**Samart Aviation Solutions Public Company Limited and its subsidiary**

**Notes to consolidated financial statements**

**For the year ended 31 December 2023**

**1. General information**

Samart Aviation Solutions Public Company Limited (“the Company”) is a limited company, domiciled in Thailand and transformed to be a public limited company under Thai Laws on 9 September 2019. Its parent company is Samart U-Trans Company Limited, which was incorporated in Thailand. The parent company of the group is Samart Corporation Public Company Limited. The Company is principally engaged in the investment holdings in the other company and provision of air traffic control services in Cambodia. The registered office of the Company is at 99/11, Software Park Building, 25th Floor, Moo 4, Chaengwattana Road, Klong Gluar, Pak-Kred, Nonthaburi.

**2. Basis of preparation**

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

These financial statements are presented in Baht in accordance with the regulatory requirements in Thailand, which differs from the Company’s functional currency of the US Dollar. Assets and liabilities are translated into Baht at the rate of exchange prevailing at the reporting period end date. Revenues and expenses are translated into Baht at the average exchange rates during the period. Differences are recorded as “Exchange differences on translation of functional currency to financial statements presentation currency” in other comprehensive income, other components of shareholders’ equity.

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Samart Aviation Solutions Public Company Limited (“the Company”) and the following subsidiary company (“the subsidiary”) (collectively as “the Group”):

| Company’s name | Nature of business | Country of incorporation | Percentage of shareholding | |
| --- | --- | --- | --- | --- |
|  |  |  | 2023 | 2022 |
|  |  |  | Percent | Percent |
| Cambodia Air Traffic Services Co., Ltd. | Provision of air traffic control services in Cambodia | Cambodia | 100 | 100 |

b) The Company is deemed to have control over an investee or subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

c) Subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

d) The financial statements of the subsidiary is prepared using the same significant accounting policies as the Company.

e) The financial statements of the Group are prepared in their respective functional currency, i.e. USD. The assets and liabilities are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using average exchange rates during the period. The resulting differences are shown under the caption of “Exchange differences on translation of functional currency to financial statements presentation currency” in other comprehensive income, other components of shareholders’ equity.

f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

2.3 The separate financial statements present investment in subsidiary under the cost method.

**3. New financial reporting standards**

**3.1 Financial reporting standards that became effective in the current year**

During the year, the Group has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

**3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023**

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

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group’s financial statements.

**4. Significant accounting policies**

**4.1 Revenue and expense recognition**

**Sales of goods**

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

**Rendering of services**

Service revenue is recognised at a point in time upon completion of the service.

**Dividends**

Dividends are recognised when the right to receive the dividends is established.

**Interest income**

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

**Finance cost**

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

**4.2 Cash and cash equivalents**

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

**4.3 Investment in subsidiary**

Investment in subsidiary is accounted for in the separate financial statements using the cost method.

**4.4 Equipment and depreciation**

Equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

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

Furnitures and office equipments - 5 - 10 years

Motor vehicles - 5 years

Depreciation is included in determining income.

No depreciation is provided on assets under installation.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

**4.5 Intangible assets**

Intangible assets are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

***Service concession***

The subsidiary has initially recognised service concession based on cost of service concession arrangement and amortised over 39 years economic useful life. The assets which the subsidiary company invested in the system and equipment by itself to increase the efficiency of air traffic service provisions and are not under the service concession agreement. These assets are considered as other intangible assets and are amortised with finite lives on the straight-line basis over the 5 to 25 years of economic useful life.

***Computer software***

Computer software with finite lives are amortised on the straight-line basis over the 5 years of economic useful life.

No amortisation is provided on assets under installation.

**4.6 Service concession arrangement**

The subsidiary determines conditions of an arrangement whereby a grantor, which is the Royal Government, controls or regulates what services the operator must provide using the assets and also controls any significant residual interest in the assets at the end of the term of the arrangement.

The subsidiary recognises and measures the consideration received depending on the conditions of service concession arrangement. An intangible asset is recognised to the extent that the subsidiary receives a right to charge users of the public service. A financial asset is recognised to the extent that an operator has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor.

The subsidiary recognises the consideration, based upon the conditions of service concession arrangement, received from the air traffic control services and system installation in Cambodia as an intangible asset because the subsidiary receives a right to charge users of the public service and amortises such intangible asset as expense in the profit or loss on a straight-line basis of the concession period and the economic useful life.

**4.7 Leases**

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**The Group as a lessee**

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

***Right-of-use assets***

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Office space 10 years

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

***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group’s incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

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

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

**4.8 Related party transactions**

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

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

**4.9 Foreign currency**

The consolidated and separate financial statements are presented in Thai Baht, which is the Group’s presentation currency and different from the Group’s functional currency, i.e. USD. Each entity in the Group determines its own functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currency are initially recorded by each entity in the Group at its respective functional currency. Foreign currency transactions during a particular period are translated into functional currency at the exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currency are retranslated into functional currency at the exchange rate ruling at the end of reporting period. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency (if any) are translated using the exchange rates at the date when the fair value is determined.

**4.10 Impairment of non-financial assets**

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

An impairment loss is recognised in profit or loss.

**4.11 Employee benefits**

***Short-term employee benefits***

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

***Post-employment benefits***

*Defined contribution plans*

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

*Defined benefit plans*

The Company has obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

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

***Other long-term employee benefits under Cambodian labour laws***

The provisions represent the subsidiary’s obligations payable to its employees who work in Cambodia of seniority indemnity for unspecified duration contracted employees.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

***Provision for vacation***

The Group has set up provision for vacation which is calculated in accordance with the Group policy and formula, taking into consideration the employee’s salary, the number of service years and the unused vacation days.

**4.12 Provisions**

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

***Long-term provision under service concession***

The subsidiary company has contractual obligations to upgrade service concession to a specified level of service ability as specified in the agreement. The obligations are recognised and measured at the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

**4.13 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

**Current tax**

Current tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

**Deferred tax**

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders’ equity if the tax relates to items that are recorded directly to shareholders’ equity.

**4.14 Financial instruments**

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

**Classification and measurement of financial assets**

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

***Financial assets at amortised cost***

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

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

**Classification and measurement of financial liabilities**

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

**Derecognition of financial instruments**

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

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

**Impairment of financial assets**

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

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

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

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

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

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

**Offsetting of financial instruments**

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

**4.15 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

**5. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

**5.1 Allowance for expected credit losses of trade receivables**

In determining an allowance for expected credit losses of trade receivables, 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.

**5.2 Service concession arrangements**

In recording transactions under service concession arrangements, the management had to exercise significant judgement with respect to analysis of the contents of the agreements and the recording of the accounting transactions in accordance with the scope of Thai Financial Reporting Standard Interpretations 12 Service Concession Arrangements including the process of measurement, the determination of appropriate timing of recognition of revenues from air traffic control services.

**5.3 Intangible assets/Amortisation**

In determining amortisation of intangible assets, the management is required to make estimates of the useful lives and residual values of the intangible assets and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review intangible assets for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

**5.4 Post-employment benefits under defined benefit plans**

The obligation under the defined benefit plan is 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.

**6. Related party transactions**

During the years, the Group had significant business transactions with related parties, principally in respect of the services and loans. Such transactions arose in the ordinary courses of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties. The pricing policies with its related parties summarised as follows:

1. Sales prices are determined at market price, if there is unknown market price, sales price will be determined at cost plus a margin not over 15 percent. However, the pricing policy is subject to change depending on the type of business and market competition at the time being.

2. Management fees is charged at the amount stated in the agreement.

3. Other service income and expenses are charged at a mutually agreed price.

4. Interest on loans are charged at cost plus margin as follows:

4.1 Cost of fund plus 0.25 percent per annum.

4.2 3-month SOFR plus 0.51161 percent per annum

4.3 3-month LIBOR plus 0.25 percent per annum

4.4 Average 12 months fixed deposit of 5 commercial banks plus 0.25 percent per annum

5. Fixed assets are sold and purchased at market price or their net book value plus a margin, depending on the condition of the fixed assets.

