

4. Assets used in business

4.1 Property, plant and equipment

Property, plant and equipment for the company and subsidiary as of 31 December 2021 and 2020 are as follows :

(Unit: Million Baht)

| Assets | Net book value | |
|---------------------------|------------------|------------------|
| | 30 December 2021 | 30 December 2020 |
| Land | 597.28 | 596.96 |
| Buildings and improvement | 51.00 | 41.82 |
| Office equipment | 90.31 | 171.00 |
| Machinery and equipment | 703.40 | 718.52 |
| Motor vehicles | 17.64 | 21.12 |
| Assets under installation | 4,539.60 | 3,800.49 |
| Total | 5,999.23 | 5,349.91 |

The company and subsidiary company arranged for an independent professional valuer to appraise the value of land in 2019 , using the market comparison approach.

Had the land carried in the financial statements on a historical cost basis, their net book value as of 31 December 2021 and 2020 would have been as follows:

(Unit: Million Baht)

| | Consolidated financial statements | | Separate financial statements | |
|------|-----------------------------------|--------|-------------------------------|-------|
| | 2021 | 2020 | 2021 | 2020 |
| Land | 124.19 | 124.19 | 87.65 | 87.65 |

As at 31 December 2021, the Company had construction in process of Baht 1,714 million (2020: Baht 1,627 million). The Company used loan from bank for installation of machinery and equipment in during the year ended 31 December 2021 and capitalised borrowing cost as cost of assets of Baht 49 million (2020: Baht 33 million), which was calculated from interest rate at MLR minus fixed rate per annum (2020: interest rate at MLR minus fixed rate per annum).

As at 31 December 2021, certain items of building and equipment of the company and subsidiary company were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 12,383 million and Separate financial statements: Baht 835 million (2020: Baht 16,494 million and Separate financial statements: Baht 792 million).

On 26 May 2017, Kampot Power Plant Co., Ltd., a subsidiary company, entered into a sale and purchase agreement for equipment used in a residential project in Cambodia with a company with an investment value of USD 1.7 million, or equivalent to Baht 53 million. Subsequently, on 7 April 2020, the subsidiary company and the company entered into an amendment of this agreement due to a revision of the project business plan, leading to a decrease in assets used in the project of USD 0.3 million, or equivalent to Baht 10 million.

Cambodia Air Traffic Services Co., Ltd., a subsidiary company, received some of the equipment transferred from The State Secretariat of Civil Aviation of Cambodia ("SSCA") under a Build Cooperate and Transfer contract with Government of Cambodia. The subsidiary company must return all equipment to SSCA at the end of the contract. Currently the above equipment are transferred to intangible assets (service concession) in accordance with TFRIC 12 Service Concession Arrangements.

During the year 2021, Portalnet Co., Ltd., a subsidiary company of Samart Telcom Group, reversed allowance for impairment loss on equipment which had been fully set aside of Baht 2,616 million because the subsidiary sold such equipment during the year. During the year 2020, Samart Telcoms Public Co., Ltd., a subsidiary company, and its subsidiaries (Samart Telcoms Group) recognise an impairment loss for equipment amounting to Baht 121 million (2021: Nil) to reduce the carrying amount of the assets to their recoverable amounts. The subsidiary of Samart Telcoms Group has determined the recoverable amounts of its assets based on value in use using cash flow projections from financial estimation approved by management.

Key assumptions used in value in use calculations are as follows:

(Unit: percent per annum)

| | <u>2020</u> |
|-----------------------|-------------|
| Pre-tax discount rate | 8% |
| Growth rate | 0% |

Leases Assets

- Warehouse area, 101/41 Navanakorn Industrial Zone , Moo 20,Phaholyothin Road , Klong 1 , Klong Luang , Pathumthanee. The details are as follows.

| <u>Lessee</u> | <u>Area (square meter)</u> | <u>Monthly rent (Bath)</u> |
|-------------------------------|----------------------------|----------------------------|
| Samart Digital Media Co.,Ltd. | 37.50 | 1,787.25 |

Note : The lease term is 3 years

- Factory building area 37/1 Moo 2 , Phaholyothin Road , Klong 1 , Klong Luang , Pathumthanee. The details are as follows.

