.00	650,966.83
Depreciation - write off	0.00	0.00	(49,744.58)	(271,943.96)	(11,279,022.09)	(1,990,387.25)	0.00	(3,502,466.66)	0.00	(17,093,564.54)
Inter-transaction transfer	0.00	0.00	0.00	31,965.00	(50,954.39)	18,989.39	0.00	0.00	0.00	0.00
As at December 31, 2022	0.00	29,211,589.70	8,880,703.87	10,265,772.29	176,528,076.60	13,138,288.31	2,399,343.96	23,979,032.39	0.00	264,402,807.12
Depreciation for the year	0.00	2,925,387.83	1,406,498.13	344,341.14	11,325,430.57	2,095,343.10	118,206.71	4,572,984.78	0.00	22,788,192.26
Transfer from right-of-use assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,531,441.03	0.00	1,531,441.03
Depreciation - write off	0.00	0.00	(401,183.98)	(240,417.01)	(6,902,768.73)	(1,525,614.26)	0.00	(1,672,958.64)	0.00	(10,742,942.62)
As at December 31, 2023	0.00	32,136,977.53	9,886,018.02	10,369,696.42	180,950,738.44	13,708,017.15	2,517,550.67	28,410,499.56	0.00	277,979,497.79
Net book value										
As at December 31, 2022	47,981,180.48	33,026,315.21	11,059,475.88	879,161.99	25,866,095.32	3,767,032.96	347,339.82	20,385,071.98	775,992.68	144,087,666.32
As at December 31, 2023	47,981,180.48	30,100,927.38	10,805,631.73	1,134,646.58	20,855,479.89	3,801,323.96	317,624.31	14,884,112.74	0.00	129,880,927.07

As at December 31, 2023 and 2022, assets at cost of Baht 218.65 million and Baht 218.21 million respectively, in the consolidated financial statements, and Baht 218.35 million and Baht 217.93 million respectively, in the separate financial statements which were fully depreciated but are still in operation.

As at December 31, 2023 and 2022, land with its construction at cost of Baht 61.56 million and Baht 36.94 million in the consolidated and separate financial statements are mortgaged as collateral against overdrafts line amount of Baht 30 million, bills credit limit of Baht 60 million and letter of guarantee line amount of Baht 30 million.

## 12. RIGHT-OF-USE ASSETS

	<b>Consolidated and Separate financial statements (Baht)</b>		
	<b>Vehicles</b>	<b>Building space</b>	<b>Total</b>
Assets - cost :			
As at January 1, 2022	16,012,448.63	0.00	16,012,448.63
Acquisition	4,299,000.00	0.00	4,299,000.00
Transfer to property, plant and equipment	(2,411,233.66)	0.00	(2,411,233.66)
As at December 31, 2022	17,900,214.97	0.00	17,900,214.97
Acquisition	7,752,477.75	1,106,809.62	8,859,287.37
Transfer to property, plant and equipment	(4,888,962.61)	0.00	(4,888,962.61)
Disposal	0.00	(1,106,809.62)	(1,106,809.62)
As at December 31, 2023	20,763,730.11	0.00	20,763,730.11
Accumulated depreciation :			
As at January 1, 2022	1,908,244.99	0.00	1,908,244.99
Depreciation for the year	1,989,068.72	0.00	1,989,068.72
Transfer to property, plant and equipment	(650,966.83)	0.00	(650,966.83)
As at December 31, 2022	3,246,346.88	0.00	3,246,346.88
Depreciation for the year	2,673,661.52	184,468.26	2,858,129.78
Transfer to property, plant and equipment	(1,531,441.03)	0.00	(1,531,441.03)
Depreciation - write off	0.00	(184,468.26)	(184,468.26)
As at December 31, 2023	4,388,567.37	0.00	4,388,567.37
Net book value			
As at December 31, 2022	14,653,868.09	0.00	14,653,868.09
As at December 31, 2023	16,375,162.74	0.00	16,375,162.74

As at December 31, 2023 and 2022 vehicles at cost of Baht 20.76 million and Baht 17.90 million in the consolidated and separate financial statements which is still pending the payment under the leases (note 19).



### 13. GOODWILL

Subsidiary considers the recoverable value of cash generating units of assets from value in use of assets by assessing the expected future cash inflows based on financial projections, which have been approved by management.

