

Samart Telcoms Public Company Limited and  
its subsidiaries  
Report and consolidated and separate financial statements  
31 December 2024

## Independent Auditor's Report

To the Shareholders of Smart Telcoms Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of Smart Telcoms Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, and have also audited the separate financial statements of Smart Telcoms Public Company Limited for the same period (collectively "the financial statements").

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Smart Telcoms Public Company Limited and its subsidiaries and of Smart Telcoms Public Company Limited as at 31 December 2024, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Emphasis of matter**

I draw attention to Note 8 c) and Note 37.4.1 to the financial statements, the Company and two private limited companies together, as STSL Consortium (“the Consortium”), entered into an agreement with a state enterprise for the procurement and installation of an information system and the development of the Core Business Process System (CBPS). Subsequently, the Consortium faced disputes regarding the inability to deliver work under the agreement as per the agreed terms. Consequently, their agreement was terminated, leading to the seizure of the collateral. In response, the Consortium filed a lawsuit against the state enterprise in December 2021, seeking payment for all work completed, damages, and the return of the seized collateral totaling Baht 855.8 million, inclusive of interest (totaling Baht 874.8 million). During 2023, the state enterprise counter-sued in the Civil Court, claiming compensation amounting to Baht 700.4 million due to the disputes concerning the inability to deliver the work as per the contract terms, including interest at a rate of 5% per annum from the date of the counterclaim until the full is settled. The Company recorded the seized collateral as damages of Baht 20 million in its accounts. The Company believes that this amount is sufficient to address the current situation. According to the Company’s management and legal advisor still believes that the Consortium will not incur significant impact as a result of the dispute. Therefore, as of 31 December 2024, the Company has not made any further provisions for additional contingent liabilities related to this case. Nevertheless, the lawsuit is currently in the process of the taking of evidence by the Civil Court, and the final outcome depends on the legal proceedings.

At this time, my opinion is not modified in respect of the matter mentioned above.

### **Key Audit Matters**

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

I have fulfilled the responsibilities described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond for each matter are described below.

**Revenue recognition and estimation of provisions for the delay penalties and possible losses from long-term contracts**

The Group has disclosed its policies on revenue recognition for services provided under long-term contracts, cost estimates for projects under long-term contracts, provisions for delay penalties and possible loss on projects under long-term contracts in Note 4.1, 5.1 and 26 to the financial statements. I identified revenue recognition and estimation of provisions for delay penalties and possible losses on projects from long-term contracts to be areas of significant risk in the audit. This is because the process of measurement, the determination of appropriate timing of recognition and the estimation of provisions for delay penalties and possible losses are areas requiring management to exercise significant judgement to assess the percentage of completion, the probability of loss, and the measurement of possible loss. The Group might also enter into side agreements that may affect the terms of the main contracts. There are risks with respect to amount and timing of the recognition of revenue, provisions for delay penalties, and possible losses on projects from long-term contracts. In addition, the amount of revenue recognises from such long-term contracts in each period forms a significant portion, representing 44 percent of the Group's total revenue. Therefore, I focused on the revenue recognition and estimation of provisions for delay penalties and possible losses from long-term contracts.

I assessed and tested the internal controls put in place by the Group over the process of entering into contracts, estimates of project costs and revisions thereto, recognition of revenue and estimation of percentage of completion and possible losses under long-term contracts by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.

In addition, I also selected long-term contracts made with major customers and randomly selected to read the contracts to consider the conditions relating to revenue recognition and made enquiries as to whether any side contracts were made directly with customers. I inquired with the management about the terms of and risks associated with these contracts relevant to revenue recognition and estimates of delay penalties and possible losses. I made enquiries of responsible executives, gained an understanding of the Group's process to assess the percentage of completion and cost estimates for projects, compared estimates of project costs to the project budgets approved by authorised person. On a sampling basis, I examined relevant documents, considered the rationale for budget revisions, compared past estimates with actual project costs to assess the project management's competency in estimating project costs, and compared actual costs with supporting documents including testing the calculation of the percentage of completion based on actual costs incurred. I evaluated the possible losses on projects assessed by the management through an analysis of the ratio of actual cost incurred against cost estimates for projects for each significant cost component. I compared the percentage of completion or actual project progress with the timeframe specified in contracts. I enquired with the management and legal counsels of the subsidiaries relating to dispute of the projects delay, reviewed the related supporting documents of work delivery and acceptance and the request for deadline extension that were used to support the estimation of the provisions for assessing the judgement exercised by the management in evaluating the probability of projects delay or estimate possible losses. I also examined the accounting transactions related to revenue recognition that were recorded through journal vouchers, in order to detect any irregularities. Moreover, I reviewed the disclosures made in the notes to the financial statements with respect to the basis of revenue recognition and the estimation of delay penalties and possible losses.

