

**PANELESMATIC SOLUTIONS COMPANY LIMITED  
AND ITS SUBSIDIARIES  
FINANCIAL STATEMENTS (RESTATED)  
FOR THE YEAR ENDED DECEMBER 31, 2022  
AND INDEPENDENT AUDITOR'S REPORT**

## **Independent Auditor's Report**

To the Shareholders of Panelesmatic Solutions Company Limited

### **Opinion**

I have audited the financial statements of Panelesmatic Solutions Company Limited, which comprise the statements of financial position as at December 31, 2022, and the consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as at December 31, 2022, the consolidated and separate financial performance and cash flows for 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 Consolidated Financial Statements section of my report. I am independent of the Group and the Company 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 consolidated and separate financial statements, and I have fulfilled my other ethical 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.

### **Key Audit Matters**

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

**Recognition of sales revenue**

**Risk**

The revenue from sales is the significant amount in the statement of comprehensive income and is also the key indicator of business performance on which the users of financial statements focus. In addition, The Company has a large volume of customer. Therefore, the recognition of revenue is a material risk from my audit.

I focused our audit on the following area of revenue recognition related to

- Assessing and testing the Company's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Performed audit on the accuracy of customer bill generation on a sample basis and testing of a sample of the credit and discount applied to customer invoice.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Audit of accuracy by sample of credit notes that the Company issued after the period-end.
- Audit of accuracy of TFRS 15 "Revenue from contracts with customers" According policies for revenue recognition were disclosed in note 4.1 to the financial statement.

**Emphasis of Matter**

My conclusion is not modified in respect of these matters, I draw attention

- (1) Note 3 to the financial statements. In 2022, the Company has changed the basis used in preparation of its financial statements from Thai Financial Reporting Standards for Non-Publicly Accountable Entities to Thai Financial Reporting Standards. In order to reflect the effect of the change in the basis of preparation, the Company has restated the consolidated and separate statement of financial position as at December 31, 2021 and the consolidated and separate related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and presented the statement of financial position as at January 1, 2021, which are presented herein as comparative information. My opinion is not modified in respect of this matter.

(2) Note 30 The company preparation of financial statements as at December 31, 2022, I have for my opinion financial position of Panelesmatic Solutions Company Limited as at December 31,2022 the consolidated and separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards. According to the report on February 20, 2023, because on September 28, 2023, The Company has reviewed the recording of accounting transactions in the financial statements for the year 2022 as follows.

(2.1) The Company has reconsidered the allowance for expected credit losses accord with TFRS 9: Financial Instruments. As at December 31,2022, the resulted the Company recording allowance for expected credit losses of accrued income and trade receivables decreased by Baht 0.82 million.

(2.2) The Company has reviewed policy for considering allowance for obsolete products according to the nature and type of product, grouped products according to age range of each type of products to estimate allowance. As at December 31,2022, the resulted the Company recording allowance for obsolete products increased by Baht 0.15 million. And decreased of inventory by the same amount.

According to (2.1) and (2.2), the Company has adjusted the deferred tax assets by an additional amount of Baht 0.13 million.

(2.3) The Company has reviewed the preparation of the consolidated financial statements, causing the decrease in gain from the dissolution of the subsidiary shown in the consolidated financial statements by Baht 1.45 million. This is due to eliminating intercompany transactions then treated as dividends payments.

Therefore, the Company has adjustment to financial statement and issued of revised the financial statements. So that this audit's report issued old audit's report. My opinion is not modified in respect of this matter.

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company'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 and the Company's financial reporting process.

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

My objectives are to obtain reasonable assurance about whether the overall 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 judgment 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 Company'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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the overall 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 Company to express an opinion on the 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.

The engagement partner on the audit resulting in this independent auditor's report is Mr.Pojana Asawasontichai

(Mr.Pojana Asawasontichai)

Certified Public Accountant

Registration No. 4891

Karin Audit Company Limited

Bangkok

October 20, 2023

PANELESMATIC SOLUTIONS COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

(Unit : Baht)

|  | Notes   | Consolidated financial statements |                    |                    | Separate financial statements |                    |
|--|---------|-----------------------------------|--------------------|--------------------|-------------------------------|--------------------|
|  |         | As at                             | As at              | As at              | As at                         | As at              |
|  |         | December 31, 2021                 | January 1, 2021    | December 31, 2022  | December 31, 2021             | January 1, 2021    |
|  |         | (Restated)                        | (Restated)         |                    | (Restated)                    | (Restated)         |
| <b>ASSETS</b>                            |         |                                   |                    |                    |                               |                    |
| <b>Current assets</b>                    |         |                                   |                    |                    |                               |                    |
| Cash and cash equivalents                | 7       | 8,778,633                         | 15,333,579         | 32,789,767         | 5,816,476                     | 13,314,014         |
| Current investments                      |         | 30,576,474                        | 30,466,980         | 2,000              | 30,576,474                    | 30,466,980         |
| Trad and other current receivables - net | 8       | 11,827,623                        | 10,800,227         | 25,094,283         | 11,811,935                    | 10,700,427         |
| Inventories                              | 9       | 22,149,602                        | 24,661,704         | 19,754,152         | 22,149,602                    | 24,661,704         |
| Short-term loan to related parties       |         | 9,875,250                         | 10,000,000         | -                  | -                             | -                  |
| Current tax assets                       |         | -                                 | 78,948             | -                  | -                             | 78,948             |
| Other current assets                     |         | 187,620                           | 1,126,186          | -                  | 33,327                        | 71,005             |
| <b>Total current assets</b>              |         | <b>83,395,202</b>                 | <b>92,467,624</b>  | <b>77,640,202</b>  | <b>70,387,814</b>             | <b>79,293,078</b>  |
| <b>Non-current assets</b>                |         |                                   |                    |                    |                               |                    |
| Restricted deposits with banks           |         | 2,519,513                         | -                  | 1,938,519          | 2,519,513                     | -                  |
| Investments in subsidiaries              | 6.2, 10 | -                                 | -                  | -                  | 10,000,000                    | 10,000,000         |
| Investments properties                   | 11      | 4,960,000                         | -                  | 4,960,000          | 4,960,000                     | -                  |
| Property, plant and equipment - net      | 12      | 47,017,492                        | 40,220,030         | 47,871,413         | 47,017,492                    | 40,219,956         |
| Right of use assets                      | 6.3     | -                                 | 161,634            | 328,955            | -                             | 161,634            |
| Intangible assets                        | 13      | 71,009                            | 75,002             | 2,545,767          | 71,009                        | 75,002             |
| Deferred tax assets                      | 14      | 1,090,307                         | 792,523            | 1,286,275          | 1,090,307                     | 792,523            |
| Other non-current assets                 |         | 593,107                           | 321,753            | 869,056            | 593,107                       | 321,753            |
| <b>Total non-current assets</b>          |         | <b>56,251,428</b>                 | <b>41,570,942</b>  | <b>59,799,985</b>  | <b>66,251,428</b>             | <b>51,570,868</b>  |
| <b>Total assets</b>                      |         | <b>139,646,630</b>                | <b>134,038,566</b> | <b>137,440,187</b> | <b>136,639,242</b>            | <b>130,863,946</b> |

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

PANELESMATIC SOLUTIONS COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2022

(Unit : Baht)

|   | Notes | Consolidated financial statements |                          | As at<br>December 31, 2022 | Separate financial statements |                          |
|---|-------|-----------------------------------|--------------------------|----------------------------|-------------------------------|--------------------------|
|   |       | As at<br>December 31, 2021        | As at<br>January 1, 2021 |                            | As at<br>December 31, 2021    | As at<br>January 1, 2021 |
|   |       | (Restated)                        | (Restated)               |                            | (Restated)                    | (Restated)               |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>               |       |                                   |                          |                            |                               |                          |
| <b>Current liabilities</b>                                |       |                                   |                          |                            |                               |                          |
| Trade and other current payables                          | 15    | 5,129,251                         | 5,841,920                | 16,010,804                 | 5,116,986                     | 5,583,390                |
| Advance deposit received                                  |       | 9,883,176                         | 22,716,926               | 6,525,737                  | 9,883,176                     | 22,716,926               |
| Short-term loan to related parties                        |       | -                                 | -                        | -                          | 10,000,000                    | 10,000,000               |
| Current portion of lease liabilities                      | 6.3   | -                                 | -                        | 164,285                    | -                             | -                        |
| Income tax payable  |       | 2,097,945                         | 2,400,691                | 2,697,821                  | 2,097,945                     | 2,400,691                |
| Other current liabilities                                 |       | 336,578                           | 296,428                  | 802,000                    | 280,604                       | 288,378                  |
| <b>Total current liabilities</b>                          |       | <b>17,446,950</b>                 | <b>31,255,965</b>        | <b>26,200,647</b>          | <b>27,378,711</b>             | <b>40,989,385</b>        |
| <b>Non-current liabilities</b>                            |       |                                   |                          |                            |                               |                          |
| Lease liabilities - net of current portion                | 6.3   | -                                 | 173,241                  | 174,331                    | -                             | 173,241                  |
| Non-current provision for employee benefits               | 17    | 2,769,222                         | 2,308,771                | 3,427,325                  | 2,769,222                     | 2,308,771                |
| Other non-current liabilities                             | 16    | 4,454,024                         | 1,027,847                | 4,786,104                  | 4,454,024                     | 1,027,847                |
| <b>Total non-current liabilities</b>                      |       | <b>7,223,246</b>                  | <b>3,509,859</b>         | <b>8,387,760</b>           | <b>7,223,246</b>              | <b>3,509,859</b>         |
| <b>Total liabilities</b>                                  |       | <b>24,670,196</b>                 | <b>34,765,824</b>        | <b>34,588,407</b>          | <b>34,601,957</b>             | <b>44,499,244</b>        |
| <b>Shareholders' equity</b>                               |       |                                   |                          |                            |                               |                          |
| <b>Share capital</b>                                      |       |                                   |                          |                            |                               |                          |
| <b>Authorized share capital</b>                           |       |                                   |                          |                            |                               |                          |
| Ordinary shares 14,000,000 shares, Baht 5 par value       | 18    |                                   |                          | 70,000,000                 |                               |                          |
| Ordinary shares 60,000 shares, Baht 1,000 par value       |       | 60,000,000                        |                          |                            | 60,000,000                    |                          |
| Ordinary shares 55,000 shares, Baht 1,000 par value       |       |                                   | 55,000,000               |                            |                               | 55,000,000               |
| <b>Issued and paid-up share capital</b>                   |       |                                   |                          |                            |                               |                          |
| Ordinary shares 14,000,000 shares, Baht 5 par value       |       |                                   |                          | 70,000,000                 |                               |                          |
| Ordinary shares 60,000 shares, Baht 1,000 par value       |       | 60,000,000                        |                          |                            | 60,000,000                    |                          |
| Ordinary shares 55,000 shares, Baht 1,000 par value       |       |                                   | 55,000,000               |                            |                               | 55,000,000               |
| <b>Retained earnings</b>                                  |       |                                   |                          |                            |                               |                          |
| <b>Appropriated</b>                                       |       |                                   |                          |                            |                               |                          |
| Statutory reserve   | 20    | 800,000                           | 800,000                  | 2,410,000                  | 800,000                       | 800,000                  |
| Unappropriated  |       | 42,706,861                        | 32,018,723               | 30,441,780                 | 41,237,285                    | 30,564,702               |
| <b>Total equity attributable to owners of the Company</b> |       | <b>103,506,861</b>                | <b>87,818,723</b>        | <b>102,851,780</b>         | <b>102,037,285</b>            | <b>86,364,702</b>        |
| Non-controlling interests                                 |       | 11,469,573                        | 11,454,019               | -                          | -                             | -                        |
| <b>Total shareholder's equity</b>                         |       | <b>114,976,434</b>                | <b>99,272,742</b>        | <b>102,851,780</b>         | <b>102,037,285</b>            | <b>86,364,702</b>        |
| <b>Total liabilities and shareholders' equity</b>         |       | <b>139,646,630</b>                | <b>134,038,566</b>       | <b>137,440,187</b>         | <b>136,639,242</b>            | <b>130,863,946</b>       |