6. Dividend income is recognised when declared and the right to received the dividend is established.

7. Management benefit expenses are charged as approved by the shareholders’ meeting or contractually agreed price.

Significant business transactions between the Company and its related parties were summarised below.

(Unit: Million Baht)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | Separate financial statements | |
|  | 2023 | 2022 | 2023 | 2022 |
| **Transactions with the parent company of the group** |  |  |  |  |
| Interest income | 5 | 6 | - | - |
| Management and consulting fees | 18 | 18 | - | - |
| **Transactions with the parent company** |  |  |  |  |
| Interest expenses | 3 | - | 3 | - |
| **Transactions with the subsidiary company** |  |  |  |  |
| (eliminated from the consolidated financial statements) |  |  |  |  |
| Commission from management service | - | - | 65 | 66 |
| Commission from sale of equipment | - | - | 70 | 32 |
| Dividend income | - | - | 885 | - |
| Interest expenses | - | - | 2 | 5 |

As at 31 December 2023 and 2022, the balances of the accounts between the Group and those related parties were as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | (Unit: Thousand Baht) | |
|  | Consolidated financial statements | | Separate financial statements | |
|  | 2023 | 2022 | 2023 | 2022 |
| **Other receivables - related parties (Note 8)** |  |  |  |  |
| The parent company of the group | - | 2,165 | - | - |
| Subsidiary company | - | - | 51,444 | 28,890 |
| Total other receivables - related parties | - | 2,165 | 51,444 | 28,890 |
|  |  |  |  |  |
| **Other payables - related parties (Note 13)** |  |  |  |  |
| The parent company of the group | 3,215 | 2,235 | 628 | 627 |
| The parent company | - | 608 | - | 608 |
| Subsidiary company | - | - | 94 | 1,313 |
| Related companies (related by shareholder) | 3 | 81 | 3 | 1 |
| Total other payables - related parties | 3,218 | 2,924 | 725 | 2,549 |
|  |  |  |  |  |
| **Advance received for inventories - related party (Note 15)** |  |  |  |  |
| Subsidiary company | - | - | 1,823 | 149,756 |
| Total advance received for inventories - related party | - | - | 1,823 | 149,756 |

**Short-term loan to related party and short-term loans from related parties**

As at 31 December 2023 and 2022, the balances of loans between the Group and those related parties and the movement in loans were as follows:

*Loan to related party*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | (Unit: Thousand Baht) | | | |
|  |  | Consolidated financial statements | | | |
|  |  | Balance as at |  |  | Balance as at |
| Short-term loans | Relationship | 31 December 2022 | Decrease during the year | Translation adjustments | 31 December 2023 |
| Samart Corporation Public Co., Ltd. | The parent company of the group | 376,730 | (369,728) | (7,002) | - |
| Total |  | 376,730 | (369,728) | (7,002) | - |

*Loans from related parties*

(Unit: Thousand Baht)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | Consolidated financial statements | | | | |
|  |  | Balance as at | Decrease | Realised |  | Balance as at |
|  |  | 31 December | during | loss on | Translation | 31 December |
| Short-term loans | Relationship | 2022 | the year | exchange | adjustments | 2023 |
| Samart U-Trans Co., Ltd. | The parent company | 258,719 | (257,795) | 733 | (1,657) | - |
| Total |  | 258,719 | (257,795) | 733 | (1,657) | - |

(Unit: Thousand Baht)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Separate financial statements | | | | | |
|  |  | Balance as at |  | | Realised |  | Balance as at |
|  |  | 31 December | During the year | | loss on | Translation | 31 December |
| Short-term loans | Relationship | 2022 | Increase | Decrease | exchange | adjustments | 2023 |
| Cambodia Air Traffic Service Co., Ltd. | Subsidiary | - | 130,150 | (131,970) | - | 1,820 | - |
| Samart U-Trans Co., Ltd. | The parent company | 258,719 | - | (257,795) | 733 | (1,657) | - |
| Total |  | 258,719 | 130,150 | (389,765) | 733 | 163 | - |

1. On 22 May 2020, the subsidiary company provided a loan to Samart Corporation Public Co., Ltd., a parent company of the group, of USD 7.5 million which bears interest at LIBOR 3-month plus 0.25 percent per annum. The loan is unsecured and repayable at call. During the year 2021, a parent company of the group partially paid of USD 2.0 million.

In addition, on 9 December 2022, the subsidiary company provided a loan to a parent company of the group of USD 5.4 million which bears interest at LIBOR 3-month plus 0.25 percent per annum. The loan is unsecured and repayable at call. However, the subsidiary company was settled full amount of loan from a parent company of the group during the year 2023.

1. On 13 December 2022, the Company had short-term loan from Samart U-Trans Co., Ltd., a parent company, of Baht 260 million which bears interest at cost of fund plus 0.25 percent per annum. The loan is unsecured loan and payable at call. The Company paid all loan in March 2023.
2. On 25 August 2023, the Company had short-term loan from Cambodia Air Traffic Services Co., Ltd., a subsidiary company, of USD 3.7 million or equivalent to approximately Baht 130 million, which bears interest at the 3-month SOFR plus 0.51161 percent per annum. The loan is unsecured loan and be payable at call. The Company paid all loan in December 2023.

**Directors and management’s benefits**

During the years, the Group had employee benefit expenses payable to their directors and management as below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| (Unit: Million Baht) | | | | |
|  | Consolidated financial statements | | Separate financial statements | |
|  | 2023 | 2022 | 2023 | 2022 |
| Short-term employee benefits | 41 | 36 | 17 | 14 |
| Total | 41 | 36 | 17 | 14 |

**Significant agreements with related party**

*Service agreements*

a) Cambodia Air Traffic Services Co., Ltd., a subsidiary company, entered into a management and consulting service agreement with Samart Corporation Public Co., Ltd., the parent company of the group. The agreement has a term of one year, terminated in December 2023, and requires the subsidiary to pay a monthly service fee of approximately USD 0.04 million (2022: USD 0.04 million).

b) The Company entered into smart managed security service agreement with Samart Corporation Public Co., Ltd., the parent company of the group. The agreement has a term of one year and terminated in December 2023, the Company has to pay a monthly service fees of approximately Baht 0.5 million (2022: Baht 0.5 million).

**7. Cash and cash equivalents**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| (Unit: Thousand Baht) | | | | |
|  | Consolidated financial statements | | Separate financial statements | |
|  | 2023 | 2022 | 2023 | 2022 |
| Cash | 162 | 190 | 5 | 5 |
| Bank deposits | 520,331 | 578,622 | 46,524 | 71,085 |
| Less: Restricted bank deposit | - | (240,048) | - | - |
| Total | 520,493 | 338,764 | 46,529 | 71,090 |

As at 31 December 2023, bank deposits in saving accounts and fixed deposits carried interests at the rate between 0.01 and 5.00 percent per annum (2022: between 0.01 and 3.50 percent per annum).

As at 31 December 2022, a restricted bank deposit of Baht 240 million represents a fixed deposit with bank that the subsidiary has pledged as a debt service reserve account (“DSRA”) as collateral to secure a long-term loan from a bank. During the year 2023, the subsidiary redeemed the pledge of the aforementioned bank deposit because it had fully repaid the long-term loan.

