

**PANELESMATIC SOLUTIONS PUBLIC COMPANY LIMITED  
(FORMERLY “PANELESMATIC SOLUTIONS COMPANY LIMITED”)  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
AND INDEPENDENT AUDITOR’S REPORT**

## **Independent Auditor's Report**

To The Shareholders of Panelesmatic Solutions Public Company Limited  
(Formerly “Panelesmatic Solutions Company Limited”)

### **Opinion**

I have audited the financial statements of Panelesmatic Solutions Public Company Limited, which comprise the statements of financial position as at December 31, 2023, Statements of comprehensive income, Statements of changes in shareholders' equity and cash flows for the year then ended, and notes to the 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, 2023, 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 Financial Statements section of my report. I am independent of 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 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 financial statements current period. These matters were addressed in the context of my audit 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 3.1 to the financial statements.

#### **Other Information**

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

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the 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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing 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

February 28, 2024

PANELESMATIC SOLUTIONS PUBLIC COMPANY LIMITED  
(FORMERLY “PANELESMATIC SOLUTIONS COMPANY LIMITED”)  
STATEMENTS OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2023

		(Unit : Baht)	
	Notes	2023	2022
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	6	14,999,105	32,789,767
Current investments		-	2,000
Trade and other current receivables - net	7	26,566,956	25,094,283
Inventories	8	10,450,558	19,754,152
Total current assets		<u>52,016,619</u>	<u>77,640,202</u>
Non - current assets			
Restricted deposits with banks		5,050,044	1,938,519
Investments properties	9	4,960,000	4,960,000
Property, plant and equipment - net	10	79,832,844	47,871,413
Right-of-use assets	5.2	164,478	328,955
Intangible assets - net	11	2,375,021	2,545,767
Deferred tax assets	12	1,095,007	1,286,275
Other non - current assets		1,111,201	869,056
Total non - current assets		<u>94,588,595</u>	<u>59,799,985</u>
Total assets		<u><u>146,605,214</u></u>	<u><u>137,440,187</u></u>

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

PANELESMATIC SOLUTIONS PUBLIC COMPANY LIMITED  
(FORMERLY "PANELESMATIC SOLUTIONS COMPANY LIMITED")

STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2023

(Unit : Baht)

	Notes	2023	2022
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Trade and other current payables	13	11,824,883	16,010,804
Advance deposit received		4,840,538	6,525,737
Current portion of long - term loans from financial institutions	14	3,590,697	-
Current portion of lease liabilities	5.2	174,331	164,285
Income tax payable		1,996,816	2,697,821
Other current liabilities		1,806,445	802,000
<b>Total current liabilities</b>		<b>24,233,710</b>	<b>26,200,647</b>
<b>Non - current liabilities</b>			
Long - term loans from financial institutions - net of current portion	14	25,778,447	-
Lease liabilities - net of current portion	5.2	-	174,331
Non - current provision for employee benefits	16	3,700,135	3,427,325
Other non - current liabilities	15	1,006,272	4,786,104
<b>Total non - current liabilities</b>		<b>30,484,854</b>	<b>8,387,760</b>
<b>Total liabilities</b>		<b>54,718,564</b>	<b>34,588,407</b>

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

PANELESMATIC SOLUTIONS PUBLIC COMPANY LIMITED  
(FORMERLY “PANELESMATIC SOLUTIONS COMPANY LIMITED”)

STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2023

		(Unit : Baht)	
	Notes	2023	2022
Shareholders' equity			
Share capital	17		
Authorized share capital			
Ordinary shares 190,000,000 shares, Baht 0.50 par value		95,000,000	
Ordinary shares 14,000,000 shares, Baht 5.00 par value			70,000,000
Issued and paid-up share capital			
Ordinary shares 140,000,000 shares, Baht 0.50 par value		70,000,000	
Ordinary shares 14,000,000 shares, Baht 5.00 par value			70,000,000
Retained earnings (deficit)			
Appropriated			
Statutory reserve	19	4,761,743	2,410,000
Unappropriated		17,124,907	30,441,780
Total shareholder's equity		91,886,650	102,851,780
Total liabilities and shareholders' equity		146,605,214	137,440,187