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



PANELESMATIC SOLUTIONS COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2022

|       |   | (Unit : Baht)                     |              |                               |              |
|-------|---|-----------------------------------|--------------|-------------------------------|--------------|
|       |   | Consolidated financial statements |              | Separate financial statements |              |
|       |   | 2022                              | 2021         | 2022                          | 2021         |
| Notes |   |                                   | "RESTATED"   |                               | "RESTATED"   |
|       | Revenues from sales and services                                    | 110,202,043                       | 68,842,026   | 110,202,043                   | 68,842,026   |
|       | Cost of sales and services  | (67,844,654)                      | (42,694,145) | (67,844,654)                  | (42,694,145) |
|       | Gross profit (loss)   | 42,357,389                        | 26,147,881   | 42,357,389                    | 26,147,881   |
|       | Other income  | 508,538                           | 1,243,016    | 508,538                       | 1,140,943    |
|       | Gain from liquidation of subsidiary                                 | -                                 | -            | 1,452,136                     | -            |
|       | Profit (loss) before expenses                                       | 42,865,927                        | 27,390,897   | 44,318,063                    | 27,288,824   |
|       | Selling expenses  | (3,391,354)                       | (2,367,847)  | (3,391,354)                   | (2,367,847)  |
|       | Administrative expenses   | (15,170,366)                      | (7,623,888)  | (15,152,926)                  | (7,583,975)  |
|       | Management benefit expenses   | (3,916,451)                       | (3,422,292)  | (3,916,451)                   | (3,422,292)  |
|       | Total expenses  | (22,478,171)                      | (13,414,027) | (22,460,731)                  | (13,374,114) |
|       | Profit (loss) from operating  | 20,387,756                        | 13,976,870   | 21,857,332                    | 13,914,710   |
|       | Finance costs   | (25,457)                          | (7,492)      | (25,457)                      | (7,492)      |
|       | Profit (loss) before income tax expenses                            | 20,362,299                        | 13,969,378   | 21,831,875                    | 13,907,218   |
|       | Income tax expenses   | (4,426,184)                       | (3,005,891)  | (4,426,184)                   | (2,974,840)  |
|       | Profit (loss) for the year  | 15,936,115                        | 10,963,487   | 17,405,691                    | 10,932,378   |
|       | Other comprehensive income for the year                             |                                   |              |                               |              |
|       | Items not do be reclassified to profit or loss subsequent periods : |                                   |              |                               |              |
|       | Gain on remeasurement of defined benefit plan                       | (391,196)                         | (259,795)    | (391,196)                     | (259,795)    |
|       | Total comprehensive income (expense) for the year                   | 15,544,919                        | 10,703,692   | 17,014,495                    | 10,672,583   |
|       | Profit (loss) attributable to                                       |                                   |              |                               |              |
|       | Owners of the Company   | 15,936,115                        | 10,947,933   | 17,405,691                    | 10,932,378   |
|       | Non-controlling interests   | -                                 | 15,554       | -                             | -            |
|       |   | 15,936,115                        | 10,963,487   | 17,405,691                    | 10,932,378   |
|       | Total comprehensive income attributable to                          |                                   |              |                               |              |
|       | Owners of the Company   | 15,544,919                        | 10,688,138   | 17,014,495                    | 10,672,583   |
|       | Non-controlling interests   | -                                 | 15,554       | -                             | -            |
|       |   | 15,544,919                        | 10,703,692   | 17,014,495                    | 10,672,583   |
|       | Profit (loss) per share   |                                   |              |                               |              |
|       | <b>Basic earning per share (Baht per share)</b>                     | 1.23                              | 0.96         | 1.35                          | 0.96         |
|       | <b>Weighted average number of ordinary shares</b>                   | 12,904,110                        | 11,432,877   | 12,904,110                    | 11,432,877   |

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

PANELESMATIC SOLUTIONS COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2022

(Unit : Baht)

| Consolidated financial statements |                               |                    |                |   |  |   |                           |                            |
|-----------------------------------|-------------------------------|--------------------|----------------|---|--|---|---------------------------|----------------------------|
| Owners of the Company             |                               |                    |                |   |  |   |                           |                            |
| Notes                             | Issued and paid share capital | Retained earnings  |                | Other components of shareholder's equity                  |  | Total equity attributable to owner's of the |                           | Total shareholder's equity |
|                                   |                               | Statutory reserves | Unappropriated | Gains (losses) on remeasurements of defined benefit plans | Total other components of shareholder's equity | Company                                     | Non-controlling interests |                            |
|                                   | 55,000,000                    | 800,000            | 32,248,780     | (132,733)   | (132,733)                                      | 87,916,047                                  | 11,454,019                | 99,370,066                 |
| 3                                 | -                             | -                  | (123,871)      | 26,547  | 26,547   | (97,324)                                    | -                         | (97,324)                   |
|                                   | -                             | -                  | (106,186)      | 106,186   | 106,186  | -   | -                         | -                          |
|                                   | 55,000,000                    | 800,000            | 32,018,723     | -   | -  | 87,818,723                                  | 11,454,019                | 99,272,742                 |
| 18                                | 5,000,000                     | -                  | -              | -   | -  | 5,000,000                                   | -                         | 5,000,000                  |
|                                   | -                             | -                  | 10,947,933     | (259,795)   | (259,795)                                      | 10,688,138                                  | 15,554                    | 10,703,692                 |
|                                   | -                             | -                  | (259,795)      | 259,795   | 259,795  | -   | -                         | -                          |
|                                   | 60,000,000                    | 800,000            | 42,706,861     | -   | -  | 103,506,861                                 | 11,469,573                | 114,976,434                |
|                                   | 60,000,000                    | 800,000            | 42,215,624     | (457,477)   | (457,477)                                      | 102,558,147                                 | 11,469,573                | 114,027,720                |
| 3                                 | -                             | -                  | 857,219        | 91,495  | 91,495   | 948,714                                     | -                         | 948,714                    |
|                                   | -                             | -                  | (365,982)      | 365,982   | 365,982  | -   | -                         | -                          |
|                                   | 60,000,000                    | 800,000            | 42,706,861     | -   | -  | 103,506,861                                 | 11,469,573                | 114,976,434                |
| 18                                | 10,000,000                    | -                  | -              | -   | -  | 10,000,000                                  | -                         | 10,000,000                 |
| 19                                | -                             | -                  | (26,200,000)   | -   | -  | (26,200,000)                                | -                         | (26,200,000)               |
| 20                                | -                             | 1,610,000          | (1,610,000)    | -   | -  | -   | -                         | -                          |
|                                   | -                             | -                  | -              | -   | -  | -   | (11,469,573)              | (11,469,573)               |
|                                   | -                             | -                  | 15,936,115     | (391,196)   | (391,196)                                      | 15,544,919                                  | -                         | 15,544,919                 |
|                                   | -                             | -                  | (391,196)      | 391,196   | 391,196  | -   | -                         | -                          |
|                                   | 70,000,000                    | 2,410,000          | 30,441,780     | -   | -  | 102,851,780                                 | -                         | 102,851,780                |

Note - Statement of Changes in shareholders' equity For the year ending December 31, 2022, the consolidated and separate financial statements have the same total amount of 102,851,780 baht since on January 7, 2022,

the subsidiary registered the dissolution of the company with the Department of Business Development and is in the process of liquidation

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

PANELESMATIC SOLUTIONS COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2022

(Unit : Baht)

| Separate financial statements                          |                               |                    |                |   |  |                            |
|--|-------------------------------|--------------------|----------------|---|--|----------------------------|
| Notes  | Issued and paid share capital | Retained earnings  |                | Other components of shareholders' equity                  |  | Total shareholder's equity |
|  |                               | Statutory reserves | Unappropriated | Gains (losses) on remeasurements of defined benefit plans | Total other components of shareholder's equity |                            |
| Balance as at January 1, 2021 (as reported)            | 55,000,000                    | 800,000            | 30,794,759     | (132,733)   | (132,733)                                      | 86,462,026                 |
| Cumulative effect of change in accounting policy       | 3                             | -                  | (123,871)      | 26,547  | 26,547   | (97,324)                   |
| Transferred to retained earnings                       | -                             | -                  | (106,186)      | 106,186   | 106,186  | -                          |
| Ending balance as at January 1, 2021 (restated)        | 55,000,000                    | 800,000            | 30,564,702     | -   | -  | 86,364,702                 |
| Capital increase                                       | 18                            | 5,000,000          | -              | -   | -  | 5,000,000                  |
| Comprehensive income (expense) for the year (Restated) | -                             | -                  | 10,932,378     | (259,795)   | (259,795)                                      | 10,672,583                 |
| Transferred to retained earnings                       | -                             | -                  | (259,795)      | 259,795   | 259,795  | -                          |
| Ending balance as at December 31, 2021                 | 60,000,000                    | 800,000            | 41,237,285     | -   | -  | 102,037,285                |
| Balance as at December 31, 2021 (as reported)          | 60,000,000                    | 800,000            | 40,746,048     | (457,477)   | (457,477)                                      | 101,088,571                |
| Cumulative effect of change in accounting policy       | 3                             | -                  | 857,219        | 91,495  | 91,495   | 948,714                    |
| Transferred to retained earnings                       | -                             | -                  | (365,982)      | 365,982   | 365,982  | -                          |
| Ending balance as at January 1, 2022 (restated)        | 60,000,000                    | 800,000            | 41,237,285     | -   | -  | 102,037,285                |
| Capital increase                                       | 18                            | 10,000,000         | -              | -   | -  | 10,000,000                 |
| Dividend paid  | 19                            | -                  | (26,200,000)   | -   | -  | (26,200,000)               |
| Appropriated statutory reserve                         | 20                            | -                  | 1,610,000      | -   | -  | -                          |
| Comprehensive income for the year                      | -                             | -                  | 17,405,691     | (391,196)   | (391,196)                                      | 17,014,495                 |
| Transferred to retained earnings                       | -                             | -                  | (391,196)      | 391,196   | 391,196  | -                          |
| Ending balance as at December 31, 2022                 | 70,000,000                    | 2,410,000          | 30,441,780     | -   | -  | 102,851,780                |

Note - Statement of Changes in shareholders' equity For the year ending December 31, 2022, the consolidated and separate financial statements have the same total amount of 102,851,780 baht since on January 7, 2022, the subsidiary registered the dissolution of the company with the Department of Business Development and is in the process of liquidation

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

PANELESMATIC SOLUTIONS COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

(Unit : Baht)

|   | Consolidated financial statements |              | Separate financial statements |              |
|---|-----------------------------------|--------------|-------------------------------|--------------|
|   | 2022                              | 2021         | 2022                          | 2021         |
| Cash flows from operating activities :                    |                                   |              |                               |              |
| Profit (loss) before income tax                           | 20,362,299                        | 13,969,378   | 21,831,875                    | 13,907,218   |
| Items to reconcile profit (loss) before income tax        |                                   |              |                               |              |
| to cash received (disbursement) from operating activities |                                   |              |                               |              |
| Finance costs   | 25,182                            | 6,760        | 25,182                        | 6,760        |
| Interest income   | (106,601)                         | (178,490)    | (106,601)                     | (176,463)    |
| Trade and other current receivables (increase) decrease   | (14,825,897)                      | (639,967)    | (14,825,897)                  | (724,079)    |
| Inventories (increase) decrease                           | 3,158,414                         | 1,516,598    | 3,158,414                     | 1,516,598    |
| Other current assets (increase) decrease                  | 33,327                            | 1,017,515    | 33,327                        | 116,626      |
| Other non - current assets (increase) decrease            | (275,948)                         | (271,355)    | (275,948)                     | (271,355)    |
| Trade and other current payables increase (decrease)      | (2,915,757)                       | (13,490,445) | (1,463,621)                   | (13,300,154) |
| Other current liabilities increase (decrease)             | 521,394                           | (46,848)     | 521,394                       | (7,774)      |
| Other non - current liabilities increase (decrease)       | 332,080                           | 3,426,177    | 332,080                       | 3,426,177    |
| Depreciation and amortization                             | 4,655,322                         | 3,189,421    | 4,655,322                     | 3,189,421    |
| (Reverse) Loss on adjustment of product value             | (1,332,806)                       | 995,504      | (1,332,806)                   | 995,504      |
| (Reverse) Allowance for expected credit losses            | 1,543,550                         | (387,430)    | 1,543,550                     | (387,430)    |
| Loss on impairment - work in process                      | 569,842                           | -            | 569,842                       | -            |
| Loss on amortization of fixed assets                      | 27,399                            | -            | 27,399                        | -            |
| Reserve of provisions for employee benefit                | 169,108                           | 135,707      | 169,108                       | 135,707      |
| (Gain) loss on disposals of fixed assets                  | 28,254                            | 205,502      | 28,254                        | 304,873      |
| Gain from liquidation of subsidiary                       | -                                 | -            | (1,452,136)                   | -            |
| Total item to reconcile profit (loss)                     | 11,969,162                        | 9,448,027    | 13,438,738                    | 8,731,629    |
| Net cash provided by operating activities                 |                                   |              |                               |              |
| Cash paid for income tax expense                          | (3,924,476)                       | (3,510,449)  | (3,924,476)                   | (3,510,421)  |
| Net cash provided by operating activities                 | 8,044,686                         | 5,937,578    | 9,514,262                     | 5,221,208    |

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

PANELESMATIC SOLUTIONS COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2022