**8. Trade and other receivables**

|  |  | | (Unit: Thousand Baht) | |
| --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | Separate financial statements | |
|  | 2023 | 2022 | 2023 | 2022 |
| **Trade receivables - unrelated parties** |  |  |  |  |
| Aged on the basis of due dates |  |  |  |  |
| Not yet due | 128,042 | 114,696 | - | - |
| Past due |  |  |  |  |
| Up to 3 months | 33,911 | 46,226 | - | - |
| 3 - 6 months | 96 | 36 | - | - |
| 6 - 9 months | 26 | 89 | - | - |
| 9 - 12 months | 23 | 233 | - | - |
| Over 12 months | 86,816 | 88,307 | - | - |
| Total | 248,914 | 249,587 | - | - |
| Less: Allowance for expected credit losses | (86,660) | (88,371) | - | - |
| Total trade receivables - unrelated parties, net | 162,254 | 161,216 | - | - |
| Total trade receivables - net | 162,254 | 161,216 | - | - |
| **Other receivables** |  |  |  |  |
| Other receivables - related parties (Note 6) | - | 2,165 | 51,444 | 28,890 |
| Other receivables - unrelated parties | 951 | 1,815 | - | - |
| Total other receivables | 951 | 3,980 | 51,444 | 28,890 |
| Total trade and other receivables - net | 163,205 | 165,196 | 51,444 | 28,890 |

The normal credit term is 20 to 30 days.

Set out below is the movements in the allowance for expected credit losses of trade receivables.

(Unit: Thousand Baht)

|  |  |  |
| --- | --- | --- |
|  | Consolidated financial statements | |
|  | 2023 | 2022 |
| Beginning balance | 88,371 | 103,265 |
| Reversal of provision for expected credit losses | (838) | (18,579) |
| Translation adjustments | (873) | 3,685 |
| Ending balance | 86,660 | 88,371 |

The temporary suspension of airlines worldwide due to the COVID-19 pandemic had a significant impact, but the airline business has now rebound. This has a positive impact on the trade receivables’ ability to settle debts. Therefore, the allowance for expected credit losses of trade receivables in 2023 decreased by Baht 0.8 million (2022: Baht 19 million).

**9. Other current assets**

(Unit: Thousand Baht)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | Separate financial statements | |
|  | 2023 | 2022 | 2023 | 2022 |
| Advance for purchase of inventories | 53 | 71,112 | 24 | 71,112 |
| Refundable value added tax | 44,226 | 26,447 | 10,299 | 6,904 |
| Prepaid expenses | 15,088 | 15,861 | 1,225 | 2,228 |
| Advance payments | 1,029 | 1,522 | 53 | - |
| Others | 1,300 | 4,505 | 337 | 4,301 |
| Total | 61,696 | 119,447 | 11,938 | 84,545 |

**10. Investment in subsidiary**

Details of investment in subsidiary as presented in separate financial statements are as follows:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (Unit: Thousand Baht) | | | | | | | |
| Company’s name | Paid-up capital | | Shareholding percentage | | Cost | | Dividend received during the periods | |
|  | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
|  |  |  | Percent | Percent |  |  |  |  |
| Cambodia Air Traffic Services Co., Ltd. | USD 10 million | USD 10 million | 100 | 100 | 1,952,664 | 1,972,012 | 885,057 | - |
|  |  |  |  |  | 1,952,664 | 1,972,012 | 885,057 | - |

The change in cost of investment in subsidiary is from the exchange differences on translation of financial statements from functional currency to presentation currency.

As at 31 December 2022, the Company pledged all shares of Cambodia Air Traffic Services Co., Ltd., a subsidiary, with a bank as collateral to secure long-term loans. However, during 2023, the Company fully repaid the long-term loans and fulfilled its obligations under the agreement.

*Establishment of new subsidiary company*

The Company will establish a new subsidiary company in the Lao People's Democratic Republic to provide programming services for billing and receiving payments, website design, hardware maintenance, software related to information technology systems, and offer solutions for air navigation services, with a registered share capital totaling USD 10,000, in which the Company holds a 100 percent interest. The Company is in the process of establishing the new subsidiary company.

**11. Equipment**

|  | (Unit: Thousand Baht) | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | | | | |
|  | Furnitures and office equipment | Motor vehicles | | | Assets under installation | Total |
| **Cost** |  |  | | |  |  |
| 1 January 2022 | 51,737 | 22,259 | | | - | 73,996 |
| Additions | 1,174 | 29 | | | - | 1,203 |
| Translation adjustments | 1,747 | 761 | | | - | 2,508 |
| 31 December 2022 | 54,658 | 23,049 | | | - | 77,707 |
| Additions | 7,669 | 2,882 | | | 786 | 11,337 |
| Translation adjustments | (715) | (221) | | | (32) | (968) |
| 31 December 2023 | 61,612 | 25,710 | | | 754 | 88,076 |
| **Accumulated depreciation** |  |  | | |  |  |
| 1 January 2022 | 39,687 | 18,763 | | | - | 58,450 |
| Depreciation for the year | 4,097 | 1,484 | | | - | 5,581 |
| Translation adjustments | 1,298 | 623 | | | - | 1,921 |
| 31 December 2022 | 45,082 | 20,870 | | | - | 65,952 |
| Depreciation for the year | 4,391 | 1,623 | | | - | 6,014 |
| Transfer accumulated depreciation to accumulated amortisation | (3,172) | - | | | - | (3,172) |
| Translation adjustments | (552) | (234) | | | - | (786) |
| 31 December 2023 | 45,749 | 22,259 | | | - | 68,008 |
| **Net book value** |  |  | | |  |  |
| 31 December 2022 | 9,576 | 2,179 | | | - | 11,755 |
| 31 December 2023 | 15,863 | 3,451 | | | 754 | 20,068 |
| **Depreciation for the year** |  |  | | |  |  |
| 2022 (All depreciation included in administrative expenses) | | |  |  |  | 5,581 |
| 2023 (All depreciation included in administrative expenses) | | |  |  |  | 6,014 |

|  | (Unit: Thousand Baht) | |
| --- | --- | --- |
|  | Separate financial statements | |
|  | Furnitures and office equipment | Total |
| **Cost** |  |  |
| 1 January 2022 | 61 | 61 |
| Additions | 6 | 6 |
| Translation adjustments | 2 | 2 |
| 31 December 2022 | 69 | 69 |
| Additions | 42 | 42 |
| Translation adjustments | (1) | (1) |
| 31 December 2023 | 110 | 110 |
| **Accumulated depreciation** |  |  |
| 1 January 2022 | 17 | 17 |
| Depreciation for the year | 9 | 9 |
| Translation adjustments | 1 | 1 |
| 31 December 2022 | 27 | 27 |
| Depreciation for the year | 18 | 18 |
| Translation adjustments | (1) | (1) |
| 31 December 2023 | 44 | 44 |
| **Net book value** |  |  |
| 31 December 2022 | 42 | 42 |
| 31 December 2023 | 66 | 66 |
| **Depreciation for the year** |  |  |
| 2022 (All depreciation included in administrative expenses) |  | 9 |
| 2023 (All depreciation included in administrative expenses) |  | 18 |

As at 31 December 2023, certain items of equipment of the subsidiary company were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 47 million (2022: Baht 48 million).

**12. Intangible assets**

(Unit: Thousand Baht)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | | |
|  | Service concession | Computer software | Assets under installation | Total |
| **Cost** |  |  |  |  |
| 1 January 2022 | 1,602,099 | 155,172 | - | 1,757,271 |
| Additions | 65,544 | - | 45,591 | 111,135 |
| Translation adjustments | 55,007 | 5,305 | (949) | 59,363 |
| 31 December 2022 | 1,722,650 | 160,477 | 44,642 | 1,927,769 |
| Additions | 31,249 | - | 90,915 | 122,164 |
| Transfer from deposits for acquisition of equipment and intangible assets | - | - | 69,790 | 69,790 |
| Transfer in/(Transfer out) | 156,038 | - | (156,038) | - |
| Translation adjustments | (24,485) | (1,575) | 5,856 | (20,204) |
| 31 December 2023 | 1,885,452 | 158,902 | 55,165 | 2,099,519 |
| **Accumulated amortisation** |  |  |  |  |
| 1 January 2022 | 696,083 | 145,833 | - | 841,916 |
| Amortisation during the year | 61,596 | 1,142 | - | 62,738 |
| Translation adjustments | 23,403 | 4,972 | - | 28,375 |
| 31 December 2022 | 781,082 | 151,947 | - | 933,029 |
| Amortisation during the year | 52,982 | 5,199 | - | 58,181 |
| Transfer accumulated depreciation to accumulated amortisation | - | 3,172 | - | 3,172 |
| Translation adjustments | (8,638) | (1,416) | - | (10,054) |
| 31 December 2023 | 825,426 | 158,902 | - | 984,328 |
| **Net book value** |  |  |  |  |
| 31 December 2022 | 941,568 | 8,530 | 44,642 | 994,740 |
| 31 December 2023 | 1,060,026 | - | 55,165 | 1,115,191 |
| **Amortisation for the year** |  |  |  |  |
| 2022 (Baht 62 million included in cost of services, and the balance in administrative expenses) | | | | 62,738 |
| 2023 (Baht 61 million included in cost of services, and the balance in administrative expenses) | | | | 58,181 |

***Service concession***

The 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 earned. 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.