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



PANELESMATIC SOLUTIONS PUBLIC COMPANY LIMITED  
(FORMERLY “PANELESMATIC SOLUTIONS COMPANY LIMITED”)  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2023

		(Unit : Baht)		
		Consolidated		Separate
		financial statements		financial statements
Notes	2022	2023	2022	
Revenues from sales and services	20,24	110,202,043	132,158,271	110,202,043
Cost of sales and services		(67,844,654)	(81,744,428)	(67,844,654)
Gross profit (loss)		42,357,389	50,413,843	42,357,389
Other income		508,538	512,738	508,538
Gain from liquidation of subsidiary		-	-	1,452,136
Profit (loss) before expenses		42,865,927	50,926,581	44,318,063
Selling expenses	21	(3,391,354)	(5,391,874)	(3,391,354)
Administrative expenses	21	(15,170,366)	(18,105,081)	(15,152,926)
Management benefit expenses	5.1	(3,916,451)	(3,959,715)	(3,916,451)
Total expenses		(22,478,171)	(27,456,670)	(22,460,731)
Profit (loss) from operating		20,387,756	23,469,911	21,857,332
Finance costs		(25,457)	(722,522)	(25,457)
Profit (loss) before income tax expenses		20,362,299	22,747,389	21,831,875
Income tax (expense) revenue	22	(4,426,184)	(4,712,519)	(4,426,184)
Profit (loss) for the year		15,936,115	18,034,870	17,405,691
Other comprehensive income (expense) for the year				
Items not do be reclassified to profit or loss subsequent year :				
Gain (loss) on remeasurement of defined benefit plan	16	(391,196)	-	(391,196)
Total comprehensive income (expense) for the year		15,544,919	18,034,870	17,014,495
Profit (loss) attributable to				
Owners of the Company		15,936,115	18,034,870	17,405,691
Non - controlling interests		-	-	-
		15,936,115	18,034,870	17,405,691
Total comprehensive income attributable to				
Owners of the Company		15,544,919	18,034,870	17,014,495
Non - controlling interests		-	-	-
		15,544,919	18,034,870	17,014,495
Profit (loss) per share				
<b>Basic earning (loss) per share (Baht per share)</b>		0.12	0.13	0.13
<b>Weighted average number of ordinary shares (shares)</b>		129,041,096	140,000,000	129,041,096

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

PANEESMATIC SOLUTIONS PUBLIC COMPANY LIMITED  
(FORMERLY “PANEESMATIC SOLUTIONS COMPANY LIMITED”)  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2023

(Unit : Baht)

Consolidated financial statements								
Owners of the Company								
	Retained earnings (deficit)			Other components of shareholder's equity			Total equity attributable interests	Total equity attributable equity
	Issued and paid share capital	Appropriated		Unappropriated	Gains (losses)			
		Statutory reserves			on remeasurements of defined benefit plans	Total other components of shareholder's equity		
Balance as at January 1, 2022	60,000,000	800,000	42,706,861	-	-	103,506,861	11,469,573	114,976,434
Capital increase	10,000,000	-	-	-	-	10,000,000	-	10,000,000
Dividend paid	-	-	(26,200,000)	-	-	(26,200,000)	-	(26,200,000)
Appropriated statutory reserve	-	1,610,000	(1,610,000)	-	-	-	-	-
Liquidation of subsidiaries	-	-	-	-	-	-	(11,469,573)	(11,469,573)
Comprehensive income (expense) for the year	-	-	15,936,115	(391,196)	(391,196)	15,544,919	-	15,544,919
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	-	102,851,780

Notes - The statements of changes in shareholders' equity for the year ended December 31, 2022. The consolidated and separate financial statements by the same amount of Baht 102,851,780.

Due to the subsidiary registered its dissolution with the Department of Business Development on January 7, 2022. The liquidation process was completed on December 28, 2023.

