

4. Assets used in business

4.1 Property, plant and equipment

Property, plant and equipment for the company and subsidiary as of 31 December 2023 and 2022 are as follows :

(Unit: Thousand Baht)

Assets	Net book value	
	31 December 2023	31 December 2022
Land	597.36	597.39
Buildings and improvement	36.98	43.49
Office equipment	47.69	75.68
Machinery and equipment	4,068.80	3,559.00
Motor vehicles	12.76	13.93
Assets under installation	687.16	1,973.58
Total	5,450.75	6,263.07

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 2023 and 2022 would have been as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Land	124.19	124.19	87.65	87.65

As at 31 December 2023, the Company had construction in process of Baht 10.7 million (2022: Baht 2.5 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 (2023: Nil), which was calculated from interest rate at MLR minus fixed rate per annum.

As at 31 December 2023, 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 12,926 million and Separate financial statements: Baht 888 million (2022: Baht 12,930 million and Separate financial statements: Baht 874 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.

As at 31 December 2023, Samart Digital Group had allowance for impairment loss of equipment amounting to Baht 804 million (2022: Baht 402 million).

During the year 2023, Samart Digital Public Co., Ltd., a subsidiary company assessed the recoverable amount of its equipment for the Digital Trunked Radio System (DTRS) with total cost as at 31 December 2023 amounting to Baht 3,322 million, services based on its value in use through the discounted future cash flows. The resulting recoverable amount is lower than its carrying value due to an anticipated decrease in the number of users. The subsidiary therefore recognised an additional impairment loss on equipment during the year amounting to Baht 403 million. As at 31 December 2023, the subsidiary had an allowance for impairment loss on equipment amounting to Baht 796 million. Although the Group has conducted an evaluation and exercised its best estimate, there remains an uncertainty about potential changes in 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
The Samart Engineering Co.,Ltd.	500.00	18,000.00
Teda Co.,Ltd.	82.00	2,952.00

Note : The lease term is 1 year 5 months

- 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.	952.92	165,179.15
Teda Co.,Ltd.	915.00	158,606.10
Posnet Co.,Ltd.	841.35	145,839.61
Vision and Security System Co.,Ltd.	627.00	108,684.18
Sicpa (Thailand) Limited	559.20	96,931.73
Samart Communication Services Co.,Ltd.	495.50	85,889.97
Samart Comtech Co.,Ltd.	436.26	75,621.31
Samart Digital Public Co.,Ltd.	353.21	61,225.42
Samart U-Trans Co.,Ltd.	320.00	55,468.80
Thai Trade Net Co.,Ltd.	180.00	31,201.20
Portalnet Co.,Ltd.	116.44	20,183.71
Samart Ed Tech Co.,Ltd.	95.00	16,467.30
Samart Digital Media Co.,Ltd.	56.00	9,707.04
Samart Aviation Solutions Public Co.,Ltd.	50.00	8,667.00
Samart Infonet Co.,Ltd.	48.00	8,320.32
I-Sport Co.,Ltd.	30.00	5,200.20

Note : The lease term is 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	3,209.07

Note : The lease term is 3 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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