Cambodia Air Traffic Services Co., Ltd., the subsidiary company, received some of the equipment transferred from The Cambodian State Secretariat of Civil Aviation (“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. Therefore, the subsidiary company recognised such assets as intangible assets in accordance with TFRIC 12 Service Concession Arrangements. In addition, the subsidiary company recognised intangible assets for the expected upgrades under the service concession contract according to the period of BCT contract with the State Secretariat of Civil Aviation (“SSCA”) (as described in Note 28.2 a)).

As at 31 December 2023, certain items of computer software of the subsidiary company were fully amortisated but are still in use. The gross carrying amount before deducting accumulated amortisation amounted to approximately Baht 159 million (2022: Baht 155 million).

**13. Trade and other payables**

(Unit: Thousand Baht)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Consolidated  financial statements | | Separate  financial statements | |
|  | 2023 | 2022 | 2023 | 2022 |
| Accrued revenue sharing under service concession arrangement | 159,677 | 136,962 | - | - |
| Other payables - related parties (Note 6) | 3,218 | 2,924 | 725 | 2,549 |
| Other payables - unrelated parties | 25,847 | 7,180 | 21,393 | 7,180 |
| Accrued expenses - unrelated parties | 32,184 | 25,337 | 8,873 | 3,551 |
| Accrued interest expenses - unrelated parties | - | 7,884 | - | 7,884 |
| Total | 220,926 | 180,287 | 30,991 | 21,164 |

The subsidiary company recognises the amount payable to the SSCA for their share of revenues pursuant to the BCT contract. The revenue sharing to the SSCA during the early operation period until 31 December 2002 was 70% for landing and take-off revenues and 30% for over-flight revenues. Since 31 December 2002, the revenue sharing has been 50% for landing and take-off and 30% for over-flight. The share of revenues due to the SSCA is stated after taking into account of the amount estimated to be uncollectable, shown as allowance for expected credit losses (Note 8).

**14. Long-term loan from financial institution**

(Unit: Thousand Baht)

|  |  |  |
| --- | --- | --- |
|  | Consolidated financial statements/ Separate financial statements | |
|  | 2023 | 2022 |
| Long-term loan | - | 1,169,764 |
| Less: Current portion | - | (429,610) |
| Long-term loan, net of current portion | - | 740,154 |

Movements of the long-term loan account for the years ended 31 December 2023 and 2022 were summarised below.

|  |  |  |
| --- | --- | --- |
|  | (Unit: Thousand Baht) | |
|  | Consolidated financial statements/ Separate financial statements | |
|  | 2023 | 2022 |
| **Beginning balance** | 1,169,764 | 1,189,247 |
| Less: Repayments | (1,197,581) | (63,216) |
| Translation adjustments | 27,817 | 43,733 |
| **Ending balance** | - | 1,169,764 |

On 19 February 2018, the Group entered into a loan agreement with a financial institution of USD 66 million or equivalent to Baht 2,161 million. The loan carried interest at 3-month LIBOR plus fixed rate, and the loan principal and interest are repayable on the three-month period basis by 28 installments, commencing in May 2018.

On 25 September 2023, the Company issued a notification to repay the remaining loan of USD 24.8 million to the financial institution and the Company repaid this long-term loan on 11 October 2023.

**15. Other current liabilities**

(Unit: Thousand Baht)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | Separate financial statements | |
|  | 2023 | 2022 | 2023 | 2022 |
| Provision for other long-term employee benefits under Cambodian labour laws (Note 17.2) | 961 | 1,240 | - | - |
| Unearned revenue | 3,668 | 1,650 | - | - |
| Advance received for inventories - related party (Note 6) | - | - | 1,823 | 149,756 |
| Others | 2,813 | 3,863 | 385 | 256 |
| Total | 7,442 | 6,753 | 2,208 | 150,012 |

**16. Long-term provision under service concession**

(Unit: Thousand Baht)

|  |  |  |
| --- | --- | --- |
|  | Consolidated  financial statements | |
|  | 2023 | 2022 |
| Long-term provision under service concession | 169,659 | 133,937 |
| Less: Current portion | (17,351) | - |
| Long-term provision under service concession, net of current portion | 152,308 | 133,937 |

Movements of the long-term provision under service concession account during the years ended 31 December 2023 and 2022 were summarised below.

|  |  |  |
| --- | --- | --- |
|  | (Unit: Thousand Baht) | |
|  | Consolidated financial statements | |
|  | 2023 | 2022 |
| **Beginning balance** | 133,937 | 56,571 |
| Increase during the year | 34,759 | 73,819 |
| Interest cost | 3,679 | 1,466 |
| Translation adjustments | (2,716) | 2,081 |
| **Ending balance** | 169,659 | 133,937 |

The subsidiary company recognised long-term provision under service concession based on the best estimate provided by the management for the costs to be incurred on the existing concession assets under the subsidiary company’s contractual obligations pursuant to the BCT Agreement with the SSCA (Note 12).

**17. Provision for long-term employee benefits**

(Unit: Thousand Baht)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Note | Consolidated financial statements | | Separate financial statements | |
|  |  | 2023 | 2022 | 2023 | 2022 |
| Post-employment benefits | *17.1* | 12,292 | 11,661 | 12,292 | 11,661 |
| Other long-term employee benefits under Cambodian labour laws | *17.2* | 12,900 | 13,587 | - | - |
| Total |  | 25,192 | 25,248 | 12,292 | 11,661 |

**17.1 Post-employment benefits**

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

(Unit: Thousand Baht)

|  |  |  |
| --- | --- | --- |
|  | Consolidated/Separate  financial statements | |
|  | 2023 | 2022 |
| **Provision for long-term employee benefits at beginning of year** | 11,661 | 8,700 |
| Included in profit or loss: |  |  |
| Current service cost | 419 | 331 |
| Interest cost | 211 | 101 |
| Transfer employees | - | 1,869 |
| Included in other comprehensive income: |  |  |
| Actuarial (gain) loss arising from |  |  |
| Financial assumptions changes | - | (586) |
| Experience adjustments | - | 1,540 |
| Demographic assumption changes | - | (168) |
| Unrealised (gain) loss on exchange | 143 | (280) |
| Translation adjustments | (142) | 154 |
| **Provision for long-term employee benefits at end of year** | 12,292 | 11,661 |

The Company does not expect to pay long-term employee benefits during the next year (2022: the Company expects to pay Baht 1.9 million of long-term employee benefits during the next year).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 4 years (2022: 4 years).

Key actuarial assumptions are summarised below.