PANELESMATIC SOLUTIONS PUBLIC COMPANY LIMITED  
(FORMERLY “PANELESMATIC SOLUTIONS COMPANY LIMITED”)  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2023

(Unit : Baht)

	Notes	Retained earnings (deficit)			Total shareholder's equity
		Issued and paid share capital	Appropriated		
			Statutory reserves	Unappropriated	
Balance as at January 1, 2023		70,000,000	2,410,000	30,441,780	102,851,780
Dividend paid	18	-	-	(29,000,000)	(29,000,000)
Appropriated statutory reserves	19	-	2,351,743	(2,351,743)	-
Comprehensive income (expense) for the year		-	-	18,034,870	18,034,870
Ending balance as at December 31, 2023		70,000,000	4,761,743	17,124,907	91,886,650

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

PANELESMATIC SOLUTIONS PUBLIC COMPANY LIMITED  
(FORMERLY “PANELESMATIC SOLUTIONS COMPANY LIMITED”)  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2023

(Unit : Baht)

	Separate financial statements						
	Issued and paid share capital	Retained earnings (deficit)		Other components of shareholder's equity		Total shareholder's equity	
		Appropriated		Unappropriated	Gains (losses)		
		Statutory reserves			on remeasurements of defined benefit plans		Total other components of shareholder's equity
Balance as at January 1, 2022	60,000,000	800,000	41,237,285	-	-	102,037,285	
Increase in shares capital	10,000,000	-	-	-	-	10,000,000	
Dividend paid	-	-	(26,200,000)	-	-	(26,200,000)	
Appropriated statutory reserves	-	1,610,000	(1,610,000)	-	-	-	
Comprehensive income (expense) 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	

Notes - The statements of changes in shareholders' equity for the year ended December 31, 2022. The consolidated and separate financial statements by the same amount of Baht 102,851,780.

Due to the subsidiary registered its dissolution with the Department of Business Development on January 7, 2022. The liquidation process was completed on December 28, 2023.

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

PANELESMATIC SOLUTIONS PUBLIC COMPANY LIMITED  
(FORMERLY “PANELESMATIC SOLUTIONS COMPANY LIMITED”)  
STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2023

(Unit : Baht)

	Consolidated		Separate
	financial statements		financial statements
	2022	2023	2022
Cash flows from operating activities :			
Profit (loss) before income tax	20,362,299	22,747,389	21,831,875
Items to reconcile profit (loss) before income tax			
to cash received (disbursement) from operating activities			
Finance costs	25,183	722,522	25,183
Interest income	(106,601)	(131,505)	(106,601)
Trade and other current receivables (increase) decrease	(14,825,897)	(2,252,453)	(14,825,897)
Inventories (increase) decrease	3,158,414	9,200,369	3,158,414
Other current assets (increase) decrease	33,327	-	33,327
Other non - current assets (increase) decrease	(275,948)	(242,145)	(275,948)
Trade and other current payables increase (decrease)	(2,915,757)	3,128,880	(1,463,621)
Other current liabilities increase (decrease)	521,394	1,004,445	521,394
Other non - current liabilities increase (decrease)	332,080	(3,779,832)	332,080
Depreciation and amortization	4,655,322	5,096,803	4,655,322
(Reverse) Loss on adjustment of product value	(1,332,806)	103,225	(1,332,806)
(Reverse) Allowance for expected credit losses	1,543,550	779,780	1,543,550
Loss on impairment - work in process	569,841	-	569,841
Loss on amortization of fixed assets	27,399	37,173	27,399
Provisions for employee benefit	169,108	272,810	169,108
(Gain) loss on disposals of fixed assets	28,254	-	28,254
Gain on liquidation of subsidiaries	-	-	(1,452,136)
Total item to reconcile profit (loss) before income tax	11,969,162	36,687,461	13,438,738
Cash receive form interest income	106,601	131,501	106,601
Cash paid for interest expense	-	(337,727)	-
Cash paid for income tax expense	(3,924,476)	(5,222,254)	(3,924,476)
Net cash provided by (used in) operating activities	8,151,287	31,258,981	9,620,863

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

PANELESMATIC SOLUTIONS PUBLIC COMPANY LIMITED  
(FORMERLY "PANELESMATIC SOLUTIONS COMPANY LIMITED")  
STATEMENTS OF CASH FLOWS (CONT.)  
FOR THE YEAR ENDED DECEMBER 31, 2023

(Unit : Baht)