The significant assumption used in calculating the value in use of assets are summarized as follows:

(Unit: % per annum)

	<b>2024 - 2027</b>
Growth rate	7.98
Discounted rate before tax	6.73

Management considers the growth rates based on historical performance and market growth forecasts, and discount rates are pre-tax rates that reflect the risks characteristic of the segment. Management believes that goodwill does not incur impairment

**14. OTHER INTANGIBLE ASSETS OTHER THAN GOODWILL**

	Consolidated and Separate financial statements (Baht)					
	Computer software		Assets in progress			Total
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Intangible assets - cost ::						
Beginning balance	5,218,405.48	4,567,759.05	0.00	0.00	5,218,405.48	4,567,759.05
Increase	107,200.00	672,346.43	1,820,000.00	0.00	1,927,200.00	672,346.43
Disposal	(120,500.00)	(21,700.00)	0.00	0.00	(120,500.00)	(21,700.00)
Ending balance	7,025,105.48	5,218,405.48	1,820,000.00	0.00	7,025,105.48	5,218,405.48
Accumulated amortization :						
Beginning balance	3,133,112.76	2,729,796.63	0.00	0.00	3,133,112.76	2,729,796.63
Amortization for the year	392,468.54	403,316.13	0.00	0.00	392,468.54	403,316.13
Ending balance	3,525,581.30	3,133,112.76	0.00	0.00	3,525,581.30	3,133,112.76
Net intangible assets value						
Beginning balance	2,085,292.72	1,837,962.42	0.00	0.00	2,085,292.72	1,837,962.42
Ending balance	1,679,524.18	2,085,292.72	1,820,000.00	0.00	3,499,524.18	2,085,292.72

**15. DEFERRED TAX ASSETS**

	Consolidated financial statements (Baht)						
	Recognize as (expenses) income in			Recognize as (expenses) income in			
	As at January 1, 2022	Profit or loss (Note 23.2)	Other comprehensive Income (Note 23.4)	As at December 31, 2022	Profit or loss (Note 23.2)	Other comprehensive Income (Note 23.4)	
Trade accounts receivable (allowance for expected credit loss)	354,447.77	73,180.71	0.00	427,628.48	377,219.55	0.00	804,848.03
Contract assets (allowance for expected credit loss)	342,827.04	(70,431.29)	0.00	272,395.75	(68,350.33)	0.00	204,045.42
Investments in associate (provision for impairment)	0.00	1,117,625.12	0.00	1,117,625.12	(1,117,625.12)	0.00	0.00
Other non-current assets (provision for impairment)	686.03	69,508.88	0.00	70,194.91	3,880.13	0.00	74,075.04
Provisions for employee benefit	1,464,516.22	112,897.81	(363,425.83)	1,213,988.20	280,132.19	45,295.02	1,539,415.41
Deficit from operations	1,066,844.82	(1,066,844.82)	0.00	0.00	3,706,115.42	0.00	3,706,115.42
Total	3,229,321.88	235,936.41	(363,425.83)	3,101,832.46	3,181,371.84	45,295.02	6,328,499.32
	Separate financial statements (Baht)						
	Recognize as (expenses) income in			Recognize as (expenses) income in			
	As at January 1, 2022	Profit or loss (Note 23.2)	Other comprehensive Income (Note 23.4)	As at December 31, 2022	Profit or loss (Note 23.2)	Other comprehensive Income (Note 23.4)	As at December 31, 2023
Trade accounts receivable (allowance for expected credit loss)	354,447.77	73,180.71	0.00	427,628.48	377,219.55	0.00	804,848.03
Contract assets (allowance for expected credit loss)	342,827.04	(70,431.29)	0.00	272,395.75	(68,350.33)	0.00	204,045.42
Investments in associate (provision for impairment)	0.00	1,117,625.12	0.00	1,117,625.12	(1,117,625.12)	0.00	0.00
Investments in subsidiaries (provision for impairment)	219,044.65	101,116.65	0.00	320,161.30	22,146.18	0.00	342,307.48
Other non-current assets (provision for impairment)	686.03	69,508.88	0.00	70,194.91	3,880.13	0.00	74,075.04
Provisions for employee benefit	1,448,853.53	111,485.39	(363,425.83)	1,196,913.09	262,753.63	53,574.02	1,513,240.74
Deficit from operations	1,066,844.82	(1,066,844.82)	0.00	0.00	3,706,115.42	0.00	3,706,115.42
Total	3,432,703.84	335,640.64	(363,425.83)	3,404,918.65	3,186,139.46	53,574.02	6,644,632.13

**16. OTHER NON-CURRENT ASSETS**

	<b>Consolidated and Separate financial statements (Baht)</b>	
	<b>December 31,</b>	<b>December 31,</b>
	<b>2023</b>	<b>2022</b>
Properties foreclosed	1,152,359.82	1,167,191.74
Others	511,158.66	811,508.66
Total	1,663,518.48	1,978,700.40
Less Provisions for impairment of assets	(1,152,359.82)	(1,167,191.74)
Net	511,158.66	811,508.66