(Unit : Baht)

|   | Consolidated financial statements |              | Separate financial statements |              |
|---|-----------------------------------|--------------|-------------------------------|--------------|
|   | 2022                              | 2021         | 2022                          | 2021         |
| Cash flows from investing activities :                                  |                                   |              |                               |              |
| Cash received from directors' loans                                     | -                                 | 124,750      | -                             | -            |
| Cash received from liquidation of subsidiaries                          | -                                 | -            | 1,452,136                     | -            |
| Cash received from disposals of property, plant and equipment           | 65,421                            | 99,445       | 65,421                        | -            |
| Cash paid for purchases of property, plant and equipment                | (5,180,712)                       | (14,514,233) | (5,180,712)                   | (14,514,233) |
| Cash paid to purchase intangible assets                                 | (2,759,885)                       | (571,970)    | (2,759,885)                   | (571,970)    |
| Cash received from interest income                                      | 106,601                           | 178,490      | 106,601                       | 176,463      |
| Restricted deposits with banks (increase) decrease                      | 580,994                           | (2,519,513)  | 580,994                       | (2,519,513)  |
| Current investments (increase) decrease                                 | 30,574,474                        | (109,493)    | 30,574,474                    | (109,493)    |
| Net cash provided by (used in) investing activities                     | 23,386,893                        | (17,312,524) | 24,839,029                    | (17,538,746) |
| Cash flows from financing activities :                                  |                                   |              |                               |              |
| Cash received from capital increase                                     | 10,000,000                        | 5,000,000    | 10,000,000                    | 5,000,000    |
| Cash dividend payment   | (17,200,000)                      | -            | (17,200,000)                  | -            |
| Cash payments to reduce lease liabilities                               | (180,000)                         | (180,000)    | (180,000)                     | (180,000)    |
| Net cash provided by (used in) financing activities                     | (7,380,000)                       | 4,820,000    | (7,380,000)                   | 4,820,000    |
| Net increase (decrease) in cash and cash equivalents                    | 24,051,579                        | (6,554,946)  | 26,973,291                    | (7,497,538)  |
| Cash and cash equivalents at beginning of year                          | 8,778,633                         | 15,333,579   | 5,816,476                     | 13,314,014   |
| Cash and cash equivalents of subsidiaries as of the date of dissolution | (40,445)                          | -            | -                             | -            |
| Cash and cash equivalents at ending of year                             | 32,789,767                        | 8,778,633    | 32,789,767                    | 5,816,476    |
| Supplemental disclosures of cash flows information :                    |                                   |              |                               |              |
| Items to non - reconcile cash   |                                   |              |                               |              |
| Dividend paid - net of accrued dividend                                 | 9,000,000                         | -            | 9,000,000                     | -            |
| Investment in subsidiary  | -                                 | -            | (10,000,000)                  | -            |
| Short-term loan to related party  | -                                 | -            | 10,000,000                    | -            |

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

## **PANELESMATIC SOLUTIONS COMPANY LIMITED AND ITS SUBSIDIARIES**

### **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

#### **1. General information**

##### **Company information**

Panelesmatic Solutions Company Limited has been registered to be limited company on May 10, 1990, Commercial Code with Company registration number 0105533053271 The head office is located at No. 36 Moo 7, Bang Talat Subdistrict, Pak Kret District, Nonthaburi Province and has a branch office located at No. 10/12 Moo 5, Soi Bongkot 33, Klong Song Subdistrict, Klong Luang District, Pathum Thani Province.

The Company operates the business of manufacturing, selling, and installing, including after-sales service for door products, automatic door, operating room doors, soundproof walls, movable walls including other doors and walls.

#### **2. Basis for preparation of financial statements and presentation of financial statements**

##### **2.1 Basis for preparation of financial statements**

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

##### **2.2 Changes in criteria for preparing financial statements**

This financial statement is prepared under the Thai Financial Reporting Standards for Publicly Accountable Entities (TFRS for PAEs) for the first time, and it complies with the Financial Reporting Standard No. 1 on the First-time Adoption of Thai Financial Reporting Standards, including the accounting practices declared by the Federation of Accounting Professions. Significant matters related to the transitional period are explained in note 3 of this financial statement, which is presented in Thai Baht, the currency used in the Company's operations.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. ("the Group"). In preparing the financial statements under the financial reporting standards, management uses judgment, estimates, and assumptions, which may affect compliance with the Group's accounting policies. Actual results may differ from estimates and assumptions used in preparing the financial statements, and accounting estimates will be reviewed continuously. Any changes in accounting estimates will be recorded prospectively.

**PANELESMATIC SOLUTIONS COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

**2.3 New financial reporting standards**

**2.3.1 New financial reporting standards that became effective in the current year**

During the year, the Group has adopted many revised financial reporting standards and interpretations which are effective for the financial statements for the period beginning on or after January 1, 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. Most international Financial Reporting clarifies accounting practices and provide standard accounting practices to users.

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

In this regard, the Group has applied for the provisional exemption under the revised Thai Financial Reporting Standard No. 9 Financial Instruments, and Thai Financial Reporting Standard No. 7 on Disclosure of Financial Instruments. For items affected by the reference interest rate reform, this includes the effect of changes in contractual cash flows, or the hedging relationship arising from changing the reference interest rate to another reference interest rate instead.

The application of such a temporary exemption has no material impact on the Group's financial statements.

**2.3.2 Thai Financial Reporting Standards that will become effective for financial statements with fiscal years beginning on or after January1, 2023**

The Federation of Accounting Professions has issued several revised financial reporting standards. They will become effective for financial statements for fiscal years beginning on or after January 1, 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, international finance Most of them clarify accounting practices and some financial reporting standards provide practical relief or temporary exceptions to users of the standards.

The management of the Group believes that revising this standard will not have any significant impact on the Group's financial statements.

**PANELESMATIC SOLUTIONS COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

**2.4 Basis for presentation of consolidated financial statements**

The consolidated financial statements have been prepared by combining the accounts of the Company and its subsidiaries. (“Group of Companies”) in which the Company has direct and indirect control over or holds shares in subsidiaries as follows:

| Company’s name                         | Nature of business                            | Head office location | Investment proportion (%) |       |
|--|---|----------------------|---------------------------|-------|
|  |   |                      | 2022                      | 2021  |
| <b>Subsidiary :</b>                    |   |                      |                           |       |
| Paneles Engineering Company Limited ** | Manufacturing and sales wall, door and window | Bangkok              | -                         | 50.00 |

\*\* The subsidiary registered its dissolution with the Department of Business Development on January 7, 2022. The Company is in the process of liquidation.

**3. First Adoption of Financial Reporting Standards for Publicly accountable Entities**

These financial statements have been prepared under TFRS for PAEs for the first time and have complied with TFRS 1 since January 1, 2021 (the date the Group first adopted TFRS). As a result, the group of companies prepared the cash flow and financial statements for the first time. However, on January 7, 2022, Peneles Engineering Company Limited (a subsidiary) registered its dissolution with the Ministry of Commerce. Such a company is in the process of liquidation resulting in the termination of the subsidiary (Note 10).

The Company used “Thai Financial Reporting Standards” for the period ending January 1, 2021. Previously, the Company used “Thai Financial Reporting Standards for Non-Public Accountable Entities”, the changes are as follows:

| <u>Financial Reporting Standard</u>                                 | <u>Changing</u>  |
|---|--|
| Thai Accounting Standard No. 1 Presentation of Financial Statements | Show “Comprehensive Income Statement” instead of “Profit and Loss Statement”   |
| Thai Accounting Standard No. 7 Statement of Cash Flows              | Show “Statement of Cash Flows”   |
| Accounting Standard No. 12 Income Taxes                             | Identifies temporary differences caused by differences between values. Assets and Liabilities between Accounting and Tax Basis to recognize the tax effects as deferred tax assets or liabilities. |



**PANELESMATIC SOLUTIONS COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

| <u>Financial Reporting Standard</u>   | <u>Changing</u>  |
|---|--|
| Thai Accounting Standard No. 19 Employee Benefits<br>(Effective on January 1, 2020) | Recognize and measure post-employment benefits on an actuarial basis.  |
| Thai Accounting Standard No. 24 Related Party<br>Disclosures                        | Disclose information about related parties or businesses.  |
| Thai Accounting Standard No. 33 Earnings per Share                                  | Disclosure of earnings per share and how to calculate it.  |
| Thai Financial Reporting Standard No. 13 Fair Value<br>Measurement                  | The fair value of assets and liabilities are categorized into 3 levels and disclosures of valuation techniques are categorized.  |
| Thai Financial Reporting Standard No. 15 Revenue from<br>Contracts with Customers   | Must comply with every contract made with customers, except contracts within the scope of other accounting standards the standard establishes a five-step principle for recognizing revenue arising from contracts with customers. Revenue is recognized in an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer. |
| Thai Financial Reporting Standard No. 16 Leases                                     | Defines the principle of recognition of items. The measurement, presentation, and disclosure of leases and requires lessees to recognize assets and liabilities for all leases with a term greater than twelve months unless the underlying asset is of low value.   |

**PANELESMATIC SOLUTIONS COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

Financial instruments standards

Thai Financial Reporting Standards

No. 7

Financial Instruments: Disclosures

No. 9

Financial Instruments

Thai Accounting Standard

No. 32

Financial Instruments: Presentation

TFRIC Interpretation

No. 16

Hedges of a Net Investment in a Foreign Operation

No. 19

Extinguishing Financial Liabilities with Equity Instruments

Financial instruments standards mentioned above set out principles for the classification and measurement of financial instruments at fair value or amortized cost by considering the type of financial instrument. The nature of contractual cash flows and business plans of the entity. Principles on how to calculate the impairment of financial instruments using the expected credit loss concept and hedge accounting principles, including presentation and disclosure of financial instruments.

Changes in accounting policies resulting from adoption of financial reporting standards

During the year 2022, the Company changed the basis for preparing financial statements by adopting the Financial Reporting Standards for Publicly Interest Entities instead of the Financial Reporting Standards for Non-Publicly Interested Entities adopted in 2021. As a result, the Company had to apply Thai Accounting Standard No. 12 on Income Taxes, Thai Accounting Standard No. 19 on Employee Benefits, Thai Financial Reporting Standard No. 16 Leases and Thai Financial Reporting Standard No. 9 Financial Instruments adopted.

The Company has restated the consolidated and separate statements of financial position as at December 31, 2021, and the consolidated and separate statements of comprehensive income. Consolidated statement of changes in shareholders' equity and separate statement of changes in shareholders' equity and the consolidated and separate cash flow statements for the year then ended. And presented the consolidated statement of financial position and the separate statement of financial position as at January 1, 2021, are presented as comparative information to reflect the change in the basis for preparing the above financial statements. The cumulative effect of the changing based on the preparation of the financial statements on the financial statements is presented separately in the statement of changes in shareholders' equity. Separate cash flows for the year ended December 31, 2022, for the first time as comparative information.

**PANELESMATIC SOLUTIONS COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

The effect of retrospective adjustments and reclassification to the consolidated and separate statements of financial position as at December 31, 2021, and the consolidated and separate statements of comprehensive income for the year then ended, can be summarized as follows:

|   | (Unit : Baht)                    |  |   |                                     |            |
|---|----------------------------------|--|---|-------------------------------------|------------|
|   | The effect of                    |  |   |                                     |            |
| Former<br>financial<br>reporting<br>standards | Accounting<br>standards<br>No.12 | Financial<br>reporting<br>standards<br>No.16 | Financial<br>reporting<br>standards<br>No.9 | Financial<br>reporting<br>standards |            |
| <b>Statement of financial position</b>        |                                  |  |   |                                     |            |
| <b>as at 31 December 2021</b>                 |                                  |  |   |                                     |            |
| <b>Assets</b>                                 |                                  |  |   |                                     |            |
| <b>Current assets</b>                         |                                  |  |   |                                     |            |
| Trade and other current                       |                                  |  |   |                                     |            |
| accounts receivable- net                      | 11,953,528                       | -  | -   | (141,593)                           | 11,811,935 |
| <b>Non-current assets</b>                     |                                  |  |   |                                     |            |
| Deferred tax assets                           | -                                | 1,090,307                                    | -   | -                                   | 1,090,307  |
| <b>Liabilities and Shareholders'</b>          |                                  |  |   |                                     |            |
| <b>equity</b>                                 |                                  |  |   |                                     |            |
| <b>Non-current liabilities</b>                |                                  |  |   |                                     |            |
| <b>Equity</b>                                 |                                  |  |   |                                     |            |
| Other components of                           |                                  |  |   |                                     |            |
| shareholders' equity                          | (457,477)                        | 91,495                                       | -   | -                                   | (365,982)  |
| Retained Earnings-                            |                                  |  |   |                                     |            |
| Unappropriated                                | 40,746,048                       | 998,812                                      | -   | (141,593)                           | 41,603,267 |

PANELESMATIC SOLUTIONS COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

(Unit : Baht)

|  | For the year ended December 31, 2021  |                                  |  |   |                                      |
|--|---------------------------------------|----------------------------------|--|---|--------------------------------------|
|  | Before<br>adjustment/<br>reclassified | The effect of                    |  |   | After<br>adjustment/<br>reclassified |
|  |                                       | Accounting<br>standards<br>No.12 | Financial<br>reporting<br>standards<br>No.16 | Financial<br>reporting<br>standards<br>No.9 |                                      |
| <b>Statement of comprehensive<br/>income</b> |                                       |                                  |  |   |                                      |
| Revenues from services                       | 68,842,026                            | -                                | -  | -   | 68,842,026                           |
| Cost of sales and services                   | 41,717,009                            | -                                | (18,367)                                     | -   | 41,698,642                           |
| Other income                                 | 1,140,944                             | -                                | -  | -   | 1,140,943                            |
| Administrative expenses                      | 15,106,265                            | -                                | -  | (736,647)                                   | 14,369,618                           |
| financial cost                               | 732                                   | -                                | 6,760  | -   | 7,492                                |
| Income tax revenue (expenses)                | 3,207,675                             | (232,835)                        | -  | -   | 2,974,840                            |
| <b>Net profit (loss) for the year</b>        | <b>9,951,289</b>                      | <b>232,835</b>                   | <b>11,607</b>                                | <b>736,647</b>                              | <b>10,932,378</b>                    |