	Consolidated		Separate
	financial statements		financial statements
	2022	2023	2022
Cash flows from investing activities :			
Cash received from return capital of subsidiaries	-	-	1,452,136
Cash received from disposals of property, plant and equipment	65,422	-	65,422
Cash paid for purchase of property, plant and equipment	(5,180,713)	(36,639,263)	(5,180,713)
Cash paid to purchase intangible assets	(2,759,885)	(120,920)	(2,759,885)
Restricted deposits with banks (increase) decreased	580,994	(3,111,525)	580,994
Current investments (increase) decreased	30,574,474	2,000	30,574,474
Net cash provided by (used in) investing activities	23,280,292	(39,869,708)	24,732,428
Cash flows from financing activities :			
Cash received from capital increase	10,000,000	-	10,000,000
Cash received from long - term loans to financial institution	-	30,425,000	-
Cash paid for long - term loans to financial institution	-	(1,424,935)	-
Cash dividend payment	(17,200,000)	(38,000,000)	(17,200,000)
Cash payments to reduce lease liabilities	(180,000)	(180,000)	(180,000)
Net cash provided by (used in) financing activities	(7,380,000)	(9,179,935)	(7,380,000)
Net increase (decrease) in cash and cash equivalents	24,051,579	(17,790,662)	26,973,291
Cash and cash equivalents at beginning of the year	8,778,633	32,789,767	5,816,476
Cash and cash equivalents of subsidiaries as of the date of dissolution	(40,445)	-	-
Cash and cash equivalents at ending of the year	32,789,767	14,999,105	32,789,767
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 statements.

**PANELESMATIC SOLUTIONS PUBLIC COMPANY LIMITED**  
**(FORMERLY “PANELESMATIC SOLUTIONS COMPANY LIMITED”)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**1. General information**

**Company information**

The Company has been registered to be a limited company on May 10, 1990, in Panelesmatic Solutions Company Limited and registered change the name to “Panelesmatic Solutions Public Company Limited” on May 8, 2023. Commercial Code with Company registration number 0107566000259. 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, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

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 4.

An English version of the financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

**PANELESMATIC SOLUTIONS PUBLIC COMPANY LIMITED**  
**(FORMERLY “PANELESMATIC SOLUTIONS COMPANY LIMITED”)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**2.2 New financial reporting standards**

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

During the year, the Company has adopted the revised financial reporting standards which are effective 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 with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

**2.2.2 Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2024**

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

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

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

The consolidated financial statements (For the year 2022) 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:

<u>Company’s name</u>	<u>Nature of business</u>	<u>Head office location</u>
<b>Subsidiary :</b>		
Paneles Engineering Company Limited	Manufacturing and sales wall, door and window	Bangkok

Significant transactions with subsidiaries have been eliminated from the consolidated financial statements.

The consolidated financial statements have been prepared using the same accounting policies that were applied for the same accounting transactions or similar accounting events for the preparation of the Company’s separate financial statements.



**PANELESMATIC SOLUTIONS PUBLIC COMPANY LIMITED**  
**(FORMERLY “PANELESMATIC SOLUTIONS COMPANY LIMITED”)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

The Extraordinary General Meeting of Shareholders No. 2/2021 of subsidiary held on December 30, 2021, has a resolution to dissolution the subsidiary. the subsidiary registered its dissolution with the Department of Business Development on January 7, 2022. The liquidation process was completed on December 28, 2023, therefore financial statement is presented as comparative information for the year ended 2022, and recognize in "consolidated financial statement" and "separate financial statement" of statements of comprehensive income, statements of changes in shareholders' equity and cash flows.

**3. Significant accounting policies**

**3.1 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 goods has been transferred to the buyer. Revenue recognition is not appropriate if there is significant uncertainty about the consideration to be received or the amount of revenue and costs incurred cannot be reliably measured, or it is probable that the goods will be returned, or management has control of the goods sold.

- b) Revenue from service

Revenue from 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.

- c) 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.

- d) Interest income

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

**3.2 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.

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**3.3 Trade and other receivables**

The Company are presented accounts receivables at net realizable value.

The Company 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 Company 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.

**3.4 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.

**3.5 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.

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**3.6 Property, plant 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 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.

**3.7 Intangible assets**

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
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**3.8 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.

**3.9 Impairment of non-financial assets**

The Company 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 Company will recognize as impairment loss in the statements of income for the period. The Company will reverse the impairment loss whenever there is an indication that there is no longer impairment or reduction in impairment.