(Unit: percent per annum)

|  |  |  |
| --- | --- | --- |
|  | Consolidated financial statements/ Separate financial statements | |
|  | 2023 | 2022 |
| Discount rate | 1.88 | 1.80 |
| Salary increase rate | 3.0 - 4.5 | 3.0 - 4.5 |
| Turnover rate | 0 - 24 | 0 - 24 |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | (Unit: Million Baht) | | | |
|  | Consolidated financial statements/ Separate financial statements | | | |
|  | Liability increase (decrease) | | | |
|  | Increase 1% | | Decrease 1% | |
|  | 2023 | 2022 | 2023 | 2022 |
| Discount rate | (0.4) | (0.4) | 0.4 | 0.5 |
| Salary increase rate | 0.5 | 0.5 | (0.5) | (0.4) |
|  |  |  |  |  |
|  | Increase 20% | | Decrease 20% | |
|  | 2023 | 2022 | 2023 | 2022 |
| Turnover rate | (0.3) | (0.3) | 0.3 | 0.3 |

**17.2 Other** **long-term employee benefits under Cambodian labour laws**

As at 31 December 2023, the subsidiary company recorded other long-term employee benefits of USD 0.4 million or equivalent to Baht 14 million (2022: USD 0.4 million or equivalent to Baht 15 million), in accordance with Cambodian labour laws, which are presented in the statement of financial position as follows:

(Unit: Thousand Baht)

|  |  |  |
| --- | --- | --- |
|  | Consolidated financial statements | |
|  | 2023 | 2022 |
| Current (Note 15) | 961 | 1,240 |
| Non-current | 12,900 | 13,587 |
| Total | 13,861 | 14,827 |

On 23 December 2020, the Ministry of Labour and Vocational Training of Cambodia released an instruction on the payment of seniority indemnity before 2019 confirming that the payment of seniority indemnity before 2019 can be delayed to June 2022.

**18. Share capital/ Share premium**

During 15 to 20 September 2023, the Company made an initial public offering of 64 million newly issued ordinary shares with a par value of Baht 0.5 each, at an offering price of Baht 19 per share, amounting to Baht 1,216 million. Subsequently on 21 September 2023, the Company has received full payment of the additional capital and then registered the increase of its issued and paid-up share capital from Baht 288 million (576 million ordinary shares with a par value of Baht 0.5 each) to Baht 320 million (640 million ordinary shares with a par value of Baht 0.5 each) with the Ministry of Commerce on 21 September 2023. The Stock Exchange of Thailand approved 640 million ordinary shares with a par value of Baht 0.5 each as listed securities, with trading permitted on 26 September 2023. For the offering of such newly issued ordinary shares, the Company had directly related expenses of Baht 21 million which had been recorded to net with its share premium. As a result, the Company had a share premium of Baht 1,163 million as at 31 December 2023.

**19. Statutory reserve**

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

**20. Revenue from contracts with customers**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| (Unit: Thousand Baht) | | | | |
|  | Consolidated financial statements | | Separate financial statements | |
|  | 2023 | 2022 | 2023 | 2022 |
| Service income | 1,501,297 | 1,086,210 | - | - |
| Revenues from contract work | 143,027 | 131,399 | - | - |
| Total | 1,644,324 | 1,217,609 | - | - |

**21. Other income**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| (Unit: Thousand Baht) | | | | |
|  | Consolidated financial statements | | Separate financial statements | |
|  | 2023 | 2022 | 2023 | 2022 |
| Commission from management service (Note 6) | - | - | 65,478 | 65,939 |
| Commission from sale equipment (Note 6) | - | - | 69,508 | 32,286 |
| Others | 3,497 | 2,461 | 4 | 114 |
| Total | 3,497 | 2,461 | 134,990 | 98,339 |

**22. Expenses by nature**

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | Separate financial statements | |
|  | 2023 | 2022 | 2023 | 2022 |
| Revenue sharing under service concession arrangement | 558,326 | 383,846 | - | - |
| Salaries, wages and other employee benefits | 232,916 | 214,370 | 19,518 | 16,822 |
| Depreciation of equipment | 6,014 | 5,646 | 18 | 9 |
| Amortisation expenses | 58,181 | 62,675 | - | 104 |
| Management and consulting fees | 36,570 | 32,820 | 2,781 | - |
| Insurance expenses | 14,467 | 18,938 | 4,618 | 9,286 |
| Write-off withholding tax | 96,972 | 7,345 | 96,104 | 7,345 |

*Withholding tax write-off*

Withholding tax deducted at source includes withholding tax deducted at source for services provided abroad and withholding tax deducted at source from dividends received from abroad. Regarding the withholding tax deducted at source for services provided abroad, the Company can credit the tax payable if it has taxable profit, and the balance from the credited amount will be recorded as an expense because it is the tax withheld at source from abroad and cannot be claimed back in cash. As for the withholding tax deducted at source from the dividends received from abroad, since the dividend is exempted from corporate income tax, the Company records the total amount as an expense. The withholding tax write-off is presented in the line of other expenses under profit or loss.

**23. Income tax**

Corporate income tax for the years in the consolidated financial statements are corporate income tax of the oversea subsidiary which has been calculated by applying the applicable statutory rates of the relevant country.

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

(Unit: Thousand Baht)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | Separate financial statements | |
|  | 2023 | 2022 | 2023 | 2022 |
| **Current tax:** |  |  |  |  |
| Current income tax charge | 98,210 | 37,356 | - | - |
| Adjustment in current income tax of previous year | 2,411 | - | - | - |
| **Deferred tax:** |  |  |  |  |
| Relating to origination and reversal of temporary differences | (10,358) | 16,243 | - | - |
| **Income tax expense reported in profit or loss** | 90,263 | 53,599 | - | - |

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

(Unit: Thousand Baht)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | Separate financial statements | |
|  | 2023 | 2022 | 2023 | 2022 |
| Accounting profit before tax | 361,817 | 253,147 | 813,894 | 3,821 |
|  |  |  |  |  |
| Applicable tax rate | 20% | 20% | 20% | 20% |
| Accounting profit before tax multiplied by applicable tax rate | 72,363 | 50,629 | 162,779 | 764 |
| Adjustment in current income tax of previous year | 2,411 | - | - | - |
| Effects of: |  |  |  |  |
| Non-deductible expenses | 769 | 3,734 | 29 | - |
| Additional expense deductions allowed | (4,077) | (1) | (4,077) | (1) |
| Tax losses not recognised as deferred tax assets | 18,659 | - | 18,659 | - |
| Utilisation of tax loss carried forward | - | (1,228) | - | (1,228) |
| Tax-exempt income | - | - | (177,528) |  |
| Others | 138 | 465 | 138 | 465 |
| Total | 15,489 | 2,970 | (162,779) | (764) |
| Income tax expenses reported in profit or loss | 90,263 | 53,599 | - | - |

The components of deferred tax assets and deferred tax liabilities were as follows:

(Unit: Thousand Baht)

|  |  |  |
| --- | --- | --- |
|  | Consolidated financial statements | |
|  | 2023 | 2022 |
| **Deferred tax assets** |  |  |
| Allowance for expected credit losses | 7,931 | 8,137 |
| Deferred revenue | 733 | 330 |
| Provision for other long-term employee benefits | 2,772 | 2,983 |
| Gain on sales of inventories among related parties | 20,076 | 6,336 |
| Total | 31,512 | 17,786 |
| **Deferred tax liabilities** |  |  |
| Accumulated amortisation - intangible assets | (113,064) | (110,830) |
| Total | (113,064) | (110,830) |
| Deferred tax - net | 81,552 | 93,044 |

As at 31 December 2023, the Company had deductible temporary differences and unused tax losses totaling to USD 3.97 million or equivalent to Baht 135.98 million (2022: USD 9.90 million or equivalent to Baht 342.24 million), on which deferred tax assets has not been recognised as the Company believes future taxable profit may not be sufficient to allow the utilisation of the unused tax losses. The unused tax losses amounting to USD 1.29 million, USD 0.09 million and USD 2.59 million, respectively, or equivalent to Baht 44.06 million, Baht 3.16 million and Baht 88.76 million, respectively, will expire in 2025, 2026 and 2028, respectively (2022: unused tax losses which will expire in 2023, 2025 and 2026 amounting to USD 8.45 million, USD 1.29 million and USD 0.09 million, respectively, or equivalent to Baht 292.21 million, Baht 44.50 million and Baht 3.19 million, respectively).