**17. BANK OVERDRAFTS AND SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS.**

	<b>Consolidated and Separate financial statements (Baht)</b>	
	<b>December 31,</b>	<b>December 31,</b>
	<b>2023</b>	<b>2022</b>
Bank overdrafts	14,377,456.78	0.00
short-term borrowings	0.00	7,741,711.57
Total	14,377,456.78	7,741,711.57

17.1 As at December 31, 2023, the Group has an overdraft facility with a bank amount of Baht 30 million at the interest rate of MOR-1.75% per annum, guaranteed by mortgaging land with its construction (note 11).

17.2 As at December 31, 2022, the Group had borrowings from a bank of Baht 7.41 million in the consolidated and separate financial statements, by discounted bills of exchange, at the interest rate of average MLR-1.8425% per annum, guaranteed by transferring the right to claim the payment from trade receivables (note 6) and pledging the right to receive the fixed deposit of the said bank.

**18. TRADE AND OTHER CURRENT PAYABLES**

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Trade accounts payable	24,609,737.45	15,988,907.48	24,977,958.07	17,728,386.97
Other current payables				
Accrued expenses	16,412,182.57	21,886,541.38	15,818,388.60	21,190,566.05
Revenue Department payable	2,648,571.75	3,166,233.02	2,591,206.79	3,110,151.83
Assets payables	634,263.90	1,630,780.83	634,263.90	1,630,780.83
Others	625,126.85	233,874.63	355,521.45	210,716.50
Total	<u>44,929,882.52</u>	<u>42,906,337.34</u>	<u>44,377,338.81</u>	<u>43,870,602.18</u>

**19. LEASE LIABILITIES**

19.1 Lease liabilities excluded future interest expenses as follows :

	<b>Consolidated and Separate financial statements (Baht)</b>	
	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Hire purchase payable	10,522,223.00	6,820,166.00
Less Future interest expenses of financial lease	<u>(852,863.88)</u>	<u>(190,586.87)</u>
Total	9,669,359.12	6,629,579.13
Less Current portion of long-term liabilities	<u>(3,389,118.07)</u>	<u>(3,185,562.40)</u>
Net	<u>6,280,241.05</u>	<u>3,444,016.73</u>

19.2 The Group's right-of-use assets at cost are being made the payment under the aforementioned lease as follows:

	<b>Consolidated and Separate financial statements (Baht)</b>	
	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Vehicles	<u>20,763,730.11</u>	<u>17,900,214.97</u>

**20. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT**

20.1 The Group had an employee benefit obligation based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service and long-term service awards.

20.2 The defined benefit plans expose the Company and subsidiaries to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

20.3 Non-current provisions for employee benefit in statement of financial position are as follows:

	Consolidated financial statements		Separate financial statements	
	(Baht)		(Baht)	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Beginning balance	20,009,067.38	23,706,061.70	19,902,113.23	23,627,748.24
<b>Recognized in other comprehensive income</b>				
(Gains) loss on remeasurement of defined benefit plans	791,793.53	(6,042,996.83)	833,188.51	(6,042,996.83)
<b>Recognized in profit or loss</b>				
Current service costs and interest	3,394,216.38	2,346,002.51	3,328,902.20	2,317,361.82
Employee benefits decrease	(530,133.33)	0.00	(530,133.33)	0.00
Ending balance	<u>23,664,943.96</u>	<u>20,009,067.38</u>	<u>23,534,070.61</u>	<u>19,902,113.23</u>

20.4 Principal actuarial assumptions at the reporting date are as follows :

	Consolidated financial statements (%)		Separate financial statements (%)	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	Discount rate	2.76 – 3.26	2.82 – 3.18	2.76
Salary increase rate	4	4	4	4

20.5 Assumptions regarding future mortality are based on published statistics and Thailand Mortality Ordinary Life table 2017 (“TMO17”).