**3.10 Leases**

**The Company as a lessee**

At inception of contract, the Company 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.

**Right-of-use assets**

The Company 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 Company 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.

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**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.

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

Defined benefit plans

The Company 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 Company 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 Company 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.

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**3.12 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.

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.

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**3.13 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.

**3.14 Financial instruments**

The Company 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.

Financial assets at amortized cost

The Company 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 Company’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.

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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 Company 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.

Impairment of financial assets

The Company 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 Company 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.



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**3.15 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company 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 Company 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 Company 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.

**3.16 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.

**4. 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:

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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 3.3) 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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**5. 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 2023, the Company had significant business transactions with related parties as follows:

<u>Company</u>	<u>Relationship</u>
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:

**5.1 Related incomes and expenses for year ended December 31, 2023 and 2022 are as follows:**

		(Unit : Baht)		
		Consolidated financial statements		Separate financial statements
Transactions type / Company's name	Pricing policies	2022	2023	2022
<b>Revenue</b>				
<b>Sales revenue</b>	(1)			
Related parties		3,342,571	4,813	3,342,571
<b>Gain from return capital of subsidiaries</b>				
Subsidiaries		-	-	1,452,136

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Transactions type / Company’s name	Pricing policies	(Unit : Baht)		
		Consolidated financial statements	2022	2023
<b>Key management personnel compensations</b>				
Short-term benefits		3,784,500	3,784,500	3,784,500
Benefits after leaving work for employee benefits		131,951	175,215	131,951
Total key management personnel compensations		<u>3,916,451</u>	<u>3,959,715</u>	<u>3,916,451</u>

Pricing policy

(1) Contract price

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

As at December 31, 2023, 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, 2023 and 2022, the movements as follows:

	(Unit : Baht)	
	2023	2022
Net book value as at January 1	328,955	-
Increase/(Decrease) during the year	-	493,432
Depreciation during the year	(164,477)	(164,477)
Net book value as at December 31	<u>164,478</u>	<u>328,955</u>

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**Lease liabilities**

As at December 31, 2023 and 2022, the Company has lease liabilities as follows:

	(Unit : Baht)	
	2023	2022
Lease liabilities	180,000	360,000
<u>Less deferred interest</u>	<u>(5,669)</u>	<u>(21,384)</u>
Total	174,331	338,616
<u>Less current portion of lease liabilities</u>	<u>(174,331)</u>	<u>(164,285)</u>
Lease liabilities - net of current portion of lease liabilities	<u>-</u>	<u>174,331</u>

**6. Cash and Cash equivalents**

As at December 31, 2023 and 2022, the Company has cash and cash equivalents as follows:

	(Unit : Baht)	
	2023	2022
Cash	9,810	10,000
Saving account	14,753,419	32,621,740
Current account	235,876	158,027
Total	<u>14,999,105</u>	<u>32,789,767</u>

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

As at December 31, 2023 and 2022, the Company has trade and other current receivables as follows:

	(Unit : Baht)	
	2023	2022
Trade receivables	16,671,753	20,736,241
<u>Less allowance for expected credit losses</u>	<u>(741,420)</u>	<u>(1,628,980)</u>
Trade receivables - net	<u>15,930,333</u>	<u>19,107,261</u>
Accrued income	7,305,480	4,458,168
<u>Less allowance for expected credit losses</u>	<u>(513,160)</u>	<u>(405,380)</u>
Accrued income - net	<u>6,792,320</u>	<u>4,052,788</u>
Total trade receivables - net	<u>22,722,653</u>	<u>23,160,049</u>

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	(Unit : Baht)	
	2023	2022
Other current receivables:		
Prepaid expenses	3,573,392	1,755,923
Other receivables	270,911	178,311
Total other current receivables	3,844,303	1,934,234
Total trade and other current receivables - net	26,566,956	25,094,283

	(Unit : Baht)	
	2023	2022
The aging of receivable are as follows:		
Within due	4,351,396	11,767,288
Overdue		
Not over 3 months	9,473,008	7,502,361
3 - 6 months	362,262	47,508
6 - 12 months	2,226,273	1,160,270
Over 12 months	258,814	258,814
Total trade receivables	16,671,753	20,736,241
Less allowance for expected credit losses	(741,420)	(1,628,980)
Total	15,930,333	19,107,261