**24. Earnings per share**

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | | | | |
|  | Profit for the year | | Weighted average number of ordinary shares | | Earnings per share | |
|  | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
|  | (Thousand Baht) | (Thousand Baht) | (Thousand shares) | (Thousand shares) | (Baht) | (Baht) |
| **Basic earnings per share** |  |  |  |  |  |  |
| Profit attributable to equity holders of  the parent company | 271,553 | 199,548 | 593,885 | 576,000 | 0.46 | 0.35 |
|  | Separate financial statements | | | | | |
|  | Profit for the year | | Weighted average number of ordinary shares | | Earnings per share | |
|  | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
|  | (Thousand Baht) | (Thousand Baht) | (Thousand shares) | (Thousand shares) | (Baht) | (Baht) |
| **Basic earnings per share** |  |  |  |  |  |  |
| Profit attributable to equity holders of  the parent company | 813,894 | 3,821 | 593,885 | 576,000 | 1.37 | 0.01 |

**25. Dividend**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Dividends | Approved by | | Dividend paid | Dividend paid per share |
|  |  | | (Thousand Baht) | (Baht) |
| Interim dividends in respect of the operating results for the period as from 1 January 2023 to 30 June 2023 | Board of Directors’ meeting on 3 October 2023 | | 480 | 0.75 |
| Total dividends for the year 2023 | |  | 480 | 0.75 |

No dividend payment for 2022.

**26. Segment information**

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Group is principally engaged in the Utilities and Transportations. Its operations are provision of air traffic control services and the single geographical area of their operations is Cambodia. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

For the year 2023, the Group has revenue from three major customers, totaling of Baht 399 million (2022: Baht 321 million derived from three major customers).

**27. Provident fund**

The Company and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company contributed to the fund monthly at the rate of 3 percent to 10 percent of basic salary and their employees contributed to the fund monthly at the rate of 3 percent to 15 percent of basic salary. The fund, which is managed by Bangkok Bank Public Company Limited, will be paid to the employees upon termination in accordance with the fund rules. The contributions for the year 2023 amounting to approximately Baht 1 million (2022: Baht 2 million).

**28. Commitments and contingent liabilities**

The Group has commitments and contingent liabilities other than those disclosed in other notes as follows:

**28.1 Capital commitment**

As at 31 December 2023, the Group had capital commitments of approximately USD 0.02 million or equivalent to Baht 0.6 million, regarding the additionally invest in project assets as condition stipulated in the service concession agreement (2022: USD 0.1 million or equivalent to Baht 2.2 million).

**28.2 Other commitments**

a) On 19 January 2001, Samart Corporation Public Co., Ltd., the parent company of the group, has entered into the Contract to build, cooperate and transfer an air traffic control system (“BCT Contract”) with the Royal Government of the Kingdom of Cambodia. Under this agreement, the parent company of the group has had to establish a limited liability company under the laws of the Kingdom of Cambodia to be responsible for development and sole operation of the civil air traffic control and navigation system of Cambodia for a period of 15 years with an option to extend for another 7 years in consideration of The State Secretariat of Civil Aviation of Cambodia (“SSCA”) granting the air traffic license to the parent company of the group. On 18 May 2001, the parent company of the group entered into the assignment of “BCT Contract” with Cambodia Air Traffic Services Co., Ltd., a subsidiary company, to transfer of all the parent company of the group’s rights and obligations under the “BCT Contract” to that subsidiary company pursuant to Article 2.2 of “BCT Contract” without charge. On 27 September 2007 and 8 December 2017, the subsidiary requested extension to another 10 years and 7 years, respectively. Subsequently, on 18 August 2022, the subsidiary company signed an amendment to the concession agreement with the Royal Government of the Kingdom of Cambodia to extend the concession period for another 10 years, from 2041 to 2051, whereby the subsidiary company has to additionally invest in project assets as condition stipulated in the extend agreement.

Under the agreement, the subsidiary company is to pay remuneration to the Royal Government of the Kingdom of Cambodia in proportion to its annual income and is obliged to comply with conditions, including the condition that the ownership of the civil air traffic control and navigation system and all equipment, which currently are transferred to intangible assets (service concession) in accordance with TFRIC 12 Service Concession Arrangements, is to be transferred to the Royal Government of the Kingdom of Cambodia at the end of concession period, without charge.

b) As at 31 December 2022, the Company was committed to pay premium to a company in accordance with long-term loan agreement amounting to USD 0.2 million, or equivalent to Baht 7.2 million (2023: Nil).

c) As at 31 December 2023, the Company had commitments with a subsidiary company relating to equipment procurement of approximately USD 0.02 million, Euro 0.1 million and Baht 0.2 million or equivalent to total of Baht 6 million (2022: USD 0.04 million, Euro 0.9 million and Baht 1.5 million or equivalent to total of Baht 36 million).

**28.3  Tax assessment of a subsidiary**

In 2020, a subsidiary underwent an assessment by the General Department of Taxation of Cambodia, resulting in an underpayment of withholding tax for 2019 of USD 0.2 million (approximately Baht 6.8 million). Subsequently, on 17 February 2023, the subsidiary submitted an objection letter against this assessment. The management of the subsidiary foresees the potential impact of this tax issue to be insignificant for the subsidiary. As a result, the subsidiary has not set aside any provisions in its accounts.

**29. Financial instruments**

**29.1 Financial risk management objectives and policies**

The Group’s financial instruments principally comprise cash and cash equivalents, trade and other receivables, short-term loans, trade and other payables. The financial risks associated with these financial instruments and how they are managed is described below.

**Credit risk**

The Group is exposed to credit risk primarily with respect to trade receivables, short-term loans, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

***Trade receivables***

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses and outstanding trade receivables are regularly monitored.

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

***Financial instruments and cash deposits***

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group’s Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group’s Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty’s potential failure to make payments.

**Market risk**

There are two types of market risk comprising interest rate risk and currency risk.

***Foreign currency risk***

Almost all revenues and expenditures of the Group is denominated in US Dollars, which provide a natural hedge against the currency risk associated with transactions in US Dollars. Consequently, the Group is exposed to a currency risk in respect of financial instruments denominated in other currencies. However, the management of the Group has decided to maintain an open position with regard to this exposure, but endeavors to limit this exposure to the minimum possible amounts by not holding significant amounts of financial instruments denominated in other currencies or use derivative instruments, as and when it considers appropriate, to manage such risks.

As at 31 December 2023 and 2022, the Group has the following significant financial asset denominated in foreign currency (currencies other than US Dollars).

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | | |
| Baht | Amount | | Average exchange rate as at 31 December | |
|  | 2023 | 2022 | 2023 | 2022 |
|  | (Million) | (Million) | (USD per 1 foreign currency unit) | |
| **Financial assets** |  |  |  |  |
| Cash and cash equivalents | 36 | 25 | 0.0291 | 0.0288 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Separate financial statements | | | |
| Baht | Amount | | Average exchange rate as at 31 December | |
|  | 2023 | 2022 | 2023 | 2022 |
|  | (Million) | (Million) | (USD per 1 foreign currency unit) | |
| **Financial assets** |  |  |  |  |
| Cash and cash equivalents | 30 | 18 | 0.0291 | 0.0288 |

*Foreign currency sensitivity*

The following tables demonstrate the sensitivity of the Group’s profit before tax to a reasonably possible change in Baht exchange rates, with all other variables held constant. The impact on the Group’s profit before tax is due to changes in the fair value of monetary assets as at 31 December 2023 and 2022.

|  | Consolidated financial statements | | | |
| --- | --- | --- | --- | --- |
| Currency | Change in foreign currency rate | | Increase/(decrease) in profit before tax | Increase/(decrease) in loss before tax |
|  | 2023 | 2022 | 2023 | 2022 |
|  | (%) | (%) | (Thousand Baht) | (Thousand Baht) |
| Baht | +5 | +5 | (1,821) | (1,225) |
|  | -5 | -5 | 1,821 | 1,225 |

|  | Separate financial statements | | | |
| --- | --- | --- | --- | --- |
| Currency | Change in foreign currency rate | | Increase/(decrease) in profit before tax | Increase/(decrease) in loss before tax |
|  | 2023 | 2022 | 2023 | 2022 |
|  | (%) | (%) | (Thousand Baht) | (Thousand Baht) |
| Baht | +5 | +5 | (1,506) | (881) |
|  | -5 | -5 | 1,506 | 881 |

This information is not a forecast or prediction of future market conditions and should be used with care.