## 20.6 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation as at December 31, 2023 by the amounts shown below :

	<b>Consolidated financial statements (Baht)</b>		<b>Separate financial statements (Baht)</b>	
	<b>Increase</b>	<b>Decrease</b>	<b>Increase</b>	<b>Decrease</b>
Discount rate (0.5% movement)	(1,309,921.89)	1,419,385.11	(1,298,508.57)	1,406,726.25
Salary increase rate (0.5% movement)	1,263,420.49	(1,179,047.01)	1,251,902.07	(1,168,546.02)
Turnover rate (10% movement)	(1,448,139.37)	1,592,700.04	(1,433,515.41)	1,575,987.40

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

## 21. LEGAL RESERVE

By virtue of the Public Company Limited Act, the Company is required to set aside the reserve as a legal reserve at least 5% of its annual net income after deduction of the deficit brought forward (if any) until the reserve reach 10% of authorized share capital. The reserve is not available for dividend distribution.

## 22. DIVIDEND PAID

According to the annual general shareholders' meeting for the year 2022 held on April 5, 2022, passed the resolution to pay dividend from profit for the year 2021 to the shareholders at Baht 0.20 per share, amount of Baht 19.71 million in which the Company has fully paid such dividend on April 28, 2022.

## 23. INCOME TAX

### 23.1 The calculation of current income taxes

The Company calculated corporate income tax at the rate of 20% of profit (loss) before deducting with tax expenses and added back other expenses which shall not be allowed as expenses in tax calculation (if any) except the exempted profit derived from promoted activities (note 29).

23.2 Income tax recognized in profit or loss for the year ended December 31, 2023 and 2022 are as follows:

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2023	2022	2023	2022
Current income tax				
For the current year	863,571.83	1,625,361.06	0.00	1,040,418.45
Deferred tax				
Changes in temporary differences	<u>(3,181,371.84)</u>	<u>(235,936.41)</u>	<u>(3,186,139.46)</u>	<u>(335,640.64)</u>
Total tax expense (income)	<u><u>(2,317,800.01)</u></u>	<u><u>1,389,424.65</u></u>	<u><u>(3,186,139.46)</u></u>	<u><u>704,777.81</u></u>

23.3 Reconciliation for effective income tax rate for the year ended December 31, 2023 and 2022 are as follows:

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2023	2022	2023	2022
Profit (loss) before income tax	(143,454,106.68)	19,370,966.44	(152,429,143.75)	19,004,726.78
Income tax rate (%)	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>
Income tax	(28,690,821.34)	3,874,193.29	(30,485,828.75)	3,800,945.36
Prohibited taxable expenses	29,161,987.74	7,652,013.57	29,836,638.22	3,238,459.84
Additional taxable expenses	(460,897.92)	(407,542.86)	(256,115.54)	(356,778.73)
Exempted income	(334,488.25)	(3,862,056.61)	0.00	0.00
Additional taxable income	545,708.97	91,328.69	0.00	0.00
Accumulated losses from operation	(112,186.57)	(1,247,201.04)	0.00	(1,247,201.04)
Effects from elimination with subsidiaries	8,328.19	19,337.23	0.00	0.00
Promoted profit				
- Tax exemption	(2,435,430.83)	(4,108,835.87)	(2,280,833.39)	(3,830,609.99)
- Tax rate deduction	<u>0.00</u>	<u>(900,037.63)</u>	<u>0.00</u>	<u>(900,037.63)</u>
Total income tax	<u><u>(2,317,800.01)</u></u>	<u><u>1,389,424.65</u></u>	<u><u>(3,186,139.46)</u></u>	<u><u>704,777.81</u></u>
Effective income tax rate (%)	2	7	2	4



23.4 Income tax recognized in other comprehensive income for the year ended December 31, 2023 and 2022 are as follow:

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2023	2022	2023	2022
Gains (loss) on remeasurement of defined benefit plans	791,793.53	6,042,996.83	833,188.51	6,042,996.83
Share of other comprehensive income of associate	0.00	580,101.04	0.00	0.00
Tax (income) expenses	(45,295.02)	(363,425.83)	(53,574.02)	(363,425.83)
Net of tax	746,498.51	6,259,672.04	779,614.49	5,679,571.00

## 24. TRANSACTIONS WITH RELATED PERSONS AND PARTIES

Part of the Group's assets, liabilities, revenues and expenses arose from transaction with persons and related parties. Those transactions are based on the conditions as the group of companies concerned and in the normal course of business as detailed following :

### 24.1 General information

Name	Relationship	Description	Pricing policy
<u>Subsidiaries</u>			
Qualitech Myanmar Company Limited	The Company held 80% share capital, has common director and management	Income - wages	Close to market value
		Income - management service fee	At agreed price
Duwell Intertrade Company Limited	The Company held 99.99% share capital, has common director and management	Income - wages	Close to market value
		Income - rental	At agreed price
		Income - management service fee	At agreed price
		Income – other service charges	At agreed price
		Materials supply	Close to market value
		Contractor wages	Close to market value
		Other service charges	Close to market value
Purchase of fixed assets	At agreed price		