As at December 31, 2023 and 2022, the Company has accrued income is Baht 7.31 million and Baht 4.45 million, respectively. The bills have been collected is Baht 1.13 million and Baht 4.05 million, divided by time period as follows:

	(Unit : Baht)	
	2023	2022
Within 1 month	584,800	3,876,788
Within 2 months	-	38,000
Within 3 months	6,315,300	138,000
Unbilled	405,380	405,380

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	(Unit : Baht)	
	2023	2022
Total	7,305,480	4,458,168

As at December 31, 2023 and 2022, 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.

**8. Inventories**

As at December 31, 2023, and 2022, the Company has inventories as follows:

	(Unit : Baht)	
	2023	2022
Finished goods	5,879,781	9,966,880
Raw materials supply and packing materials	4,023,073	8,555,525
Work in process	1,647,465	2,228,283
Total inventories	11,550,319	20,750,688
<u>Less</u> Allowance for obsolete inventories	(529,920)	(426,695)
Allowance for impairment - work in process	(569,841)	(569,841)
Total inventories - net	10,450,558	19,754,152

**9. Investment properties**

For the year ended December 31, 2023 and 2022, the movements are as follows:

	(Unit : Baht)	
	2023	2022
Book value as at January 1,	4,960,000	4,960,000
Book value as at December 31,	4,960,000	4,960,000

As at December 31, 2023, 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 by an appraisal report 2022 for Baht 5.24 million).

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

For the year ended December 31, 2023 and 2022, the movements are as follows:

					(Unit : Baht)
	Balance As at		Transfer In/		Balance As at
	January 1,		(Out)	December 31,	
	2023	Additions	Disposals	2023	
<u>Cost</u>					
Land	9,888,000	35,784,000	-	-	45,672,000
Buildings and structures	29,026,481	-	-	-	29,026,481
Office equipment and supplies	1,011,733	31,312	-	-	1,043,045
Furniture	413,620	-	-	-	413,620
Tools	1,509,313	49,825	(136,194)	-	1,422,944
Machinery and equipment	3,855,560	-	-	-	3,855,560
Vehicles	7,927,785	-	-	-	7,927,785
Computer and equipment	613,210	642,800	(24,851)	-	1,231,159
Building in construction	1,700,480	56,326	-	(1,756,806)	-
Land improvement	285,593	-	-	-	285,593
Building improvement	2,826,000	75,000	-	1,756,806	4,657,806
<b>Total</b>	<b>59,057,775</b>	<b>36,639,263</b>	<b>(161,045)</b>	<b>-</b>	<b>95,535,993</b>
<u>Accumulated depreciation</u>					
Buildings and structures	(1,373,558)	(1,660,733)	-	-	(3,034,291)
Office equipment and supplies	(322,263)	(202,996)	-	-	(525,259)
Furniture	(86,932)	(82,673)	-	-	(169,605)
Tools	(1,033,911)	(283,791)	108,179	-	(1,209,523)
Machinery and equipment	(1,558,816)	(500,333)	-	-	(2,059,149)
Vehicles	(6,156,964)	(878,124)	-	-	(7,035,088)
Computer and equipment	(297,852)	(292,435)	15,693	-	(574,594)
Land improvement	(11,417)	(57,087)	-	-	(68,504)
Building improvement	(344,649)	(682,487)	-	-	(1,027,136)
<b>Total</b>	<b>(11,186,362)</b>	<b>(4,640,659)</b>	<b>123,872</b>	<b>-</b>	<b>(15,703,149)</b>
<b>Net</b>	<b>47,871,413</b>				<b>79,832,844</b>
<b>Allocate depreciation</b>					
Cost of sales					1,428,437
Administrative expenses					3,212,222
Depreciation for the year					<u>4,640,659</u>