| <u>Lessee</u> | <u>Area (square meter)</u> | <u>Monthly rent (Bath)</u> |
|-------------------------------------|----------------------------|----------------------------|
| Samart Comtech Co.,Ltd. | 830.00 | 29,880.00 |
| One to One Contacts Public Co.,Ltd. | 600.00 | 21,600.00 |
| The Samart Engineering Co.,Ltd. | 500.00 | 18,000.00 |
| Posnet Co.,Ltd. | 199.40 | 7,178.40 |
| Vilailuck Property Co.,Ltd. | 187.33 | 22,479.60 |
| (Rental period 17-31 May 2021) | | |
| Teda Co.,Ltd. | 50.00 | 1,800.00 |

Note : The lease term is 3 years

- Office space , Softwarepark building , Chaengwattana Road , Klong Gluar , Pak-Kred , Nonthaburi. The details are as follows.

| <u>Lessee</u> | <u>Area (square meter)</u> | <u>Monthly rent (Bath)</u> |
|---|----------------------------|----------------------------|
| Samart Telcoms Public Co.,Ltd. | 1,477.92 | 239,423.04 |
| One to One Contacts Public Co.,Ltd. | 1,471.35 | 238,358.70 |
| (Lease expired 31 September 2021) | | |
| Teda Co.,Ltd. | 915.00 | 148,230.00 |
| Posnet Co.,Ltd. | 841.35 | 136,298.70 |
| Vision and Security System Co.,Ltd. | 627.00 | 101,574.00 |
| Sicpa (Thailand) Limited | 559.20 | 90,590.40 |
| Samart Comtech Co.,Ltd. | 436.26 | 70,674.12 |
| Samart Digital Public Co.,Ltd. | 353.21 | 57,220.02 |
| Samart U-Trans Co.,Ltd. | 320.00 | 51,840.00 |
| Samart Communication Services Co.,Ltd. | 245.50 | 39,771.00 |
| Portalnet Co.,Ltd. | 116.44 | 18,863.28 |
| Samart Digital Media Co.,Ltd. | 56.00 | 9,072.00 |
| Samart Aviation Solutions Public Co.,Ltd. | 50.00 | 8,100.00 |
| Samart Infonet Co.,Ltd. | 48.00 | 7,776.00 |
| I-Sport Co.,Ltd. | 30.00 | 4,860.00 |

Note : The lease term is 2-3 years

- Office space, Smart One Building , Chaengwattana Road , Klong Gluar , Pak-Kred , Nonthaburi. The details are as follows.

| <u>Lessee</u> | <u>Area (square meter)</u> | <u>Monthly rent (Bath)</u> |
|--------------------------|----------------------------|----------------------------|
| Sicpa (Thailand) Limited | 31.36 | 2,845.92 |

Note : The lease term is 2 years

Intangible assets

Service concession

Cambodia Air Traffic Services Co., Ltd., a subsidiary company, has service concession arrangement which can be summarised as follows:

| | |
|-----------------------------|--|
| Name of concession: | Contract to build, cooperate and transfer on air traffic control system (BCT contract) |
| Description of arrangement: | To develop and sole operate of the civil air traffic control and navigation system of Cambodia |
| Period of concession: | 39 years expire in the year 2041 |
| Significant conditions: | The subsidiary company is obliged to pay a fee to the Royal Government of the Kingdom of Cambodia based on its revenue. In addition, the subsidiary company has to transfer the ownership of the civil air traffic control, navigation system and all equipment to the Kingdom of Cambodia at the end of concession period without charge. |

Right for air time

On 26 December 2014, I-Sport Co.,Ltd., a subsidiary company, purchased shares of Siam Sport Television Co.,Ltd., another subsidiary company, with mutually agreed price. As a result of the purchase of investment under the acquisition method, the subsidiary company recorded the right for air time of sport program as intangible assets with five years useful lives.

Right for telecommunication tower service

On 1 September 2017, Samart Digital Public Company Limited, a subsidiary company, purchased shares of Thai Base Station Co., Ltd., another subsidiary company, with mutually agreed price. As a result of the purchase of investment under the acquisition method, the subsidiary company recorded the right for telecommunication tower service as intangible assets with ten years useful lives. In addition, Thai Base Station Co., Ltd., a subsidiary company, has transferred telecommunication tower to Department of National Parks, Wildlife and Plant Conservation. As a result, the subsidiary company recorded the right for telecommunication tower service as intangible assets with agreement term useful lives.

Details of the asset appraisal

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