### **Other Information**

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

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

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

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

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

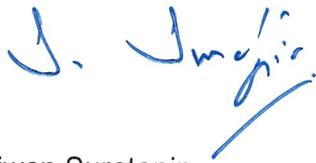
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



Siriwan Suratepin  
Certified Public Accountant (Thailand) No. 4604

EY Office Limited  
Bangkok: 20 February 2025

**Samart Telcoms Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 31 December 2024**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2024	2023	2024	2023
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	885,714,763	951,170,972	326,735,239	395,103,584
Trade and other receivables	8	976,474,411	2,136,014,045	271,334,549	344,912,741
Accrued income		2,089,961,214	2,066,373,888	994,506,013	960,347,639
Short-term loans to related parties	6	-	-	1,354,000,000	2,017,000,000
Inventories	9	110,391,149	118,084,590	3,177,022	33,191,176
Withholding tax deducted at source	10	180,731,934	185,231,841	29,559,395	27,683,995
Other current financial assets	11	5,705,866	4,282,919	5,286,795	4,282,919
Other current assets	12	487,527,270	303,355,565	264,342,720	247,434,282
<b>Total current assets</b>		<b>4,736,506,607</b>	<b>5,764,513,820</b>	<b>3,248,941,733</b>	<b>4,029,956,336</b>
<b>Non-current assets</b>					
Other non-current financial assets	11	20,396,282	18,680,148	5,319,144	3,960,224
Investments in subsidiaries	13	-	-	1,780,511,068	1,780,511,068
Property, plant and equipment	14	1,114,526,550	1,177,092,094	651,399,082	682,148,228
Right-of-use assets	19.1	135,731,769	153,671,861	97,554,595	93,443,567
Intangible assets	15	51,157,967	65,675,064	776,880	1,269,999
Goodwill	16	108,095,942	108,095,942	-	-
Deferred tax assets	31	285,350,919	295,599,028	45,751,625	45,252,917
Other non-current assets		63,033,318	73,671,255	39,940,102	31,841,201
<b>Total non-current assets</b>		<b>1,778,292,747</b>	<b>1,892,485,392</b>	<b>2,621,252,496</b>	<b>2,638,427,204</b>
<b>Total assets</b>		<b>6,514,799,354</b>	<b>7,656,999,212</b>	<b>5,870,194,229</b>	<b>6,668,383,540</b>

The accompanying notes are an integral part of the financial statements.

**Samart Telcoms Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 December 2024**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2024	2023	2024	2023
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from banks	17	562,900,000	1,475,024,113	290,000,000	928,662,036
Trade and other payables	18	672,894,460	638,730,470	323,463,074	322,667,629
Current portion of liabilities under lease agreements	19.1	50,481,920	52,465,387	26,902,207	31,104,656
Short-term loans from related parties	6	-	-	2,502,500,000	2,602,500,000
Unearned revenue	26.2	9,636,197	27,720,489	-	605,703
Income tax payable		100,132	59,300	-	-
Accrued project cost		1,161,216,015	1,402,277,175	250,412,577	298,139,056
Short-term provision	20	19,556,372	43,267,348	10,839,427	12,583,189
Other current finance liabilities		-	4,052,789	-	1,757,831
Other current liabilities	21	98,023,345	144,578,057	23,391,563	33,639,556
<b>Total current liabilities</b>		<b>2,574,808,441</b>	<b>3,788,175,128</b>	<b>3,427,508,848</b>	<b>4,231,659,656</b>
<b>Non-current liabilities</b>					
Liabilities under lease agreements - net of					
current portion	19.1	101,732,403	118,304,402	77,397,660	70,382,869
Long-term provision	20	9,943,141	18,450,371	1,876,613	6,051,010
Provision for long-term employee benefits	22	201,484,057	181,752,912	47,361,051	41,908,171
Other non-current liabilities		2,559,403	2,559,403	-	-
<b>Total non-current liabilities</b>		<b>315,719,004</b>	<b>321,067,088</b>	<b>126,635,324</b>	<b>118,342,050</b>
<b>Total liabilities</b>		<b>2,890,527,445</b>	<b>4,109,242,216</b>	<b>3,554,144,172</b>	<b>4,350,001,706</b>

The accompanying notes are an integral part of the financial statements.

**Samart Telcoms Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 December 2024**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2024	2023	2024	2023
<b>Liabilities and shareholders' equity (continued)</b>					
<b>Shareholders' equity</b>					
Share capital					
Registered					
721,000,082 ordinary shares of Baht 1 each					
(2023: 721,000,000 ordinary shares of Baht 1 each)	24	<u>721,000,082</u>	<u>721,000,000</u>	<u>721,000,082</u>	<u>721,000,000</u>
Issued and fully paid up					
618,000,071 ordinary shares of Baht 1 each					
(2023: 618,000,000 ordinary shares of Baht 1 each)	24	618,000,071	618,000,000	618,000,071	618,000,000
Share premium		1,238,861,277	1,238,860,501	1,238,861,277	1,238,860,501
Deficit on changes in percentage of shareholding in subsidiary		(737,340,401)	(737,340,401)	-	-
Retained earnings					
Appropriated - statutory reserve					
	25	73,800,000	73,800,000	73,800,000	73,800,000
Unappropriated					
		2,388,416,976	2,311,921,718	346,557,526	348,890,150
Other components of shareholders' equity	23	<u>41,792,383</u>	<u>41,792,383</u>	<u>38,831,183</u>	<u>38,831,183</u>
Equity attributable to owners of the Company		3,623,530,306	3,547,034,201	2,316,050,057	2,318,381,834
Non-controlling interests of the subsidiaries		<u>741,603</u>	<u>722,795</u>	-	-
<b>Total shareholders' equity</b>		<u>3,624,271,909</u>	<u>3,547,756,996</u>	<u>2,316,050,057</u>	<u>2,318,381,834</u>
<b>Total liabilities and shareholders' equity</b>		<u>6,514,799,354</u>	<u>7,656,999,212</u>	<u>5,870,194,229</u>	<u>6,668,383,540</u>
		-	-	-	-