**PANELESMATIC SOLUTIONS COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

The effect of retrospective adjustments and reclassification to the consolidated and separate statements of financial position as at January 1, 2021, and the consolidated and separate statements of comprehensive income for the year then ended, can be summarized as follows:

|   | (Unit: Baht)                     |  |   |                                     |            |
|---|----------------------------------|--|---|-------------------------------------|------------|
|   | The effect of                    |  |   |                                     |            |
| Former<br>financial<br>reporting<br>standards   | Accounting<br>standards<br>No.12 | Financial<br>reporting<br>standards<br>No.16 | Financial<br>reporting<br>standards<br>No.9 | Financial<br>reporting<br>standards |            |
| <b>Statement of financial position</b>          |                                  |  |   |                                     |            |
| <b>as at January 1, 2021</b>                    |                                  |  |   |                                     |            |
| <b>Assets</b>                                   |                                  |  |   |                                     |            |
| <b>Current assets</b>                           |                                  |  |   |                                     |            |
| Trade and other current<br>receivable - net     | 11,578,667                       | -  | -   | (878,240)                           | 10,700,427 |
| <b>Non-current assets</b>                       |                                  |  |   |                                     |            |
| Right of use assets                             | -                                | -  | 161,634                                     | -                                   | 161,634    |
| Deferred tax assets                             | -                                | 792,523                                      | -   | -                                   | 792,523    |
| <b>Liabilities and Shareholders'<br/>equity</b> |                                  |  |   |                                     |            |
| <b>Non-current liabilities</b>                  |                                  |  |   |                                     |            |
| Lease liabilities                               | -                                | -  | 173,241                                     | -                                   | 173,241    |
| <b>Shareholders' equity</b>                     |                                  |  |   |                                     |            |
| Other components of<br>shareholders' equity     | (132,733)                        | 26,547                                       | -   | -                                   | (106,186)  |
| Retained earnings -<br>Unappropriated           | 30,794,759                       | 765,976                                      | (11,607)                                    | (878,240)                           | 30,670,888 |

**PANELESMATIC SOLUTIONS COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

(Unit: Baht)

|  | For the year ended December 31, 2020  |                                  |  |   |                                      |
|--|---------------------------------------|----------------------------------|--|---|--------------------------------------|
|  | Before<br>adjustment/<br>reclassified | The effect of                    |  |   | After<br>adjustment/<br>reclassified |
|  |                                       | Accounting<br>standards<br>No.12 | Financial<br>reporting<br>standards<br>No.16 | Financial<br>reporting<br>standards<br>No.9 |                                      |
| <b>Statement of comprehensive income</b> |                                       |                                  |  |   |                                      |
| Revenues from services                   | 86,882,229                            | -                                | -  | -   | 86,882,229                           |
| Cost of sales and services               | 51,884,753                            | -                                | (18,367)                                     | -   | 51,866,386                           |
| Other income                             | 1,102,963                             | -                                | -  | -   | 1,102,963                            |
| Administrative expenses                  | 15,028,477                            | -                                | -  | 878,240                                     | 15,906,717                           |
| financial cost                           | 1,312                                 | -                                | 18,639                                       | -   | 19,951                               |
| Income tax revenue (expenses)            | 4,087,010                             | (765,977)                        | -  | -   | 3,321,033                            |
| <b>Net profit (loss) for the year</b>    | <b>16,983,640</b>                     | <b>765,977</b>                   | <b>(272)</b>                                 | <b>(878,240)</b>                            | <b>16,871,105</b>                    |

**4. Significant accounting policies**

**4.1 Revenue recognition**

Recognized revenue excludes VAT. and shows the net of trade discounts.

- a) Revenue from sale of goods ordered by customers and sales finished good.

Revenue from sales of goods ordered by customers and sales of finished goods is recognized in the Statement of comprehensive income when control of the significant risks and rewards of ownership of the goods has been transferred to the buyer, and the amount of revenue and costs incurred can be reliably measured. Revenue recognition is not appropriate if there is significant uncertainty about the consideration to be received, if it is probable that the goods will be returned, or if management does not have control or cannot reliably measure the goods sold.

**PANELESMATIC SOLUTIONS COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

b) Revenue from installation service

Revenue from installation service is recognize when the services is rendered on the stage of completion which requires additional judgment the timing of the transfer of control - at a point in time or over time.

c) Interest income

Interest income is recognized as interest accrues based on the effective rate method.

**4.2 Cash and cash equivalents**

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments with an original maturity of 3 months or less and not subject to withdrawal restrictions.

**4.3 Trade and other receivables**

The Group are presented accounts receivables at net realizable value.

The Group are recognized accounts receivables initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at its present value.

The Group applies the TFRS 9 simplified approach to measuring expected credit losses which uses a simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables and accrued income. To measure the expected credit losses, trade receivables have been grouped based on the days past due. Accrued income has been grouped based on the date that the Company expect to collect a payment (not over 30 days). The expected loss rates are based on the payment profiles and the corresponding historical credit losses and accordingly adjusts the historical loss rates based on expected changes in these factors. The impairment losses are recognized in profit or loss within administrative expenses.

Accrued income

"Accrued income" arises from the delivery of goods at a particular point in time, but an invoice has not yet been created for collection. Normally, the Company prepares an invoice billing to the customer to collect a payment within 3–30 days after delivery.

The Company initially recognizes "accrued income" as the amount of consideration that is unconditional on receipt.

**4.4 Inventory**

Raw material, work in process and finished goods are stated at the lower of cost or net realizable value.

Cost of inventories is calculated using the FIFO method.

The cost of inventories includes all costs of purchase, which comprise the purchase price and expense directly attributable to the purchase of the goods, such as import costs, import duties, transportation, insurance, non-refundable taxes, deduct discounts, and refunds from purchase.

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**4.5 Long-term investment**

Long-term investments are recorded at cost net of allowance for decline in value (if any).

**4.6 Investment property**

Land is stated at cost less provision for impairment of assets (if any).

An investment property is a property that is held to earn rental income, or from an increased value or both. It is not for sale in the normal course of business or used in the production or supply of goods or services or using in the administration.

**4.7 Property, plants and equipment**

Land is stated at cost less provision for impairment of assets (if any). Building improvements and equipment are stated at cost less accumulated depreciation. The Company and subsidiaries depreciate its equipment on a straight - line method over the estimated useful lives of the assets as follows:

|                          | <u>Useful lives (Years)</u> |
|--------------------------|-----------------------------|
| Buildings and structures | 10-20                       |
| Land improvement         | 10                          |
| Vehicles                 | 5                           |
| Furniture and equipment  | 5                           |
| Office equipment         | 5                           |
| Machinery                | 5-10                        |
| Computer                 | 3                           |

No depreciation is made for land and assets under construction.

Profits and losses on disposal are determined by comparing the proceeds received with the carrying amount and are included in the results of operations.

Expenses related to additions, renewals, or improvements to assets a significant increase in the current replacement price of the asset will be included in the cost of the asset. Repair and maintenance expenses are recognized as expenses in the accounting period in which they are incurred.

Depreciation is recorded as an expense in the statement of comprehensive income. Calculated by the straight-line method based on the expected duration of use.



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**4.8 Intangible asset**

Intangible assets are stated at cost less accumulated amortization and allowance for decline in value (if any)

Amortization is recorded as an expense in the income statement. It is calculated using the straight-line method based on the expected period of economic benefits of each type of intangible asset. The expected period of economic benefits is shown below.

|                 |    |       |
|-----------------|----|-------|
| Software system | 10 | Years |
|-----------------|----|-------|

**4.9 Foreign currency conversion**

Transactions in foreign currencies are converted into Thai Baht at the exchange rate prevailing on the transaction date. Assets and liabilities in foreign currencies remaining at the end of the reporting period are translated into Baht at the exchange rate prevailing on that date. The exchange rate difference is recognized as profit (loss) and is presented in the statement of comprehensive income.

**4.10 Impairment of non-financial assets**

The Group have determined the impairment of assets if there is indicator that the carrying amount of asset exceeds its recoverable amount.

In case that the book value of an asset exceeds its net realizable value, the Group will recognize as impairment loss in the statements of income for the period. The Group will reverse the impairment loss whenever there is an indication that there is no longer impairment or reduction in impairment.

**4.11 Leases**

**The Company as a lessee**

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 in exchange for consideration.

The Company 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 Company recognizes right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

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**Right-of-use assets**

The Group recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Land improvements under leased are amortized using the straight-line method throughout the contract period.

**Lease liabilities**

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Company'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 modification or reassessment.

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

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognized as expenses on a straight-line basis over the lease term.

**4.12 Employee benefits**

**Short-term employee benefits**

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

**Post-employment benefits**

Defined contribution plans.

The Group, and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group and its subsidiaries' contributions are recognized as expenses when incurred.

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Defined benefit plans.

The Group have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The treat these severance payment obligations as a defined benefit plan.

The Group calculates liabilities under a defined benefit plan. The projected unit credit method was used by an independent expert to assess such obligations based on actuarial principles.

Actuarial gains and losses arising from post-employment benefits are recognized immediately in other comprehensive income.

Past service costs are recognized in the income statement on the earlier of the date of the plan amendment or curtailment and the date that the Group recognizes restructuring-related costs.

The defined benefit obligations are measured at the present value of estimated future cash flows using a discount rate that is like the interest rate on government bond.

**4.13 Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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In determining the amount of current and deferred tax, the Company considers the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

#### 4.14 Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing net profit (loss) for the year by weighted average number of ordinary shares issue and paid up during the year.

#### 4.15 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 trade receivables.

##### Classification and measurement of financial assets

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

## PANELESMATIC SOLUTIONS COMPANY LIMITED AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS

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#### Financial assets at amortized cost

The Group measures financial assets at amortized cost if the financial asset is held 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 amortized cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified, or impaired.

#### Financial assets at FVTPL

Opened – End Fund and derivative measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognized in profit or loss.

#### Classification and measurement of financial liabilities

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

#### Derivatives

Derivatives are recognized initially at fair value; attributable transaction costs are recognized in profit or loss when incurred. After initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognized immediately in profit or loss.

#### Derecognition of financial instruments

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognized 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 recognized in the statement of profit or loss.

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Impairment of financial assets

The Group measures expected credit losses (ECLs) that result from default events that are possible within the next 12 months. 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).

For trade receivables, the Group applies a simplified approach in calculating ECLs. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment. Impairment loss is recognized in profit or loss under the account. "Administrative expenses"

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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**4.16 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 apply 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 measure fair value using valuation technique that are appropriate in the circumstances and maximizes 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 categorized within the fair value hierarchy into three levels based on categories 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 determine 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.

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**4.17 Provision**

A provision is recognized when the Company has a present legal or constructive obligation because of a past event, the amount of which can be estimated reliably and an economic benefit will probably be paid to settle the obligation. Provisions are determined by discounting the expected future cash flows using the current market discount rate before income tax. To reflect current market assessments of the time value of money and the risks specific to the liability. The increase in provisions due to the passage of time is recognized as a finance cost.

**5. Significant accounting judgments and estimates**

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures, and actual results could differ. The significant accounting judgments and estimates are as follows:

Allowance for obsolete and obsolete inventory

The Company has estimated allowance for deteriorated and obsolete products to reflect the decrease in the value of inventories. The estimation is based on the aging of inventories, sales trends from economic conditions, and other factors that affect deteriorated and obsolete products.

Allowance for credit losses

Allowance for credit losses the management needs to use judgment and make estimates of expected credit losses for each receivable by considering past collection experiences aging of outstanding debt, the expected economic conditions of similar credit risk groups of customers, etc. Historical credit loss data and economic forecasts of the Company may not be indicative of Actual breach of contract by customers in the future Credit losses are recognized in the statements of comprehensive income as part of administrative expenses by setting up an allowance for credit losses for trade receivables and other receivables (Note 4.3) that expect to be uncollectible.

Impairment of assets

The Company considers impairment of assets if there are indicators that the assets are impaired when it finds that the fair value of the assets has significantly decreased, the Company estimates the expected recoverable amount of the assets. The estimation depends on the discretion of the management.

Depreciation

In calculating depreciation of plant and equipment, the management estimates useful lives and salvage values of the plant and equipment and reviews estimated useful lives and salvage values if there are any changes.