<b>Name</b>	<b>Relationship</b>	<b>Description</b>	<b>Pricing policy</b>
Qualitech Solution Energy Company Limited	The Company held 70% share capital, has common director and management	Income - rental Income - management service fee	At agreed price At agreed price
<u>Other related parties</u>			
Creative Solutions Energy Company Limited	Shareholding and common directors and executives in subsidiary	Contractor wages Management service fee	At agreed price At agreed price

24.2 Assets and liabilities transaction with related persons and parties are as follows :

	<b>Separate financial statements (Baht)</b>			
	<b>December 31, 2023</b>	<b>December 31, 2022</b>		
<u>Subsidiaries</u>				
Qualitech Myanmar Company Limited				
Trade and other current receivables	0.00	20,634.78		
Duwell Intertrade Company Limited				
Trade and other current receivables	93,522.35	83,910.69		
Contract assets	9,585.05	0.00		
Trade and other current payables	377,932.56	1,781,303.90		
Qualitech Solution Energy Company Limited				
Trade and other current receivables	27,400.00	27,400.00		
	<b>Consolidated financial statements (Baht)</b>		<b>Separate financial statements (Baht)</b>	
	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
<u>Other related parties</u>				
Creative Solutions Energy Company Limited				
Trade and other current payables	0.00	21,400.00	0.00	0.00

24.3 Revenues and expenses transaction with related persons and parties for the year ended December 31, 2023 and 2022 are as follows :

	<u>Separate financial statements (Baht)</u>	
	December 31, 2023	December 31, 2022
<u>Subsidiaries</u>		
Qualitech Myanmar Company Limited		
Service income - wages	0.00	472,000.00
Other income - management fee	30,757.53	126,515.94
Duwell Intertrade Company Limited		
Service income - wages	0.00	43,000.00
Other income - rental	261,029.01	257,111.92
Other income - management fee	224,299.08	420,560.76
Other income - other service charges	75,501.54	49,064.07
Cost of sales and services - material supply	8,987,243.00	10,602,310.00
Cost of sales and services - contractor wages	161,800.00	94,230.00
Cost of sales and services - other service charges	0.00	9,000.00
Administrative expenses – other service charges	0.00	29,220.00
Qualitech Solution Energy Company Limited		
Other income – rental	36,000.00	36,000.00
Other income - management fee	120,000.00	230,000.00

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
<u>Other related parties</u>				
Creative Solutions Energy Company Limited				
Cost of sales and services - contractor wages	0.00	435,000.00	0.00	0.00
Administrative expenses – management fee	60,000.00	200,000.00	0.00	0.00

24.4 Other transaction with related persons and parties for the year ended December 31, 2023 and 2022 are as follows :

	<u>Separate financial statements (Baht)</u>	
	December 31, 2023	December 31, 2022
<u>Subsidiaries</u>		
Duwell Intertrade Company Limited		
Fixed assets - equipment	220,000.00	602,800.00

**25. DIRECTORS' REMUNERATION**

Directors' remuneration represented the benefits paid to the Company's directors in accordance with section 90 of the Public Companies Act, excluding salaries and related benefits payable to executive directors.

**26. MANAGEMENT BENEFIT EXPENSES**

Management benefit expenses relating salaries, remunerations and other benefits paid to the directors and management, in accordance with the definitions of the Office of Securities and Exchange Commission. Management under definition includes a chief executive officer, the next four executive levels immediately below that chief executive officer and all persons in positions comparable to these fourth executive levels. Some of management benefit expenses are included in cost of services.

**27. EXPENSES ANALYZED BY NATURE**

Expenses analyzed by nature for the year ended December 31, 2023 and 2022 are as follows :

	<b>Consolidated financial statements (Baht)</b>		<b>Separate financial statements (Baht)</b>	
	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Changes in inventories	(558,230.66)	945,210.94	0.00	0.00
Employee benefit expenses	233,294,848.60	222,113,924.46	229,035,859.02	218,244,334.76
Depreciation	26,056,936.46	22,275,339.24	25,646,322.04	21,853,941.54
Supplies used	22,516,991.69	21,564,496.82	31,501,956.17	31,980,680.21
Contractor wage	47,441,758.26	35,604,751.60	47,483,519.08	35,619,523.32
Travelling and accommodation expenses	8,621,702.63	8,893,407.10	8,456,827.26	8,527,264.98
Office expenses	12,108,124.78	11,851,512.26	11,726,326.39	11,300,082.37
Fee and consulting fee	15,262,230.09	17,179,113.71	14,806,537.07	16,865,868.65
Repairs and maintenance expenses	3,379,773.69	4,044,971.28	3,372,716.77	4,018,335.55
Directors' remuneration	2,342,600.00	1,494,400.00	2,342,600.00	1,494,400.00
Management benefit expenses	29,201,949.00	24,708,116.44	28,841,949.00	24,258,116.44
Expected credit losses (reversed)	7,092,735.10	(9,371,083.36)	7,092,735.10	(9,371,083.36)
Impairment loss of investment in associate and subsidiaries	(500,000.00)	18,583,723.23	(500,000.00)	20,335,166.43
Loss on sale of investment in associate	122,935,115.86	0.00	126,466,276.77	0.00