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	(Unit : Baht)				
	Balance As at				Balance As at
	January 1,			Transfer In/	December 31,
	2022	Additions	Disposals	(Out)	2022
<u>Cost</u>					
Land	9,888,000	-	-	-	9,888,000
Buildings and structures	-	-	-	29,026,481	29,026,481
Office equipment and supplies	888,521	183,948	-	(60,736)	1,011,733
Furniture	310,945	102,675	-	-	413,620
Tools	1,453,064	56,888	(61,375)	60,736	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	-	(29,360,981)	1,700,480
Land improvement	-	285,593	-	-	285,593
Building improvement	-	2,491,500	-	334,500	2,826,000
<b>Total</b>	<b>54,224,277</b>	<b>5,180,713</b>	<b>(347,215)</b>	<b>-</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	(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>-</b>	<b>(11,186,362)</b>
<b>Net</b>	<b>47,017,492</b>				<b>47,871,413</b>

**Allocate depreciation**

Cost of sales	1,320,600
Administrative expenses	2,885,118
Depreciation for the year	<u>4,205,718</u>

Land and buildings mortgaged as collateral for long-term loans (Note 14).

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**11. Intangible Assets**

For the year ended December 31, 2023 and 2022, the movements are as follows:

				(Unit : Baht)
	Balance			Balance
	As at January 1, 2023	Additions/ Transfer in	Disposals/ Transfer out	As at December 31, 2023
<b>Cost</b>				
Computer program	3,332,855	120,920	-	3,453,775
Total	3,332,855	120,920	-	3,453,775
<b>Accumulated amortization</b>				
Computer program	(787,088)	(291,666)	-	(1,078,754)
Total	(787,088)	(291,666)	-	(1,078,754)
Net	2,545,767			2,375,021

				(Unit : Baht)
	Balance			Balance
	As at January 1, 2022	Additions/ Transfer in	Disposals/ Transfer out	As at December 31, 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

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**12. Deferred tax assets**

As at December 31, 2023 and 2022, the deferred tax assets are as follows:

	(Unit : Baht)	
	2023	2022
Deferred tax assets - net	1,095,007	1,286,275
Set off of tax	-	-
Deferred tax assets - net	<u>1,095,007</u>	<u>1,286,275</u>

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

	(Unit : Baht)				
	(Charged) / Credited to:				
	As at January 1, 2023	Gains or loss	Other comprehensive income	Shareholder's equity	As at December 31, 2023
<b>Deferred tax assets</b>					
Allowance for expected credit losses - trade receivables	325,797	(177,513)	-	-	148,284
Allowance for expected credit losses - accrued income	81,076	21,556	-	-	102,632
Allowance for impairment - work in process	113,968	-	-	-	113,968
Allowance for the value of obsolete goods	85,338	20,646	-	-	105,984
Provisions for employee benefits	685,465	54,562	-	-	740,027
Liabilities under finance lease agreements	67,723	(32,857)	-	-	34,866
Intangible assets	76,800	(9,600)	-	-	67,200
Building improvement	12,606	19,926	-	-	32,532
Total	<u>1,448,773</u>	<u>(103,280)</u>	<u>-</u>	<u>-</u>	<u>1,345,493</u>

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(Unit : Baht)

	(Charged) / Credited to:				As at December 31, 2023
	As at January 1, 2023	Gains or loss	Other comprehensive income	Shareholder's equity	
<b>Deferred tax liabilities</b>					
Right-of-use under lease liabilities - net	65,791	(32,896)	-	-	32,895
Improvement of sanitation and fire fighting	24,893	31,117	-	-	56,010
Electrical system improvements	35,026	43,782	-	-	78,808
Improvement of air conditioning and ventilation systems	36,788	45,985	-	-	82,773
<b>Total</b>	<b>162,498</b>	<b>87,988</b>	<b>-</b>	<b>-</b>	<b>250,486</b>
<b>Total deferred tax assets - net</b>	<b>1,286,275</b>	<b>(191,268)</b>	<b>-</b>	<b>-</b>	<b>1,095,007</b>

(Unit : Baht)

	(Charged) / Credited to:				As at December 31, 2022
	As at January 1, 2022	Gains or loss	Other comprehensive income	Shareholder's equity	
<b>Deferred tax assets</b>					
Allowance for expected credit losses - trade receivables	57,624	268,173	-	-	325,797
Allowance for expected credit losses - accrued 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
<b>Total</b>	<b>1,188,993</b>	<b>161,981</b>	<b>97,799</b>	<b>-</b>	<b>1,448,773</b>