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**6. Transactions with related person and parties**

Related persons are individuals or companies related to the Company by being shareholders or having common shareholders or directors. During the year 2022, the Company had significant business transactions with related parties as follows:

| <b><u>Company</u></b>                              | <b><u>Relationship</u></b>         |
|--|------------------------------------|
| Paneles Engineering Company Limited                | Subsidiary                         |
| Doormatic Systems Company Limited                  | Related Company (Common directors) |
| Nicky International Company Limited                | Related Company (Common directors) |
| Sanook sood Company Limited                        | Related Company (Common directors) |
| Paneles Asia Company Limited                       | Related Company (Common directors) |
| Jun (Thailand) Company Limited                     | Related Company (Common directors) |
| J and Associated Company Limited                   | Related Company (Common directors) |
| A.S. Industrial and mining Company Limited         | Related Company (Common directors) |
| A.S. Associated Engineering (1964) Company Limited | Related Company (Common directors) |
| S.E.A Track Company Limited                        | Related Company (Common directors) |
| S.K. Consults and business Company Limited         | Related Company (Common directors) |
| Oriental Residence Bangkok Company Limited         | Related Company (Common directors) |

During the year, The Company had major business transactions with related persons and parties which normal terms of commercial business and contracts, as follows:



PANELESMATIC SOLUTIONS COMPANY LIMITED AND ITS SUBSIDIARIES

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DECEMBER 31, 2022

6.1 Related incomes and expenses for year ended December 31, 2022 and 2021 are follows:

(Unit: Baht)

| Transactions type / Company's name            | Pricing policies | Consolidated         |                      | Separate             |                      |
|---|------------------|----------------------|----------------------|----------------------|----------------------|
|   |                  | financial statements | financial statements | financial statements | financial statements |
|   |                  | 2022                 | 2021                 | 2022                 | 2021                 |
| <b>Revenue</b>                                |                  |                      |                      |                      |                      |
| <b>Sales revenue</b>                          | (1)              |                      |                      |                      |                      |
| Related parties                               |                  | <u>3,342,571</u>     | <u>5,776</u>         | <u>3,342,571</u>     | <u>5,776</u>         |
| <b>Gain from liquidation of subsidiary</b>    |                  |                      |                      |                      |                      |
| Subsidiaries                                  |                  | <u>-</u>             | <u>-</u>             | <u>1,452,136</u>     | <u>-</u>             |
| <b>Key management personnel compensations</b> |                  |                      |                      |                      |                      |
| Short-term benefits                           |                  | 3,784,500            | 3,339,000            | 3,784,500            | 3,339,000            |
| Benefits after leaving work for employee      |                  |                      |                      |                      |                      |
| benefits                                      |                  | <u>131,951</u>       | <u>83,292</u>        | <u>131,951</u>       | <u>83,292</u>        |
| Total key management personnel                |                  |                      |                      |                      |                      |
| compensations                                 |                  | <u>3,916,451</u>     | <u>3,422,292</u>     | <u>3,916,451</u>     | <u>3,422,292</u>     |
| <u>Pricing policy</u>                         |                  |                      |                      |                      |                      |
| (1) Contract price                            |                  |                      |                      |                      |                      |

6.2 Related assets and liabilities as at December 31, 2022 and 2021 are as follows:

(Unit : Baht)

|                                    | Consolidated         |                      | Separate             |                      |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                    | financial statements | financial statements | financial statements | financial statements |
|                                    | 2021                 | 2022                 | 2021                 | 2021                 |
| <b>Current assets</b>              |                      |                      |                      |                      |
| Short-term loan to related parties | <u>9,875,250</u>     | <u>-</u>             | <u>-</u>             | <u>-</u>             |
| <b>Current liabilities</b>         |                      |                      |                      |                      |
| Short-term loan to related parties | <u>-</u>             | <u>-</u>             | <u>10,000,000</u>    | <u>-</u>             |

Short-term loan to Related parties not charged interest and this short-term loan is due at call.

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**6.3 Right-of-use assets and lease liabilities to related parties**

As at December 31, 2022 the Company has contracts affected the recorded of right-of-use assets are as follows:

The Company has entered a land and building lease agreement for use as a factory with a related company. with a period starting on January 1, 2022 ending on December 31, 2024 with a rental rate of Baht 15,000 per month (the rental rate between each other is lower than the market price).

**Right-of-use assets**

For the year ended December 31, 2022 and 2021, the movements are as follows:

|  | (Unit : Baht)         |
|--|-----------------------|
|  | <u>2022</u>           |
| Net book value as at January 1, 2022   | -                     |
| Increase/(Decrease) during the year    | 493,432               |
| Depreciation during the year           | <u>(164,477)</u>      |
| Net book value as at December 31, 2022 | <u><u>328,955</u></u> |

**Lease liabilities**

As at December 31, 2022 and 2021, the Company has lease liabilities as follows:

|   | (Unit : Baht)         |
|---|-----------------------|
|   | <u>2022</u>           |
| Lease liabilities   | 360,000               |
| <u>Less</u> deferred interest                                   | <u>(21,384)</u>       |
| Total   | 338,616               |
| <u>Less</u> current portion of lease liabilities                | <u>(164,285)</u>      |
| Lease liabilities - net of current portion of lease liabilities | <u><u>174,331</u></u> |

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**7. Cash and Cash equivalents**

As at December 31, 2022 and 2021, the Company has cash and cash equivalents as follows:

|                 | (Unit : Baht)               |                   |                             |
|-----------------|-----------------------------|-------------------|-----------------------------|
|                 | Consolidated                |                   | Separate                    |
|                 | <u>financial statements</u> |                   | <u>financial statements</u> |
|                 | 2021                        | 2022              | 2021                        |
| Cash            | 35,978                      | 10,000            | 30,000                      |
| Saving account  | 8,152,403                   | 32,621,740        | 5,211,859                   |
| Current account | 590,252                     | 158,027           | 574,617                     |
| <b>Total</b>    | <b>8,778,633</b>            | <b>32,789,767</b> | <b>5,816,476</b>            |

**8. Trade and other current receivables - net**

As at December 31, 2022 and 2021, the Company has trade and other current receivables as follows:

|  | (Unit : Baht)               |                   |                             |
|--|-----------------------------|-------------------|-----------------------------|
|  | Consolidated                |                   | Separate                    |
|  | <u>financial statements</u> |                   | <u>financial statements</u> |
|  | 2021                        | 2022              | 2021                        |
| Trade receivables                                      | 9,176,371                   | 20,736,241        | 9,176,371                   |
| <u>Less</u> allowance for expected credit losses       | (288,120)                   | (1,628,980)       | (288,120)                   |
| Trade receivables - net                                | 8,888,251                   | 19,107,261        | 8,888,251                   |
| Accrued income   | 2,111,448                   | 4,458,168         | 2,111,448                   |
| <u>Less</u> allowance for expected credit losses       | (202,690)                   | (405,380)         | (202,690)                   |
| Accrued income - net                                   | 1,908,758                   | 4,052,788         | 1,908,758                   |
| <b>Total trade receivables - net</b>                   | <b>10,797,009</b>           | <b>23,160,049</b> | <b>10,797,009</b>           |
| Other current receivables:                             |                             |                   |                             |
| Prepaid expenses                                       | 572,476                     | 1,755,923         | 572,476                     |
| Accrued interest                                       | 80,001                      | -                 | 80,001                      |
| Other receivables                                      | 378,137                     | 178,311           | 362,449                     |
| <b>Total other current receivables</b>                 | <b>1,030,614</b>            | <b>1,934,234</b>  | <b>1,014,926</b>            |
| <b>Total trade and other current receivables - net</b> | <b>11,827,623</b>           | <b>25,094,283</b> | <b>11,811,935</b>           |

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|   | (Unit: Baht)                |                   |                             |
|---|-----------------------------|-------------------|-----------------------------|
|   | Consolidated                |                   | Separate                    |
|   | <u>financial statements</u> |                   | <u>financial statements</u> |
|   | 2021                        | 2022              | 2021                        |
| The aging of receivable are as follows:   |                             |                   |                             |
| Within due                                | 4,064,583                   | 11,767,288        | 4,064,583                   |
| Overdue                                   |                             |                   |                             |
| Not over 3 months                         | 4,798,404                   | 7,502,361         | 4,798,404                   |
| 3 - 6 months                              | 224,574                     | 47,508            | 224,574                     |
| 6 - 12 months                             | -                           | 1,160,270         | -                           |
| Over 12 months                            | 88,810                      | 258,814           | 88,810                      |
| Total trade receivables                   | 9,176,371                   | 20,736,241        | 9,176,371                   |
| Less allowance for expected credit losses | (288,120)                   | (1,628,980)       | (288,120)                   |
| Total                                     | <u>8,888,251</u>            | <u>19,107,261</u> | <u>8,888,251</u>            |

As at December 31, 2022 and 2021, the Company has accrued income is Baht 4.45 million and Baht 2.11 million, respectively. The bills have been collected is Baht 4.05 million and Baht 1.71 million, divided by time period as follows:

|                 | (Unit: Baht)                |                  |                             |
|-----------------|-----------------------------|------------------|-----------------------------|
|                 | Consolidated                |                  | Separate                    |
|                 | <u>financial statements</u> |                  | <u>financial statements</u> |
|                 | 2021                        | 2022             | 2021                        |
| Within 1 month  | 1,410,068                   | 3,876,788        | 1,410,068                   |
| Within 2 months | 84,000                      | 38,000           | 84,000                      |
| Within 3 months | 212,000                     | 138,000          | 212,000                     |
| Unbilled        | 405,380                     | 405,380          | 405,380                     |
| Total           | <u>2,111,448</u>            | <u>4,458,168</u> | <u>2,111,448</u>            |

As at December 31, 2022 and 2021, the Company has trade receivables - unbilled is Baht 0.41 million, which belongs to one customer who has a lawsuit against the Company form as default on debt payments and the Company has recognized the full value of allowance for credit losses.

**PANELESMATIC SOLUTIONS COMPANY LIMITED AND ITS SUBSIDIARIES**

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**9. Inventories**

As at December 31, 2022, and 2021, the Company has inventories as follows:

|  | (Unit : Baht)               |                          |                             |
|--|-----------------------------|--------------------------|-----------------------------|
|  | Consolidated                |                          | Separate                    |
|  | <u>financial statements</u> |                          | <u>financial statements</u> |
|  | 2021                        | 2022                     | 2021                        |
| Finished goods                                 | 11,058,505                  | 9,966,880                | 11,058,505                  |
| Raw materials supplies and packing materials   | 9,262,087                   | 8,555,525                | 9,262,087                   |
| Work in process                                | 3,588,511                   | 2,228,283                | 3,588,511                   |
| Total inventories                              | <u>23,909,103</u>           | <u>20,750,688</u>        | <u>23,909,103</u>           |
| <u>Less</u> Allowance for obsolete inventories | (1,759,501)                 | (426,695)                | (1,759,501)                 |
| Allowance for impairment - work in process     | -                           | (569,841)                | -                           |
| Total inventories - net                        | <u><u>22,149,602</u></u>    | <u><u>19,754,152</u></u> | <u><u>22,149,602</u></u>    |

**10. Investment in subsidiaries**

|                                     |  |                            | (Unit : Thousand Baht) |                   |                   |                   |                   |                   |                             |                   |
|-------------------------------------|--|----------------------------|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------------------|-------------------|
|                                     |  |                            | Paid-up share capital  |                   | % Of holding      |                   | At cost           |                   | Dividend for the year ended |                   |
| Company's name                      | Nature of business                         | Established in the country | December 31, 2022      | December 31, 2021 | December 31, 2022 | December 31, 2021 | December 31, 2022 | December 31, 2021 | December 31, 2022           | December 31, 2021 |
| Paneles engineering Company Limited | Manufacturing and sales wall, door, window | Thai                       | -                      | 20,000            | -                 | 50                | -                 | 10,000            | -                           | -                 |
| Total                               |  |                            |                        |                   |                   |                   | <u>-</u>          | <u>10,000</u>     | <u>-</u>                    | <u>-</u>          |

The subsidiary registered its dissolution with the Department of Business Development on January 7, 2022 and as at December 31, 2022 the Company is in the process of liquidation.

The Company received a return of investment in subsidiary amount Baht 10 million and received Gain from liquidation of subsidiary amount 1.45 million. According to the Extraordinary General Meeting of Shareholders of subsidiary No. 1/2022 held on May 5, 2022.

**PANELESMATIC SOLUTIONS COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

**11. Investment properties**

For the year ended December 31, 2022 and 2021, the movements are as follows:

|   | (Unit : Baht)               |                  |                             |
|---|-----------------------------|------------------|-----------------------------|
|   | Consolidated                |                  | Separate                    |
|   | <u>financial statements</u> |                  | <u>financial statements</u> |
|   | 2021                        | 2022             | 2021                        |
| Book value as at January 1,                 | -                           | 4,960,000        | -                           |
| Transfer from property, plant and equipment | 4,960,000                   | -                | 4,960,000                   |
| Book value as at December 31,               | <u>4,960,000</u>            | <u>4,960,000</u> | <u>4,960,000</u>            |

According to the resolution of the Board of Directors Meeting No. 3/2021 held on September 10, 2021, the meeting resolved to approve the classification of the land with a cost of Baht 4.96 million as investment properties. Due to the changing location of the new office building, such plots of land were no longer held for production purposes, to sell products or provide services, to rent, or to use in administration.

As at December 31, 2022, such land was presented by the cost method according to the separate financial statements for Baht 4.96 million (the fair value is appraised by an independent appraiser using the market method according to the consolidated and separate financial statements for Baht 5.24 million).