***Interest rate risk***

The Group’s exposure to interest rate risk relates primarily to its long-term borrowing. Most of the Group’s financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2023 and 2022, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Units: Million Baht)

|  | Consolidated financial statements | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Fixed interest rates | | Floating | | Non-interest | |  | |
|  | Within 1 year | | interest rate | | bearing | | Total | |
|  | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| **Financial assets** |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | 285 | 121 | 235 | 218 | - | - | 520 | 339 |
| Trade and other receivables | - | - | - | - | 163 | 165 | 163 | 165 |
| Short-term loans to related parties | - | - | - | 377 | - | - | - | 377 |
| Restricted bank deposit | - | 240 | - | - | - | - | - | 240 |
| Total | 285 | 361 | 235 | 595 | 163 | 165 | 683 | 1,121 |
| **Financial liabilities** |  |  |  |  |  |  |  |  |
| Trade and other payables | - | - | - | - | 221 | 180 | 221 | 180 |
| Short-term loan from related party | - | - | - | 259 | - | - | - | 259 |
| Long-term loan from financial institution | - | - | - | 1,170 | - | - | - | 1,170 |
| Other current financial liabilities | - | - | - | - | 18 | 17 | 18 | 17 |
| Total | - | - | - | 1,429 | 239 | 297 | 239 | 1,626 |

(Units: Million Baht)

|  | Separate financial statements | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
|  | Floating | | Non-interest | |  | |
|  | interest rate | | bearing | | Total | |
|  | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| **Financial assets** |  |  |  |  |  |  |
| Cash and cash equivalents | 47 | 71 | - | - | 47 | 71 |
| Trade and other receivables | - | - | 51 | 29 | 51 | 29 |
| Total | 47 | 71 | 51 | 29 | 98 | 100 |
| **Financial liabilities** |  |  |  |  |  |  |
| Trade and other payables | - | - | 31 | 21 | 31 | 21 |
| Short-term loan from related parties | - | 259 | - | - | - | 259 |
| Long-term loan from financial institution | - | 1,170 | - | - | - | 1,170 |
| Total | - | 1,429 | 31 | 21 | 31 | 1,450 |

Effective interest rates of financial assets and liabilities were separately shown in related note to financial statements.

*Interest rate sensitivity*

The following table demonstrates the sensitivity of the Group’s profit before tax to a reasonably possible change in interest rates on that portion of floating rate loan to and loan from affected as at 31 December 2023 and 2022.

|  | Consolidated financial statements | | | |
| --- | --- | --- | --- | --- |
| Currency | Increase/decrease in interest rate | | Increase/(decrease) in profit before tax | Increase/(decrease) in loss before tax |
|  | 2023 | 2022 | 2023 | 2022 |
|  | (%) | (%) | (Thousand Baht) | (Thousand Baht) |
| USD | +0.1 | +0.1 | - | (1,051) |
|  | -0.1 | -0.1 | - | 1,051 |

|  | Separate financial statements | | | |
| --- | --- | --- | --- | --- |
| Currency | Increase/decrease in interest rate | | Increase/(decrease) in profit before tax | Increase/(decrease) in loss before tax |
|  | 2023 | 2022 | 2023 | 2022 |
|  | (%) | (%) | (Thousand Baht) | (Thousand Baht) |
| USD | +0.1 | +0.1 | - | (1,428) |
|  | -0.1 | -0.1 | - | 1,428 |

The above analysis has been prepared assuming that the amounts of the floating rate loan to and loan from and all other variables remain constant over one year. Moreover, the floating legs of these loan to and loan from are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest receivable and interest payable for the full 12-month period of the sensitivity calculation. This information is not a forecast or prediction of future market conditions and should be used with care.

**Liquidity risk**

The Group has a policy to control the risk of a shortage of liquidity by maintaining an adequate level of cash and cash equivalents for the Group’s operation. In addition, the Group has access to a sufficient variety of sources of funding to mitigate the effects of fluctuations in cash flows.

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

|  | (Unit: Million Baht) | | | | |
| --- | --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | | | |
|  | As at 31 December 2023 | | | | |
|  | On  demand | Less than 1 year | 1 to 5  years | > 5 years | Total |
| **Non-derivatives** |  |  |  |  |  |
| Trade and other payables | - | 221 | - | - | 221 |
| Lease liabilities | - | - | - | 1 | 1 |
| Other financial liabilities | - | 18 | - | - | 18 |
| **Total non-derivatives** | - | 239 | - | 1 | 240 |

|  | (Unit: Million Baht) | | | | |
| --- | --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | | | |
|  | As at 31 December 2022 | | | | |
|  | On  demand | Less than 1 year | 1 to 5  years | > 5 years | Total |
| **Non-derivatives** |  |  |  |  |  |
| Trade and other payables | - | 180 | - | - | 180 |
| Short-term loan from related parties | 260 | - | - | - | 260 |
| Lease liabilities | - | - | - | 1 | 1 |
| Long-term loans | - | 486 | 772 | - | 1,258 |
| Other financial liabilities | - | 16 | - | - | 16 |
| **Total non-derivatives** | 260 | 682 | 772 | 1 | 1,715 |
|  | (Unit: Million Baht) | | | | |
|  | Separate financial statements | | | | |
|  | As at 31 December 2023 | | | | |
|  | On  demand | Less than 1 year | 1 to 5  years | > 5 years | Total |
| **Non-derivatives** |  |  |  |  |  |
| Trade and other payables | - | 31 | - | - | 31 |
| Lease liabilities | - | - | - | 1 | 1 |
| **Total non-derivatives** | - | 31 | - | 1 | 32 |
|  | (Unit: Million Baht) | | | | |
|  | Separate financial statements | | | | |
|  | As at 31 December 2022 | | | | |
|  | On  demand | Less than 1 year | 1 to 5  years | > 5 years | Total |
| **Non-derivatives** |  |  |  |  |  |
| Trade and other payables | - | 21 | - | - | 21 |
| Short-term loan from related parties | 260 | - | - | - | 260 |
| Lease liabilities | - | - | - | 1 | 1 |
| Long-term loans | - | 486 | 772 | - | 1,258 |
| **Total non-derivatives** | 260 | 507 | 772 | 1 | 1,540 |

**39.2 Fair values of financial instruments**

Since the majority of the Group’s financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amount presented in the statement of financial position.

**30. Capital management**

The primary objective of the Group’s capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2023, the Group’s debt-to-equity ratio was 0.47:1 (2022: 5.7:1) and the Company’s was 0.02:1 (2022: 3.0:1).