## 28. PROMOTIONAL PRIVILEGES

28.1 The Group was granted certain right and privileges as a promoted industry under the Promotion of Investment Act B.E. 2520 and the Board of Investment approved the activities under six promotion certificate for services providing of testing of welding and metal identification as the scientific testing, and generating and distributing electricity current from solar energy, the certificate No. 4 dated March 4, 2013(income tax deductible), No. 5 dated March 21, 2016, No. 6 dated March 27, 2017 and No. 1 dated June 8, 2022 (subsidiary). The significant privileges are as follows:

28.1.1 To exempt the customs duties for imported machinery as approved by the Board of Investment.

28.1.2 To exempt the corporate income tax from net profit for the period of 8 years from the date of income earnings derives from the promoted activity. In the case where a loss has been incurred during the period of receiving exemption, the annual loss was granted permission to deduct with net profit accrued after the expiration of the period of exemption of income tax for a period of 5 years.

28.1.3 The Company's shareholders will be exempted the corporate income tax for dividend received from the Company all duration of income tax exemption of the Company.

The Company must to comply with the certain conditions and terms as stipulated in promotional certificate.

28.2 The results of operation of the Group for the year ended December 31, 2023 and 2022 separated into promoted business and non-promoted business as follows:

	<b>Consolidated financial statements (Million Baht)</b>					
	<b>Promoted business</b>		<b>Non-promoted business</b>		<b>Total</b>	
	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Sales	0.00	18.90	19.72	13.78	19.72	32.68
Services income	204.21	195.82	203.66	226.87	407.87	422.69
Other income	0.33	0.26	2.68	2.04	3.01	2.30
Total	<u>204.54</u>	<u>214.98</u>	<u>226.06</u>	<u>242.69</u>	<u>430.60</u>	<u>457.67</u>

## 29. OPERATING SEGMENTS

- 29.1 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 decision about the allocation of resources to the segment and assess its performance. The chief operating decision maker of the Company has been identified as the President of executive directors.
- 29.2 The Group' operations involve virtually in the core services providing: 1) for nondestructive testing and inspect, testing and certification of welding work, metal work and equipment, 2) sale of material and equipment used in inspection engineering services, and 3) generate and distribute of electricity current from solar or alternative energy.
- 29.3 The Group' operations in both domestic and an overseas geographical segment since the overseas segment had services income less than 10% of services volume, therefore, the financial information by geographical segment has not been presented.
- 29.4 Revenues separated by nature of services for the year ended December 31, 2023 and 2022 are as follows :

	<b>Consolidated financial statements</b>	
	<b>(Million Baht)</b>	
	<b>2023</b>	<b>2022</b>
Sales	19.72	32.68
Services income		
Non-Destructive Testing	185.66	206.40
Inspection and certificate	174.09	189.34
Others	48.12	26.95
Total	407.87	422.69
Total	427.59	455.37

- 29.5 For the year ended December 31, 2023 and 2022, the Group has revenues from five major customers in the amount of Baht 146.83 million and Baht 156.79 million respectively.

## 30. DISCLOSURE AND PRESENTATION OF FINANCIAL INSTRUMENTS

### 30.1 Accounting policy

The significant accounting policies and method adopted including the basis of recognition and measurement relating to each class of assets and liabilities have been disclosed in note 4.13.

### 30.2 Credit risk

Credit risk derives from failure by counterparties to discharge their obligations resulting in financial loss to the Company. The Group has policy to hedge this credit risk by reviewing the financial status of customers and collecting based on the percentage of completion. Financial assets shown in statements of financial position at the book value deducted by allowance for expected credit loss is maximum value of credit risk.

### 30.3 Interest rate risk

Interest rate risk from changes in market interest rate will affect the results of the Group operations and cash flows. The Group exposed the interest rate risk due to its deposits at bank and financial lease liabilities. The Group does not use derivative financial instruments to hedge such risk.