**PANELESMATIC SOLUTIONS COMPANY LIMITED AND ITS SUBSIDIARIES**

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**12. Property, plant, and equipment - net**

For the year ended December 31, 2022 and 2021, the movements are as follows:

|                                  | (Unit : Baht)      |                    |                       |                     |
|----------------------------------|--------------------|--------------------|-----------------------|---------------------|
|                                  | Balance            |                    |                       | Balance             |
|                                  | As at January 1,   |                    | Transfer In/<br>(Out) | As at December 31,  |
|                                  | 2022               | Additions          | Disposals             | 2022                |
| <u>At cost</u>                   |                    |                    |                       |                     |
| Land                             | 9,888,000          | -                  | -                     | 9,888,000           |
| Buildings and structures         | -                  | -                  | -                     | 29,026,481          |
| Office equipment and supplies    | 888,521            | 183,948            | -                     | 1,011,733           |
| Furniture and office equipment   | 310,945            | 102,675            | -                     | 413,620             |
| Tools                            | 1,453,064          | 56,888             | (61,375)              | 1,509,313           |
| Machinery and equipment          | 2,650,520          | 1,205,040          | -                     | 3,855,560           |
| Vehicles                         | 8,086,664          | -                  | (158,879)             | 7,927,785           |
| Computer and equipment           | 492,485            | 247,686            | (126,961)             | 613,210             |
| Building in construction         | 30,454,078         | 607,383            | -                     | 1,700,480           |
| Land improvement                 | -                  | 285,593            | -                     | 285,593             |
| Building improvement             | -                  | 2,491,500          | -                     | 334,500             |
| <b>Total</b>                     | <b>54,224,277</b>  | <b>5,180,713</b>   | <b>(347,215)</b>      | <b>59,057,775</b>   |
| <u>Accumulated depreciation</u>  |                    |                    |                       |                     |
| Buildings and structures         | -                  | (1,373,558)        | -                     | (1,373,558)         |
| Office equipment and supplies    | (162,655)          | (159,608)          | -                     | (322,263)           |
| Furniture and office equipment   | (6,898)            | (80,034)           | -                     | (86,932)            |
| Tools                            | (742,464)          | (337,781)          | 46,334                | (1,033,911)         |
| Machinery and equipment          | (1,104,978)        | (453,838)          | -                     | (1,558,816)         |
| Vehicles                         | (4,932,914)        | (1,289,254)        | 65,204                | (6,156,964)         |
| Computer and equipment           | (256,876)          | (155,579)          | 114,603               | (297,852)           |
| Land improvement                 | -                  | (11,417)           | -                     | (11,417)            |
| Building improvement             | -                  | (344,649)          | -                     | (344,649)           |
| <b>Total</b>                     | <b>(7,206,785)</b> | <b>(4,205,718)</b> | <b>226,141</b>        | <b>(11,186,362)</b> |
| <b>Net</b>                       | <b>47,017,492</b>  |                    |                       | <b>47,871,413</b>   |
| <br><b>Allocate depreciation</b> |                    |                    |                       |                     |
| Cost of sales                    |                    |                    |                       | 1,320,600           |
| Administrative expenses          |                    |                    |                       | 2,885,118           |
| Depreciation for the year        |                    |                    |                       | 4,205,718           |

**PANELESMATIC SOLUTIONS COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

(Unit : Baht)

|                                  | Consolidated financial statements / Separate financial statements |                    |                    |   | Balance<br>As at<br>December 31,<br>2021 |
|----------------------------------|---|--------------------|--------------------|---|--|
|                                  | Balance<br>As at<br>January 1,<br>2021                            | Additions          | Disposals          | Transfer to<br>investment<br>properties |  |
| <u>At Cost</u>                   |   |                    |                    |   |  |
| Land                             | 14,848,000  | -                  | -                  | (4,960,000)                             | 9,888,000                                |
| Office equipment and supplies    | 4,539,767   | 505,772            | (4,157,018)        | -                                       | 888,521                                  |
| Furniture and office equipment   | 712,568   | 308,485            | (710,108)          | -                                       | 310,945                                  |
| Tools                            | 1,910,326   | 135,066            | (592,328)          | -                                       | 1,453,064                                |
| Machinery and equipment          | 2,650,520   | -                  | -                  | -                                       | 2,650,520                                |
| Vehicles                         | 7,766,664   | 320,000            | -                  | -                                       | 8,086,664                                |
| Computer and accessories         | 410,332   | 188,233            | (106,080)          | -                                       | 492,485                                  |
| Building in construction         | 17,397,401  | 13,056,677         | -                  | -                                       | 30,454,078                               |
| <b>Total</b>                     | <b>50,235,578</b>   | <b>14,514,233</b>  | <b>(5,565,534)</b> | <b>(4,960,000)</b>                      | <b>54,224,277</b>                        |
| <u>Accumulated depreciation</u>  |   |                    |                    |   |  |
| Office equipment and supplies    | (4,175,352)   | (105,997)          | 4,118,694          | -                                       | (162,655)                                |
| Furniture and office equipment   | (707,002)   | (6,751)            | 706,855            | -                                       | (6,898)                                  |
| Tools                            | (740,008)   | (367,532)          | 365,076            | -                                       | (742,464)                                |
| Machinery and equipment          | (723,032)   | (381,946)          | -                  | -                                       | (1,104,978)                              |
| Vehicles                         | (3,453,579)   | (1,479,335)        | -                  | -                                       | (4,932,914)                              |
| Computer and accessories         | (216,649)   | (137,837)          | 97,610             | -                                       | (256,876)                                |
| <b>Total</b>                     | <b>(10,015,622)</b>   | <b>(2,479,398)</b> | <b>5,288,235</b>   | <b>-</b>                                | <b>(7,206,785)</b>                       |
| <b>Net</b>                       | <b>40,219,956</b>   |                    |                    |   | <b>47,017,492</b>                        |
| <br><b>Allocate depreciation</b> |   |                    |                    |   |  |
| Cost of sales                    |   |                    |                    |   | 1,355,013                                |
| Administrative expenses          |   |                    |                    |   | 1,124,385                                |
| Depreciation for the year        |   |                    |                    |   | 2,479,398                                |



PANELESMATIC SOLUTIONS COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

13. Intangible Assets

For the year ended December 31, 2022 and 2021, the movements are as follows:

|                                 | (Unit : Baht)            |                          |                            |                            |
|---------------------------------|--------------------------|--------------------------|----------------------------|----------------------------|
|                                 | Balance                  |                          |                            | Balance                    |
|                                 | As at January 1,<br>2022 | Increase/<br>Transfer in | Disposals/<br>Transfer out | As at December 31,<br>2022 |
| <b>Cost</b>                     |                          |                          |                            |                            |
| Computer program                | 572,970                  | 2,759,885                | -                          | 3,332,855                  |
| Total                           | 572,970                  | 2,759,885                | -                          | 3,332,855                  |
| <b>Accumulated amortization</b> |                          |                          |                            |                            |
| Computer program                | (501,961)                | (285,127)                | -                          | (787,088)                  |
| Total                           | (501,961)                | (285,127)                | -                          | (787,088)                  |
| Net                             | 71,009                   |                          |                            | 2,545,767                  |

|                                 | (Unit : Baht)   |                          |                            |                            |
|---------------------------------|---|--------------------------|----------------------------|----------------------------|
|                                 | Consolidated financial statements / Separate financial statements |                          |                            |                            |
|                                 | Balance   |                          |                            | Balance                    |
|                                 | As at January 1,<br>2021  | Increase/<br>Transfer in | Disposals/<br>Transfer out | As at December 31,<br>2021 |
| <b>Cost</b>                     |   |                          |                            |                            |
| Computer program                | 135,000   | 571,970                  | (134,000)                  | 572,970                    |
| Total                           | 135,000   | 571,970                  | (134,000)                  | 572,970                    |
| <b>Accumulated amortization</b> |   |                          |                            |                            |
| Computer program                | (59,998)  | (548,389)                | 106,426                    | (501,961)                  |
| Total                           | (59,998)  | (548,389)                | 106,426                    | (501,961)                  |
| Net                             | 75,002  |                          |                            | 71,009                     |

**PANELESMATIC SOLUTIONS COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

**14. Deferred tax assets**

As at December 31, 2022 and 2021, the deferred tax assets are as follows:

|                           | (Unit : Baht)               |                  |                             |
|---------------------------|-----------------------------|------------------|-----------------------------|
|                           | Consolidated                |                  | Separate                    |
|                           | <u>financial statements</u> |                  | <u>financial statements</u> |
|                           | 2021                        | 2022             | 2021                        |
| Deferred tax assets - net | 1,090,307                   | 1,286,275        | 1,090,307                   |
| Set off of tax            | -                           | -                | -                           |
| Deferred tax assets - net | <u>1,090,307</u>            | <u>1,286,275</u> | <u>1,090,307</u>            |

During the year, the movement of deferred tax assets and liabilities are as follows:

|   | (Unit : Baht)               |                          |                                  |                         |                               |
|---|-----------------------------|--------------------------|----------------------------------|-------------------------|-------------------------------|
|   | As at<br>January 1,<br>2022 | (Charged) / Credited to: |                                  |                         | As at<br>December<br>31, 2022 |
|   |                             | Gains or<br>loss         | Other<br>comprehensive<br>income | Shareholder's<br>equity |                               |
| <b>Deferred tax assets</b>                                  |                             |                          |                                  |                         |                               |
| Allowance for expected credit losses - trade<br>receivables | 57,624                      | 268,173                  | -                                | -                       | 325,797                       |
| Allowance for expected credit losses - accrued<br>income    | 40,538                      | 40,538                   | -                                | -                       | 81,076                        |
| Allowance for impairment - work in process                  | -                           | 113,968                  | -                                | -                       | 113,968                       |
| Allowance for the value of obsolete goods                   | 351,900                     | (266,562)                | -                                | -                       | 85,338                        |
| Provisions for employee benefits                            | 553,844                     | 33,822                   | 97,799                           | -                       | 685,465                       |
| Liabilities under finance lease agreements                  | 98,687                      | (30,964)                 | -                                | -                       | 67,723                        |
| Intangible assets   | 86,400                      | (9,600)                  | -                                | -                       | 76,800                        |
| Building improvement  | -                           | 12,606                   | -                                | -                       | 12,606                        |
| Total   | <u>1,188,993</u>            | <u>161,981</u>           | <u>97,799</u>                    | <u>-</u>                | <u>1,448,773</u>              |

PANELESMATIC SOLUTIONS COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

|  | (Unit : Baht)               |                  |                                  |                         |                               |
|--|-----------------------------|------------------|----------------------------------|-------------------------|-------------------------------|
|  | (Charged) / Credited to:    |                  |                                  |                         |                               |
|  | As at<br>January 1,<br>2022 | Gains or<br>loss | Other<br>comprehensive<br>income | Shareholder's<br>equity | As at<br>December<br>31, 2022 |
| <b>Deferred tax liabilities</b>                            |                             |                  |                                  |                         |                               |
| Right-of-use under lease liabilities - net                 | 98,686                      | (32,895)         | -                                | -                       | 65,791                        |
| Improvement of sanitation and fire fighting                | -                           | 24,893           | -                                | -                       | 24,893                        |
| Electrical system improvements                             | -                           | 35,026           | -                                | -                       | 35,026                        |
| Improvement of air conditioning and<br>ventilation systems | -                           | 36,788           | -                                | -                       | 36,788                        |
| <b>Total</b>   | <b>98,686</b>               | <b>63,812</b>    | <b>-</b>                         | <b>-</b>                | <b>162,498</b>                |
| <b>Total deferred tax assets - net</b>                     | <b>1,090,307</b>            | <b>98,169</b>    | <b>97,799</b>                    | <b>-</b>                | <b>1,286,275</b>              |

|   | (Unit : Baht)   |                  |                                  |                         |                               |
|---|---|------------------|----------------------------------|-------------------------|-------------------------------|
|   | Consolidated financial statements / Separate financial statements |                  |                                  |                         |                               |
|   | (Charged) / Credited to:  |                  |                                  |                         |                               |
|   | As at<br>January 1,<br>2021                                       | Gains or<br>loss | Other<br>comprehensive<br>income | Shareholder's<br>equity | As at<br>December<br>31, 2021 |
| <b>Deferred tax assets</b>                                  |   |                  |                                  |                         |                               |
| Allowance for expected credit losses - trade<br>receivables | 175,648   | (118,024)        | -                                | -                       | 57,624                        |
| Allowance for expected credit losses - accrued<br>income    | -   | 40,538           | -                                | -                       | 40,538                        |
| Allowance for the value of obsolete goods                   | 152,800   | 199,100          | -                                | -                       | 351,900                       |
| Provisions for employee benefits                            | 461,754   | 27,141           | 64,949                           | -                       | 553,844                       |
| Liabilities under finance lease agreements                  | 34,648  | 64,039           | -                                | -                       | 98,687                        |
| Intangible assets   | -   | 86,400           | -                                | -                       | 86,400                        |
| <b>Total</b>  | <b>824,850</b>  | <b>299,194</b>   | <b>64,949</b>                    | <b>-</b>                | <b>1,188,993</b>              |