The accompanying notes are an integral part of the financial statements.

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Directors  
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**Smart Telcoms Public Company Limited and its subsidiaries**

**Income statement**

**For the year ended 31 December 2024**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2024	2023	2024	2023
<b>Revenues</b>					
Revenues from sales		18,730,958	260,948,961	16,307,589	55,580,479
Revenues from contract work		1,882,813,418	2,177,276,871	661,405,216	436,072,662
Service and rental income	26.1	2,281,802,931	2,050,924,390	853,503,841	740,274,031
Other income	27	65,845,797	98,374,540	115,689,607	143,918,218
<b>Total revenues</b>		<b>4,249,193,104</b>	<b>4,587,524,762</b>	<b>1,646,906,253</b>	<b>1,375,845,390</b>
<b>Expenses</b>					
Cost of sales	30	16,664,632	234,438,530	14,123,813	49,417,925
Cost of contract work		1,630,739,465	1,870,379,635	621,181,046	425,290,790
Cost of services and rental		1,974,667,799	1,783,176,111	772,095,554	643,125,170
Selling and distribution expenses		137,009,480	150,359,707	49,302,662	45,844,413
Administrative expenses		339,135,055	370,343,243	169,545,759	164,720,310
Other expenses		-	38,749,484	-	20,284,796
<b>Total expenses</b>		<b>4,098,216,431</b>	<b>4,447,446,710</b>	<b>1,626,248,834</b>	<b>1,348,683,404</b>
<b>Profit from operating activities</b>		<b>150,976,673</b>	<b>140,078,052</b>	<b>20,657,419</b>	<b>27,161,986</b>
Finance income	28	6,300,243	8,574,055	56,895,006	87,990,790
Finance cost	29	(27,976,758)	(70,182,226)	(50,346,958)	(68,766,458)
Reversal of (loss) on impairment loss on financial assets		8,785,665	12,412,051	6,771,682	(18,345,445)
<b>Profit before income tax income</b>		<b>138,085,823</b>	<b>90,881,932</b>	<b>33,977,149</b>	<b>28,040,873</b>
Income tax income (expenses)	31	(22,708,658)	(24,702,160)	(3,528,705)	3,745,151
<b>Profit for the year</b>		<b>115,377,165</b>	<b>66,179,772</b>	<b>30,448,444</b>	<b>31,786,024</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		115,356,379	71,685,542	30,448,444	31,786,024
Non-controlling interests of the subsidiaries		20,786	(5,505,770)	-	-
		<b>115,377,165</b>	<b>66,179,772</b>	<b>30,448,444</b>	<b>31,786,024</b>
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company	33	0.19	0.12	0.05	0.05
Weighted average number of ordinary shares (shares)		618,000,015	618,000,000	618,000,015	618,000,000

The accompanying notes are an integral part of the financial statements.

**Samart Telcoms Public Company Limited and its subsidiaries**

**Statement of comprehensive income**

**For the year ended 31 December 2024**

(Unit: Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2024	2023	2024	2023
<b>Profit for the year</b>		<u>115,377,165</u>	<u>66,179,772</u>	<u>30,448,444</u>	<u>31,786,024</u>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss on defined benefit plan	22	(10,796,915)	-	(2,355,690)	-
Income tax effect	31	<u>2,830,332</u>	-	<u>471,138</u>	-
		<u>(7,966,583)</u>	-	<u>(1,884,552)</u>	-
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax</b>		<u>(7,966,583)</u>	-	<u>(1,884,552)</u>	-
<b>Other comprehensive income for the year, net of tax</b>		<u>(7,966,583)</u>	-	<u>(1,884,552)</u>	-
<b>Total comprehensive income for the year</b>		<u><u>107,410,582</u></u>	<u><u>66,179,772</u></u>	<u><u>28,563,892</u></u>	<u><u>31,786,024</u></u>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		107,391,774	71,685,542	<u>28,563,892</u>	<u>31,786,024</u>
Non-controlling interests of the subsidiaries		<u>18,808</u>	<u>(5,505,770)</u>		
		<u><u>107,410,582</u></u>	<u><u>66,179,772</u></u>		

The accompanying notes are an integral part of the financial statements.