As at December 31, 2023 and 2022, the significant financial assets and liabilities can be classified by interest rate as follows :

Unit : Million Baht

		Consolidated financial statements										
		Floating interest rate		Fixed interest rate		Non-interest rate		Total		Interest rate		
Note		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	
<b>Financial assets</b>												
	Cash and cash equivalents	5	31.70	32.73	0.00	0.00	0.36	2.52	32.06	35.25	0.15% - 0.55%	0.08% - 0.35%
	Trade and other current receivables	6	0.00	0.00	0.00	0.00	104.38	99.14	104.38	99.14	-	-
	Capital lease receivables	8	0.00	0.00	17.98	19.00	0.00	0.00	17.98	19.00	8.38% - 8.71%	8.38%
	Other non-current financial assets	-	0.00	0.00	0.00	3.01	0.00	0.00	0.00	3.01	-	0.70%
<b>Financial liabilities</b>												
Bank overdrafts and short-term												
	borrowings from financial institutions	17	0.00	0.00	14.38	7.74	0.00	0.00	14.38	7.74	6.10%	3.9875%
	Trade and other current payables	18	0.00	0.00	0.00	0.00	44.93	42.91	44.93	42.91	-	-
	Lease liabilities	19	0.00	0.00	9.67	6.63	0.00	0.00	9.67	6.63	0.00% - 6.47%	0.00% - 5.40%

Unit : Million Baht

		Separate financial statements									
		Floating interest rate		Fixed interest rate		Non-interest rate		Total		Interest rate	
Note		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Financial assets</b>											
Cash and cash equivalents	5	19.56	23.84	0.00	0.00	0.31	2.44	19.87	26.28	0.15% - 0.55%	0.15% - 0.35%
Trade and other current receivables	6	0.00	0.00	0.00	0.00	95.05	94.41	95.05	94.41	-	-
Other non-current financial assets	-	0.00	0.00	0.00	3.01	0.00	0.00	0.00	3.01	-	0.70%
<b>Financial liabilities</b>											
Bank overdrafts and short-term borrowings											
from financial institutions	17	0.00	0.00	14.38	7.74	0.00	0.00	14.38	7.74	6.10%	3.9875%
Trade and other current payables	18	0.00	0.00	0.00	0.00	44.38	43.87	44.38	43.87	-	-
Lease liabilities	19	0.00	0.00	9.67	6.63	0.00	0.00	9.67	6.63	0.00% - 6.47%	0.00%-5.40%

### 30.4 Liquidity risk

The Group has liquidity risk management by maintaining adequate reserves cash and cash equivalents and high liquid investment in equity securities for the Group's operation and in order to reduce of effects from cash flows fluctuation.

As at December 31, 2023 and 2022, the Group has the maturity details of non-derivatives financial liabilities which considered from undiscounted cash flows to be present value as follows:

		Consolidated financial statements (Baht)			
Note		Less than 1 year	1 - 3 years	3 – 5 years	Total
<b>As at December 31, 2023</b>					
Bank overdrafts and short-term borrowings from financial institutions					
17		14,377,456.78	0.00	0.00	14,377,456.78
18	Trade and other current payables	44,929,882.52	0.00	0.00	44,929,882.52
19	Lease liabilities	3,453,040.80	4,502,280.90	1,714,037.42	9,669,359.12
	Total	62,760,380.10	4,502,280.90	1,714,037.42	68,976,698.42
<b>As at December 31, 2022</b>					
Bank overdrafts and short-term borrowings from financial institutions					
17		7,741,711.57	0.00	0.00	7,741,711.57
18	Trade and other current payables	42,906,337.34	0.00	0.00	42,906,337.34
19	Lease liabilities	3,264,771.28	2,792,186.64	572,621.21	6,629,579.13
	Total	53,912,820.19	2,792,186.64	572,621.21	57,277,628.04



