

#### 4. Assets used in business

##### 4.1 Property, plant and equipment

Property, plant and equipment for the company and subsidiary as of 31 December 2022 and 2021 are as follows :

Assets	(Unit: Thousand Baht)	
	Net book value	
	31 December 2022	31 December 2021
Land	597.39	597.28
Buildings and improvement	43.49	51.00
Office equipment	75.68	90.31
Machinery and equipment	3,559.00	703.40
Motor vehicles	13.93	17.64
Assets under installation	1,973.58	4,539.60
<b>Total</b>	<b>6,263.07</b>	<b>5,999.23</b>

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 2022 and 2021 would have been as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Land	124.19	124.19	87.65	87.65

As at 31 December 2022, the Company had construction in process of Baht 2.5 million (2021: Baht 1,714 million). The Company used loan from bank for installation of machinery and equipment in during the year ended 31 December 2022 and capitalised borrowing cost as cost of assets of Baht 16 million (2021: Baht 49 million), which was calculated from interest rate at MLR minus fixed rate per annum (2021: interest rate at MLR minus fixed rate per annum).

As at 31 December 2022, 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 12,930 million and Separate financial statements: Baht 874 million (2021: Baht 12,383 million and Separate financial statements: Baht 835 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.

As at 31 December 2022, Samart Digital Group had allowance for impairment loss of equipment amounting to Baht 402 million (2021: Baht 10 million). During the year 2022, Samart Digital Public Co.,Ltd. S subsidiary company measured the recoverable amount of its equipment for Digital Trunked Radio System (DTRS) services based on its value in use by discounting future cash flows. The recoverable amount is lower than its carrying amount due to a lower number of expected users in the future. The subsidiary therefore recognised an impairment loss on equipment amounting to Baht 393 million. Although the Samart Digital Group has conducted an evaluation and exercised its best estimate, there remains uncertainty about changing situations and technologies which is typical for future events that have yet to occur. The key assumption used in the calculation of value in use was a pre-tax discount rate of 12 percent per annum.

**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 (Baht)</u>
Samart Digital Media Co.,Ltd.	37.50	1,875.00

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 (Baht)</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.	106.90	3,848.40
Teda Co.,Ltd.	82.00	2,952.00

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 (Baht)</u>
Samart Telcoms Public Co.,Ltd.	1,047.92	169,763.04
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 Communication Services Co.,Ltd.	495.50	80,271.00
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
Ttai Trade Net Co.,Ltd.	180.00	29,160.00
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 (Baht)</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:	49 years expire in the year 2051
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 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.

**Detail of the asset appraisal**

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