**31. Functional currency financial statements**

The USD functional currency statements of financial position as at 31 December 2023 and 2022 and income statements for the years then ended were as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Samart Aviation Solutions Public Company Limited and its subsidiary** | | | | | | | |
| **Statement of financial position** |  |  |  |  |  |  |  |
| **As at 31 December 2023** |  |  |  |  |  |  |  |
| (Unit: USD) | | | | | | | |
|  | Consolidated financial statements | | |  | Separate financial statements | | |
|  | 2023 |  | 2022 |  | 2023 |  | 2022 |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Assets** |  |  |  |  |  |  |  |
| **Current assets** |  |  |  |  |  |  |  |
| Cash and cash equivalents | 15,208,738 |  | 9,801,524 |  | 1,359,562 |  | 2,056,862 |
| Trade and other receivables | 4,768,826 |  | 4,779,635 |  | 1,503,192 |  | 835,875 |
| Short-term loans to related parties | - |  | 10,900,000 |  | - |  | - |
| Other current assets | 1,802,735 |  | 3,455,969 |  | 348,816 |  | 2,446,160 |
| **Total current assets** | 21,780,299 |  | 28,937,128 |  | 3,211,570 |  | 5,338,897 |
| **Non-current assets** |  |  |  |  |  |  |  |
| Restricted bank deposit | - |  | 6,945,347 |  | - |  | - |
| Investment in subsidiary | - |  | - |  | 57,056,565 |  | 57,056,565 |
| Equipment | 586,384 |  | 340,116 |  | 1,920 |  | 1,218 |
| Right-of-use assets | 18,296 |  | 21,855 |  | 18,296 |  | 21,855 |
| Intangible assets | 32,585,729 |  | 28,780,986 |  | - |  | - |
| Other non-current assets | 2,926 |  | 54,127 |  | 2,926 |  | 2,708 |
| **Total non-current assets** | 33,193,335 |  | 36,142,431 |  | 57,079,707 |  | 57,082,346 |
| **Total assets** | 54,973,634 |  | 65,079,559 |  | 60,291,277 |  | 62,421,243 |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Samart Aviation Solutions Public Company Limited and its subsidiary** | | | | | | | |
| **Statement of financial position (continued)** | |  |  |  |  |  |  |
| **As at 31 December 2023** |  |  |  |  |  |  |  |
| (Unit: USD) | | | | | | | |
|  | Consolidated financial statements | | |  | Separate financial statements | | |
|  | 2023 |  | 2022 |  | 2023 |  | 2022 |
| **Liabilities and shareholders’ equity** |  |  |  |  |  |  |  |
| **Current liabilities** |  |  |  |  |  |  |  |
| Trade and other payables | 6,455,420 |  | 5,216,281 |  | 905,557 |  | 612,329 |
| Short-term loan from related party | - |  | 7,485,569 |  | - |  | 7,485,569 |
| Current portion of long-term loan from |  |  |  |  |  |  |  |
| financial institution | - |  | 12,430,000 |  | - |  | 12,430,000 |
| Current portion of lease liabilities | 2,120 |  | 1,762 |  | 2,120 |  | 1,762 |
| Current portion of long-term provision under service concession | 507,000 |  | - |  | - |  |  |
| Income tax payable | 2,407,401 |  | 715,187 |  | - |  | - |
| Other current financial liabilities | 516,810 |  | 490,310 |  | - |  | - |
| Other current liabilities | 217,464 |  | 195,372 |  | 64,510 |  | 4,340,330 |
| **Total current liabilities** | 10,106,215 |  | 26,534,481 |  | 972,187 |  | 24,869,990 |
| **Non-current liabilities** |  |  |  |  |  |  |  |
| Long-term loan from financial institution - |  |  |  |  |  |  |  |
| net of current portion | - |  | 21,415,000 |  | - |  | 21,415,000 |
| Lease liabilities, net of current portion | 17,380 |  | 19,965 |  | 17,380 |  | 19,965 |
| Long-term provision under service concession, net of current portion | 4,450,415 |  | 3,875,223 |  | - |  | - |
| Provision for long-term employee benefits | 736,118 |  | 730,512 |  | 359,172 |  | 337,398 |
| Deferred tax liabilities | 2,382,924 |  | 2,692,063 |  | - |  | - |
| **Total non-current liabilities** | 7,586,837 |  | 28,732,763 |  | 376,552 |  | 21,772,363 |
| **Total liabilities** | 17,693,052 |  | 55,267,244 |  | 1,348,739 |  | 46,642,353 |
| **Shareholders’ equity** |  |  |  |  |  |  |  |
| Share capital |  |  |  |  |  |  |  |
| Registered | 9,678,242 |  | 9,841,647 |  | 9,678,242 |  | 9,841,647 |
| Issued and fully paid-up | 9,678,242 |  | 8,798,333 |  | 9,678,242 |  | 8,798,333 |
| Share premium | 31,971,491 |  | - |  | 31,971,491 |  | - |
| Difference from business combinations under common control | (695,267) |  | (695,267) |  | - |  | - |
| Retained earnings |  |  |  |  |  |  |  |
| Appropriated - statutory reserve | 1,000,491 |  | 1,000,491 |  | 1,000,491 |  | 1,000,491 |
| Unappropriated (deficit) | (4,674,375) |  | 708,758 |  | 16,292,314 |  | 5,980,066 |
| **Total shareholders’ equity** | 37,280,582 |  | 9,812,315 |  | 58,942,538 |  | 15,778,890 |
| **Total liabilities and shareholders’ equity** | 54,973,634 |  | 65,079,559 |  | 60,291,277 |  | 62,421,243 |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Samart Aviation Solutions Public Company Limited and its subsidiary** | | | | | | | | |
| **Income statement** |  |  |  |  |  | |  |  |
| **For the year ended 31 December 2023** |  |  |  |  |  | |  |  |
| (Unit: USD) | | | | | | | | |
|  | Consolidated financial statements | | |  | Separate financial statements | | | |
|  | 2023 |  | 2022 |  | 2023 |  | 2022 | |
| **Revenues** |  |  |  |  |  |  |  | |
| Revenue from contracts with customers | 47,101,740 |  | 34,492,737 |  | - |  | - | |
| Dividend income | - |  | - |  | 25,500,000 |  |  | |
| Gain on exchange | - |  | - |  | - |  | 6,638 | |
| Other income | 99,853 |  | 69,667 |  | 3,914,355 |  | 2,783,951 | |
| **Total revenues** | 47,201,593 |  | 34,562,404 |  | 29,414,355 |  | 2,790,589 | |
| **Expenses** |  |  |  |  |  |  |  | |
| Cost of services | 24,743,687 |  | 19,581,818 |  | - |  | - | |
| Servicing expenses | 282,841 |  | 275,154 |  | - |  | - | |
| Administrative expenses | 7,301,615 |  | 6,450,208 |  | 1,040,042 |  | 826,907 | |
| Loss on exchange | 260,364 |  | 6,132 |  | 233,464 |  | - | |
| Other expenses | 2,792,410 |  | 209,482 |  | 2,768,052 |  | 209,482 | |
| **Total expenses** | 35,380,917 |  | 26,522,794 |  | 4,041,558 |  | 1,036,389 | |
| **Operating profit** | 11,820,676 |  | 8,039,610 |  | 25,372,797 |  | 1,754,200 | |
| Finance income | 526,857 |  | 260,232 |  | 11,096 |  | 391 | |
| Finance cost | (2,007,445) |  | (1,571,666) |  | (1,915,836) |  | (1,641,943) | |
| Reversal of impairment loss on financial assets | 18,397 |  | 331,500 |  | - |  | - | |
| **Profit before income tax expenses** | 10,358,485 |  | 7,059,676 |  | 23,468,057 |  | 112,648 | |
| Income tax expenses | (2,585,809) |  | (1,499,942) |  | - |  | - | |
| **Profit for the year** | 7,772,676 |  | 5,559,734 |  | 23,468,057 |  | 112,648 | |
|  |  |  |  |  |  |  |  | |
| **Profit attributable to:** |  |  |  |  |  |  |  | |
| Equity holders of the Company | 7,772,676 |  | 5,559,734 |  | 23,468,057 |  | 112,648 | |
|  |  |  |  |  |  |  |  | |
| **Basic earnings per share** |  |  |  |  |  |  |  | |
| Profit attributable to equity holders of the Company | 0.0131 |  | 0.0097 |  | 0.0395 |  | 0.0002 | |

**32. Approval of financial statements**

These financial statements were authorised for issue by the Company’s Board of Directors on 21 February 2024.