		<b>Separate financial statements (Baht)</b>			
	Note	<u>Less than 1 year</u>	<u>1 - 3 years</u>	<u>3 – 5 years</u>	<u>Total</u>
<b>As at December 31, 2023</b>					
Bank overdrafts and short-term borrowings from financial institutions	17	14,377,456.78	0.00	0.00	14,377,456.78
Trade and other current payables	18	44,377,338.81	0.00	0.00	44,377,338.81
Lease liabilities	19	<u>3,453,040.80</u>	<u>4,502,280.90</u>	<u>1,714,037.42</u>	<u>9,669,359.12</u>
Total		<u>62,207,836.39</u>	<u>4,502,280.90</u>	<u>1,714,037.42</u>	<u>68,424,154.71</u>
<b>As at December 31, 2022</b>					
Bank overdrafts and short-term borrowings from financial institutions	17	7,741,711.57	0.00	0.00	7,741,711.57
Trade and other current payables	18	43,870,602.18	0.00	0.00	43,870,602.18
Lease liabilities	19	<u>3,264,771.28</u>	<u>2,792,186.64</u>	<u>572,621.21</u>	<u>6,629,579.13</u>
Total		<u>54,877,085.03</u>	<u>2,792,186.64</u>	<u>572,621.21</u>	<u>58,241,892.88</u>

30.5 Fair value of financial instrument

The most of financial instruments of the Group are classified in short-term or has the interest rate closed to market rate. The Group, therefore, estimates fair value of financial instruments close to the carrying value as presented in statements of financial position.

**31. COMMITMENT AND CONTINGENT LIABILITIES**

31.1 As at December 31, 2023 and 2022, the Group has commitment under purchase and hire of work agreements with several seller in the amount of Baht 38.70 million and Baht 44.14 million respectively in the consolidated financial statements and in the amount of Baht 33.75 million and Baht 45.08 million in the separate financial statements respectively.

31.2 The Company has contingent liabilities from a local bank's issuance of letter of guarantee for the results of performance to customers of the Company and guarantee the electricity usage to government agency, as at and December 31, 2023 and 2022 total amount of Baht 10.99 million and Baht 8.30 million respectively. Contingent liabilities are guaranteed by mortgaging land with its construction (note 11).

31.3 On October 26, 2021, there is a flame erupted around the chemical tank, resulting the damages to property of the employer which is the area of the Company's sub-contractor performance. Currently, it is proceeding of the police officer for investigation and gathering file of a case and assessing the value of the damaged property by the employer. The management of the Company is unable to assess the contingent damages value that may occur.

During the first quarter of 2023, the prosecutor filed a lawsuit against the Company (co-defendant) to jointly pay indemnity to the mother of the contractor who died in the incident of Baht 4.67 million including interest in accordance with the law. At present, the case is under the proceedings of the Court.

31.4 The Company has a litigation arising from the employment of workers as at December 31, 2023 and 2022 amounting to Baht 6.69 million. The Court dismisses the case and the plaintiff filed the appeal. Subsequent on April 11, 2023, the Court of Appeal rejected the plaintiff's appeal. Therefore, this case is come an end, the Company has not suffered damages from the lawsuit.

## **32. PROVIDENT FUND**

On February 8, 2006, the Group has joined to be a member of provident fund named "K Master Pooled Registered Provident fund" which registered in accordance with the Provident Fund Act B.E. 2530 and the amendment by appointing the fund management to be fund manager. The fund is contributed to both by the employees and the Group at the same rate of 3-9% based on length of works. The accumulation and benefits will be paid to the members upon their retirement, death or resignation.

This fund is managed by Kasikorn Thai Assets Management Company Limited. For the year 2023 and 2022, the Group has contribution expenses in the amount of Baht 3.48 million and Baht 2.59 million respectively.

## **33. CAPITAL MANAGEMENT**

The Group's objective in financial management is to maintain the ability to continue its operation and maintain the appropriate capital structure. As at December 31, 2023 and 2022, the Group has debt-to-equity ratios at 0.55 : 1 and 0.46 : 1 in the consolidated financial statements and debt-to-equity ratios at 0.53 : 1 and 0.45 : 1 in the separate financial statements, respectively.

### 34. RECLASSIFICATIONS

The Group has reclassified the 2022 accounts for corresponding with the presentation in the 2023 financial statements, as detailed following:

	<b>Consolidated financial statements (Baht)</b>		
	<u>Before reclassify</u>	<u>Reclassify</u>	<u>After reclassify</u>
<b>As at December 31, 2022</b>			
Trade and other current receivables	99,988,203.49	(1,655,623.14)	98,332,580.35
Contract assets	58,521,951.86	1,655,623.14	60,177,575.00

	<b>Separate financial statements (Baht)</b>		
	<u>Before reclassify</u>	<u>Reclassify</u>	<u>After reclassify</u>
<b>As at December 31, 2022</b>			
Trade and other current receivables	94,409,624.05	(1,655,623.14)	92,754,000.91
Contract assets	58,536,165.78	1,655,623.14	60,191,788.92

### 35. FINANCIAL STATEMENTS APPROVAL

These financial statements were approved and authorized for issue by the Board of directors of the Company on February 16, 2024.