PANELESMATIC SOLUTIONS COMPANY LIMITED AND ITS SUBSIDIARIES

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(Unit : Baht)

|  | Consolidated financial statements / Separate financial statements |                  |                                  |                         | As at<br>December<br>31, 2021 |
|--|---|------------------|----------------------------------|-------------------------|-------------------------------|
|  | (Charged) / Credited to:  |                  |                                  |                         |                               |
|  | As at<br>January 1,<br>2021                                       | Gains or<br>loss | Other<br>comprehensive<br>income | Shareholder's<br>equity |                               |
| <b>Deferred tax liabilities</b>            |   |                  |                                  |                         |                               |
| Right-of-use under lease liabilities - net | 32,327  | 66,359           | -                                | -                       | 98,686                        |
| Total                                      | 32,327  | 66,359           | -                                | -                       | 98,686                        |
| <b>Total deferred tax assets - net</b>     | <b>792,523</b>  | <b>232,835</b>   | <b>64,949</b>                    | <b>-</b>                | <b>1,090,307</b>              |

15. Trade and other current payables

As at December 31, 2022 and 2021, the Company has trade and other current payables as follow:

(Unit : Baht)

|                   | Consolidated         |            | Separate             |
|-------------------|----------------------|------------|----------------------|
|                   | financial statements |            | financial statements |
|                   | 2021                 | 2022       | 2021                 |
| Trade payables    | 3,524,890            | 4,177,281  | 3,524,890            |
| Other payables    | 627,879              | 2,099,842  | 627,879              |
| Accrued expenses  | 976,082              | 680,009    | 963,817              |
| Accrued dividends | -                    | 9,000,000  | -                    |
| Other             | 400                  | 53,672     | 400                  |
| Total             | 5,129,251            | 16,010,804 | 5,116,986            |

16. Other non-current liabilities

As at December 31, 2022 and 2021, the Company has other non-current payables as follow:

(Unit : Baht)

|   | Consolidated         |           | Separate             |
|---|----------------------|-----------|----------------------|
|   | financial statements |           | financial statements |
|   | 2021                 | 2022      | 2021                 |
| Employee insurance                      | 166,135              | 130,135   | 166,135              |
| Other insurance                         | 1,253,229            | 1,394,529 | 1,253,229            |
| Long - term deposit received in advance | 3,034,660            | 3,261,440 | 3,034,660            |
| Total                                   | 4,454,024            | 4,786,104 | 4,454,024            |

**PANELESMATIC SOLUTIONS COMPANY LIMITED AND ITS SUBSIDIARIES**

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**17. Non-current provisions for employee benefits**

An independent actuary carried out an evaluation of the Company's obligations for employees' long-term benefits using the projected unit credit method. The Company has provided the provision for employees' long-term benefits as at December 31, 2022 and 2021 as follows:

|  | (Unit : Baht)               |                  |                             |
|--|-----------------------------|------------------|-----------------------------|
|  | Consolidated                |                  | Separate                    |
|  | <u>financial statements</u> |                  | <u>financial statements</u> |
|  | 2021                        | 2022             | 2021                        |
| Obligation employee benefits - beginning           | 2,308,771                   | 2,769,222        | 2,308,771                   |
| Employee benefit expense                           |                             |                  |                             |
| Current service cost                               | 113,423                     | 113,189          | 113,423                     |
| Interest cost                                      | 22,284                      | 55,919           | 22,284                      |
| Actuarial losses arising from defined benefit plan | 324,744                     | 488,995          | 324,744                     |
| Obligation employee benefits - ending              | <u>2,769,222</u>            | <u>3,427,325</u> | <u>2,769,222</u>            |

Significant actuarial assumptions are summarized below:

|                                 | (Unit : Baht)               |      |                             |
|---------------------------------|-----------------------------|------|-----------------------------|
|                                 | Consolidated                |      | Separate                    |
|                                 | <u>financial statements</u> |      | <u>financial statements</u> |
|                                 | 2021                        | 2022 | 2021                        |
| <u>Change in assumptions</u>    |                             |      |                             |
| Discount rate (%)               | 1.94                        | 2.49 | 1.94                        |
| Future salary increase rate (%) | 4.72                        | 4.12 | 4.72                        |
| Retirement age (years)          | 60                          | 60   | 60                          |

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The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2022 and 2021 are summarized a follow:

|                               | (Unit : Baht)           |           |
|-------------------------------|-------------------------|-----------|
|                               | As at December 31, 2022 |           |
|                               | Increase                | Decrease  |
| <u>Change in assumptions</u>  |                         |           |
| Discount rate (0.5 %)         | (122,041)               | 127,467   |
| Salary increases rate (0.5 %) | 124,461                 | (120,401) |
| Turnover rate (0.5 %)         | (54,682)                | 56,165    |

|                               | (Unit : Baht)           |           |                      |           |
|-------------------------------|-------------------------|-----------|----------------------|-----------|
|                               | As at December 31, 2021 |           |                      |           |
|                               | Consolidated            |           | Separate             |           |
|                               | financial statements    |           | financial statements |           |
|                               | Increase                | Decrease  | Increase             | Decrease  |
| <u>Change in assumptions</u>  |                         |           |                      |           |
| Discount rate (0.5 %)         | (116,870)               | 113,326   | (116,870)            | 113,326   |
| Salary increases rate (0.5 %) | 108,890                 | (113,079) | 108,890              | (113,079) |
| Turnover rate (0.5 %)         | (61,389)                | 59,562    | (61,389)             | 59,562    |

The sensitivity analysis presented above may not be representative of the actual change in employee benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The maturity analyses of undiscounted cash flows of benefit payments as at December 31, 2022 and 2021 are as follows:

|                    | (Unit : Baht)        |           |                      |
|--------------------|----------------------|-----------|----------------------|
|                    | Consolidated         |           | Separate             |
|                    | financial statements |           | financial statements |
|                    | 2021                 | 2022      | 2021                 |
| Within 1 year      | -                    | -         | -                    |
| Within 2-5 years   | -                    | -         | -                    |
| Within 6-10 years  | 4,018,983            | 5,445,413 | 4,018,983            |
| Within 11-15 years | 225,894              | 397,367   | 225,894              |
| Over 16 years      | -                    | -         | -                    |

**PANELESMATIC SOLUTIONS COMPANY LIMITED AND ITS SUBSIDIARIES**

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**18. Share capital**

At the Extraordinary General Meeting of Shareholders No. 3/2021 held on June 30, 2021, the meeting approved the following resolutions:

1. It resolved to increase the registered capital from Baht 55,000,000 to Baht 60,000,000 by issuing 5,000 ordinary shares at a par value of Baht 1,000 per share. All shares had been issued and fully paid. All shares had registered such additional payment of shares with the Ministry of Commerce on July 27, 2021.

At the Board of Directors' Meeting No. 6/2022 held on June 30, 2022, the meeting approved the following resolutions:

1. Approved to change the par value of the Company's shares from the original par value of Baht 1,000 per share to Baht 5 per share, which will increase the number of shares of the Company from 60,000 shares to 12,000,000 shares.
2. Approved an increase in the registered capital of Baht 10,000,000 from the original registered capital of Baht 60,000,000 divided into 12,000,000 ordinary shares with a par value of Baht 5 per share, to a new registered capital of Baht 70,000,000 by issuing 2,000,000 additional ordinary shares with a par value of Baht 5 per share. received the full amount of payment for such capital increase shares the Company registered the paid-up capital increase with the Department of Business Development on August 2, 2022.

**19. Dividend payments**

At the Extraordinary General Meeting of Shareholders No. 2/2022 held on March 15, 2022, the meeting resolved to approve the allocation of profits from the business to pay interim dividends to the shareholders of the Company for Baht 10,000,000 and set aside a legal reserve for Baht 800,000 with dividend payment on March 16, 2022.

At the Extraordinary General Meeting of Shareholders No. 3/2022 held on June 29, 2022, the meeting resolved to approve the allocation of profits from the business to pay interim dividends to the shareholders of the Company. In the amount of Baht 7,200,000 and set aside a legal reserve of 5 percent of the dividend paid. The dividend was paid on June 30, 2022.

The Board of Directors' Meeting No. 9/2022 held on December 15, 2022, approved the allocation of profits from the business for interim dividend payment to the Company's shareholders. In the amount of Baht 9,000,000 the dividend was paid on January 12, 2023.

**20. Statutory reserve**

According to the Public Companies Act, the Company has appropriated its reserve as a legal reserve not less than 5% of the annual net profit deducted by the total accumulated deficit brought forward (if any) until the reserve reaches an amount not less than 10% of the authorized share capital. The statutory reserve may not be distributed as dividend.

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21. Revenue from contracts with customers

(Unit : Baht)

|  | Consolidated financial statements / |                   |                   |                  |
|--|-------------------------------------|-------------------|-------------------|------------------|
|  | Separate financial statements       |                   |                   |                  |
|  | Domestic                            |                   | Overseas          |                  |
|  | 2022                                | 2021              | 2022              | 2021             |
| <b>Type of revenues</b>                    |                                     |                   |                   |                  |
| Sales revenues                             | 91,142,809                          | 60,158,472        | 11,261,882        | 4,424,811        |
| Service revenues                           | 2,289,170                           | 1,189,700         | -                 | 156,765          |
| Installation service revenues              | 4,963,107                           | 2,912,278         | -                 | -                |
| Total revenue from contract with customers | <u>98,940,160</u>                   | <u>64,260,450</u> | <u>11,261,882</u> | <u>4,581,576</u> |
| A point in time                            | 93,977,053                          | 61,348,172        | 11,261,882        | 4,581,576        |
| Over time                                  | 4,963,107                           | 2,912,278         | -                 | -                |

22. Expense by nature

Significant expenses by nature are as follows:

(Unit : Baht)

|  | Consolidated         |            | Separate             |            |
|--|----------------------|------------|----------------------|------------|
|  | financial statements |            | financial statements |            |
|  | 2022                 | 2021       | 2022                 | 2021       |
| Salary and wages and other employee benefits | 24,771,650           | 17,786,502 | 24,771,650           | 17,786,502 |
| Depreciation and amortization                | 4,806,612            | 3,133,421  | 4,806,612            | 3,133,421  |
| Consulting fee                               | 2,946,200            | 1,576,536  | 2,946,200            | 1,576,536  |
| Repair expenses                              | 591,903              | 386,739    | 591,903              | 386,739    |
| Operating wages                              | 2,485,195            | 1,388,367  | 2,485,195            | 1,388,367  |
| Utilities                                    | 1,343,287            | 828,760    | 1,343,287            | 828,760    |
| Transportation expenses                      | 1,465,943            | 1,777,378  | 1,465,943            | 1,777,378  |
| Material quantity variance                   | 1,865,000            | -          | 1,865,000            | -          |
| Changes in inventories                       | -                    | 2,780,696  | -                    | 2,780,696  |



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23. Income tax

Income tax recognized in profit or loss.

|  | (Unit : Baht)        |           |                      |           |
|--|----------------------|-----------|----------------------|-----------|
|  | Consolidated         |           | Separate             |           |
|  | financial statements |           | financial statements |           |
|  | 2022                 | 2021      | 2022                 | 2021      |
| Income tax:  |                      |           |                      |           |
| Income tax for the year  | 4,524,353            | 3,238,726 | 4,524,353            | 3,207,675 |
| Deferred tax:  |                      |           |                      |           |
| Expense (income) relating to origination and reversal of temporary differences | (98,169)             | (232,835) | (98,169)             | (232,835) |
| Expense (Income) tax in statements of comprehensive income                     | 4,426,184            | 3,005,891 | 4,426,184            | 2,974,840 |

Reconciliation of effective tax rate

|   | (Unit: Baht)                      |            |              |            |
|---|-----------------------------------|------------|--------------|------------|
|   | Consolidated financial statements |            |              |            |
|   | Tax rate (%)                      | 2022       | Tax rate (%) | 2021       |
| Profit before income tax  |                                   | 20,362,299 |              | 13,969,378 |
| Income tax using the Thai corporation tax rate  | 20                                | 4,072,460  | 20           | 2,793,876  |
| Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit-net |                                   | 451,893    |              | 444,850    |
| Total   |                                   | 4,524,353  |              | 3,238,726  |

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(Unit: Baht)

|  | Separate financial statements |            |          |            |
|--|-------------------------------|------------|----------|------------|
|  | Tax rate                      |            | Tax rate |            |
|  | (%)                           | 2022       | (%)      | 2021       |
| Profit before income tax   |                               | 21,831,875 |          | 13,907,218 |
| Income tax using the Thai corporation tax rate   | 20                            | 4,366,375  | 20       | 2,781,444  |
| Tax effect of income and expenses that are not taxable income<br>or not deductible in determining taxable profit-net |                               | 157,978    |          | 426,231    |
| Total  |                               | 4,524,353  |          | 3,207,675  |

**24. Earnings per share**

**Basic earnings per share**

Basic earnings per share is calculated by dividing the net income (loss) attributable to ordinary shareholders by the weighted average number of common shares outstanding issued and paid during the period.

**25. Information classified by segment**

The Company presents financial information in respect of its business segments and geographical segments. The main form of reporting considers the management system and the Company's internal reporting structure as the basis for determining the segment.

**Business segment**

Management sees that the Company operates in a single segment, which is manufacturing, distribution, installation, and after-sales service for door products, automatic door operating room doors, soundproof walls, movable walls, and other doors and walls. Accordingly, management determined that the Company has only one reportable segment. And the type of revenue recognition of the segment according to the timing of the transfer of goods to the customer at a point in time for sales and revenue recognition. over time for installation services.

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**Geography segment**

External customer revenue is determined based on the location of customer in the financial statement for year ended December 31, 2022 and 2021 as follows:

|                                  | (Unit : Baht)                     |            |                               |            |
|----------------------------------|-----------------------------------|------------|-------------------------------|------------|
|                                  | Consolidated financial statements |            | Separate financial statements |            |
|                                  | 2022                              | 2021       | 2022                          | 2021       |
| <b>External customer revenue</b> |                                   |            |                               |            |
| Thailand                         | 98,940,160                        | 64,260,450 | 98,940,160                    | 64,260,450 |
| Overseas                         | 11,261,883                        | 4,581,576  | 11,261,883                    | 4,581,576  |
| Total                            | 110,202,043                       | 68,842,026 | 110,202,043                   | 68,842,026 |

**Major customer**

For the year ended December 31, 2022 and 2021, the Company has one and one major customer, respectively, with a value equal to or greater than 10% of sales revenue. In the amount of Baht 12.83 million and Baht 5.9 million, respectively.

**26. Commitments**

As at December 31, 2022, contingent liabilities arising from the Company having a bank issue a letter of guarantee for receiving advance deposits to customers in the total amount of Baht 1.94 million by the business's savings.

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**27. Financial instruments**

**27.1 Fair value of financial assets and liabilities**

The fair value of the following financial assets and liabilities approximates their book value.

- A) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, trade and other current receivables, trade and other current payables, their carrying amounts in the statement of financial position approximate their fair value.
- B) For Restricted deposits with banks, lease liability with carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.

Book value of the above financial assets and liabilities is measured at amortized cost.

**27.2 Interest rate risk**

Interest rate risk incurs from the future interest rate instability, which may affect the Company operating result and cash flow. the Company also incurs interest rate risk from investment in financial institutes, bank overdraft, loan from banks, and promissory note - financial institute.

Since the financial assets and liabilities are held primarily in short - term and have fixed interest rates in relation with the current market interest rate, the Company has not used financial derivative to protect against such risk.

As at December 31, 2022 and 2021, significant interest-bearing financial assets and liabilities classified by type of interest rate are summarized 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.

|                                | (Unit: Baht)            |              |                 |                           |                     |            |                  |
|--------------------------------|-------------------------|--------------|-----------------|---------------------------|---------------------|------------|------------------|
|                                | As at December 31, 2022 |              |                 |                           |                     |            |                  |
|                                | Fixed interest rates    |              |                 |                           | Non-                |            |                  |
|                                | Within<br>1 year        | 1-5<br>years | Over<br>5 years | Floating<br>Interest rate | interest<br>bearing | Total      | Interest<br>Rate |
|                                |                         |              |                 |                           |                     |            | (% per annum)    |
| <b>Financial Assets</b>        |                         |              |                 |                           |                     |            |                  |
| Cash and cash equivalents      | -                       | -            | -               | 32,789,767                | -                   | 32,789,767 | 0.125 - 0.45     |
| Fixed deposit                  | -                       | -            | -               | 2,000                     | -                   | 2,000      | 0.125 - 0.45     |
| Restricted deposits with banks | -                       | -            | -               | 1,938,519                 | -                   | 1,938,519  | 0.125 - 0.45     |
|                                | -                       | -            | -               | 34,730,286                | -                   | 34,730,286 |                  |
| <b>Financial liabilities</b>   |                         |              |                 |                           |                     |            |                  |
| Lease liabilities              | 164,285                 | 174,330      | -               | -                         | -                   | 338,615    | 5.95             |
|                                | 164,285                 | 174,330      | -               | -                         | -                   | 338,615    |                  |

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(Unit: Baht)

| Consolidated financial statements / Separate financial statements |              |                 |                           |                             |       |                                   |              |
|---|--------------|-----------------|---------------------------|-----------------------------|-------|-----------------------------------|--------------|
| As at December 31, 2021   |              |                 |                           |                             |       |                                   |              |
| Fixed interest rates  |              |                 |                           | Non-<br>interest<br>bearing | Total | Interest<br>Rate<br>(% per annum) |              |
| Within<br>1 year  | 1-5<br>years | Over<br>5 years | Floating<br>Interest rate |                             |       |                                   |              |
| <b>Financial assets</b>   |              |                 |                           |                             |       |                                   |              |
| Cash and cash equivalents   | -            | -               | -                         | 5,816,476                   | -     | 5,816,476                         | 0.125 - 0.50 |
| Fixed deposit   | -            | -               | -                         | 30,576,474                  | -     | 30,576,474                        | 0.125 - 0.50 |
| Restricted deposits with banks                                    | -            | -               | -                         | 2,519,513                   | -     | 2,519,513                         | 0.125 - 0.50 |
|   | -            | -               | -                         | 38,912,463                  | -     | 38,912,463                        |              |

**28. Capital management**

The primary objectives of the Company capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure.

As at December 31, 2022 debt to equity ratio in consolidated financial statements is 0.33 : 1 (Separate: debt to equity ratio is 0.33 : 1).

**29. Subsequent events**

29.1 According to the minutes of the Board of Directors Meeting No. 1/2023 held on February 20, 2023.

- The meeting approved the allocation of profits from the business to pay dividends for the year 2022 to the Company shareholders. In the amount of Baht 29 million and has the resolution to approve the legal reserve from the dividend payment of Baht 1.45 million.
- At the meeting, the approval of the issuance of named subordinated debentures with guarantees and appointed representatives, offered for sale to specific investors (PP-10), with a total proposed value not exceeding Baht 30 million and an interest rate of 7.50% per annum, paid quarterly. The debentures have a term of 1 year and 6 months and are secured by a mortgage on land as collateral.
- There was an approval resolution of the land purchase, title deed number 222243, for the purpose of preparing the site for construction of a new factory building. On 9 May 2023, the Company entered into a land sales contract, title deed number 222243, with an unrelated company in the amount of Baht 35.78 million, with a deposit of Baht 3.58 million.

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29.2 The Extraordinary General Meeting of Shareholders No. 1/2023 held on April 25, 2023, has a resolution as follows:

- Approved to convert the Company from a limited company to a public limited company and a resolution is made to change the name from “Panelesmatic Solutions Company Limited” to “Panelesmatic Solutions Public Company Limited”.
- Approved the change of the registered capital value of the Company's shares from the original registered capital of Baht 70,000,000, divided into 14,000,000 ordinary shares with a par value of Baht 5 per share, to a new registered capital of Baht 70,000,000, divided into 140,000,000 ordinary shares with a par value of Baht 0.5 per share.
- Approved increase of registered capital of Baht 25,000,000 from the original registered capital of Baht 70,000,000 to a new registered capital of Baht 95,000,000 by issuing 50,000,000 new ordinary shares with a par value of Baht 0.5 per share for Initial Public Offering (IPO).

On May 8, 2023, the Company registered its name change to Panelesmatic Solutions Public Company Limited and has increased its registered capital with the Ministry of Commerce.

29.3 At the Board of Directors Meeting (after conversion) No.1/2023 held on 10 May 2023 the meeting had an approval resolution to apply for a loan from a financial institution for land purchase usage, on 5 July 2023, the Company entered into a loan agreement with the total credit line amount Baht 30,425,000. However, the loan is secured by the mortgage of land and buildings (Note 12).

### **30. Preparation of new revised financial statement**

On September 28, 2023, The Company has reviewed the recording of accounting transactions in the financial statements for the year 2022 as follows.

Adjusting entries

1. The Company has reconsidered the allowance for expected credit losses of accrued income and trade receivables of the Company. It was found that the Company has under-recorded the allowance for expected credit losses by Baht 0.82 million due to there being a lawsuit within the yearly period 2022. Therefore, it was considered that the opportunity of not being able to collect money increased to ensure compliance with TFRS 9: Financial Instruments. (Ref. Paragraph 5.5.17)
2. The Company has reviewed policy for considering allowance for obsolete products according to the nature and type of product, grouped products according to age range of each type of products to estimate allowance. It was found that the Company recorded excessive allowance for obsolete products in the amount of Baht 0.15 million.

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3. According to item 1 and item 2, the Company has adjusted the deferred tax assets by an additional amount of Baht 0.13 million.
4. The Company has reviewed the preparation of the consolidated financial statements, causing the decrease in gain from the dissolution of the subsidiary shown in the consolidated financial statements by Baht 1.45 million. This is due to eliminating intercompany transactions then treated as dividends payments.

Reclassification

1. The Company has reviewed the classification of cost of allowance for obsolete products, to ensure compliance with the types of expenses and TAS 2: Inventories, previously shown under “Administrative expenses” to be shown under “Cost of sales and services” in the amount of Baht 0.61 million.

Therefore, the Company restated its financial statements and issued a new financial statements which will have impacts on the financial statements as follows:

|   | (Unit: Baht) |            |                  |            |
|---|--------------|------------|------------------|------------|
|   | As reported  | Adjustment | Reclassification | Restated   |
| <b>Statements of financial position</b> |              |            |                  |            |
| <b>As at December 31, 2022</b>          |              |            |                  |            |
| Trad and other current receivables      | 25,921,321   | (827,038)  | -                | 25,094,283 |
| Inventories                             | 19,604,725   | 149,427    | -                | 19,754,152 |
| Current tax assets                      | 1,150,753    | 135,522    | -                | 1,286,275  |
| Retained earnings                       | 30,983,869   | (542,089)  | -                | 30,441,780 |

|   | (Unit: Baht)                      |             |                  |              |
|---|-----------------------------------|-------------|------------------|--------------|
|   | Consolidated financial statements |             |                  |              |
|   | As reported                       | Adjustment  | Reclassification | Restated     |
| <b>Statements of comprehensive income</b>   |                                   |             |                  |              |
| <b>For the year ended December 31, 2022</b> |                                   |             |                  |              |
| Gain from liquidation of subsidiary         | 1,452,136                         | (1,452,136) | -                | -            |
| Cost of sales and services                  | (68,607,619)                      | 149,427     | 613,538          | (67,844,654) |
| Administrative expenses                     | (13,712,350)                      | (844,478)   | (613,538)        | (15,170,366) |
| Income tax expenses                         | (4,561,706)                       | 135,522     | -                | (4,426,184)  |
| Profit (loss) for the year                  | 17,947,780                        | (2,011,665) | -                | 15,936,115   |
| Comprehensive income (expense) for the year | 17,556,584                        | (2,011,665) | -                | 15,544,919   |

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|   | (Unit: Baht)                  |            |                  |              |
|---|-------------------------------|------------|------------------|--------------|
|   | Separate financial statements |            |                  |              |
|   | As reported                   | Adjustment | Reclassification | Restated     |
| <b>Statements of comprehensive income</b>   |                               |            |                  |              |
| <b>For the year ended December 31, 2022</b> |                               |            |                  |              |
| Cost of sales and services                  | (68,607,619)                  | 149,427    | 613,538          | (67,844,654) |
| Administrative expenses                     | (13,712,350)                  | (827,038)  | (613,538)        | (15,152,926) |
| Income tax expenses                         | (4,561,706)                   | 135,522    | -                | (4,426,184)  |
| Profit (loss) for the year                  | 17,947,780                    | (542,089)  | -                | 17,405,691   |
| Comprehensive income (expense) for the year | 17,556,584                    | (542,089)  | -                | 17,014,495   |

The Company has classified its comparative financial statements (for the year ended December 31, 2021) as follows:

|   | (Unit: Baht)                      |            |                  |              |
|---|-----------------------------------|------------|------------------|--------------|
|   | Consolidated financial statements |            |                  |              |
|   | As reported                       | Adjustment | Reclassification | Restated     |
| <b>Statements of comprehensive income</b>   |                                   |            |                  |              |
| <b>For the year ended December 31, 2021</b> |                                   |            |                  |              |
| Cost of sales and services                  | (41,698,641)                      | -          | (995,504)        | (42,694,145) |
| Administrative expenses                     | (8,619,392)                       | -          | 995,504          | (7,623,888)  |

|   | (Unit: Baht)                      |            |                  |              |
|---|-----------------------------------|------------|------------------|--------------|
|   | Consolidated financial statements |            |                  |              |
|   | As reported                       | Adjustment | Reclassification | Restated     |
| <b>Statements of comprehensive income</b>   |                                   |            |                  |              |
| <b>For the year ended December 31, 2021</b> |                                   |            |                  |              |
| Cost of sales and services                  | (41,698,641)                      | -          | (995,504)        | (42,694,145) |
| Administrative expenses                     | (8,619,392)                       | -          | 995,504          | (7,623,888)  |

**31. Approval of the financial statements**

These financial statements have been approved by the Company's Board of Directors on October 20, 2023.