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(Unit : Baht)

	(Charged) / Credited to:				As at December 31, 2022
	As at January 1, 2022	Gains or loss	Other comprehensive income	Shareholder's equity	
<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 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>

**13. Trade and other current payables**

As at December 31, 2023 and 2022, the Company has trade and other current payables as follow:

	(Unit : Baht)	
	2023	2022
Trade payables	9,338,387	4,177,281
Other payables	2,126,315	2,099,842
Accrued expenses	314,345	680,009
Accrued dividends	-	9,000,000
Other	45,836	53,672
<b>Total</b>	<b>11,824,883</b>	<b>16,010,804</b>

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**14. Long-term loans**

As at December 31, 2023 and 2022, the Company has long-term loans as follow:

	(Unit : Baht)	
	2023	2022
Long-term loans from financial institutions	29,000,065	-
Increase (decrease) interest by effective interest rate	438,879	-
<u>Less</u> Deferred front-end fee	(69,800)	-
Total	29,369,144	-
<u>Less</u> Current portion due within one year - Long-term loans	(3,590,697)	-
Net	<u>25,778,447</u>	<u>-</u>

For the year ended December 31, 2023, the movement of long-term loan are as follows:

	(Unit : Baht)
Balance as at January 1, 2023	-
Drawdown	30,425,000
Repayment	<u>(1,424,935)</u>
Balance as at December 31, 2023	<u><u>29,000,065</u></u>

The Board of Directors’ Meeting No.1/2023 held on May 10, 2023, approve requesting a loan from a financial institution for the purchase of land. On July 5, 2023, The Company had entered into loan agreements with commercial banks credit line Baht 30.43 million. The interest rate is determined as follows:

Month 1-3	Interest rate	0.00% p.a.
Month 4-12	Interest rate	MRR - 4.46% p.a.
Month 13-144	Interest rate	MRR - 3.90% p.a.

The loans are secured by mortgages of the Company’s land and buildings (Note 10) and guaranteed by certain directors of the Company (free of charge).

The Company must pay a front-end fee for loans to financial institutions at the rate 0.25% of the above credit line. Which is recognized as an expense using the effective interest rate method.

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**15. Other non-current liabilities**

As at December 31, 2023 and 2022, the Company has other non-current payables as follow:

	(Unit : Baht)	
	2023	2022
Employee insurance	-	130,135
Other insurance	-	1,394,529
Long - term deposit received in advance	1,006,272	3,261,440
Total	<u>1,006,272</u>	<u>4,786,104</u>

**16. 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, 2023 and 2022 as follows:

	(Unit : Baht)	
	2023	2022
Obligation employee benefits - beginning	3,427,325	2,769,222
Employee benefit expense		
Current service cost	182,915	113,189
Interest cost	89,895	55,919
Actuarial losses arising from defined benefit plan	-	488,995
Obligation employee benefits - ending	<u>3,700,135</u>	<u>3,427,325</u>

Significant actuarial assumptions are summarized below:

	(Unit : Baht)	
	2023	2022
<u>Change in assumptions</u>		
Discount rate (%)	2.49	2.49
Future salary increase rate (%)	4.12	4.12
Retirement age (years)	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, 2023 and 2022 are summarized a follow:

	(Unit : Baht)	
	As at December 31, 2023	
	Increase	Decrease
<u>Change in assumptions</u>		
Discount rate (0.5 %)	(115,326)	119,971
Salary increases rate (0.5 %)	135,356	(130,880)
Turnover rate (0.5 %)	(62,190)	64,035

  

	(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

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, 2023 and 2022 are as follows:

	(Unit : Baht)	
	2023	2022
Within 1 year	-	-
Within 2-5 years	2,569,126	-
Within 6-10 years	3,041,029	5,445,413
Within 11-15 years	231,752	397,367



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**17. Share capital**

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

- 1.1 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”.
- 1.2 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.
- 1.3 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.

**18. Dividend payments**

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.

The General Meeting of Shareholders No.1/2023 held on March 17, 2023, approved the allocation of profits from the business for the year dividend payment to the Company's shareholders. In the amount of Baht 29,000,000 the dividend was paid on March 21, 2023.

**19. Statutory reserve**

A legal reserve of the Company under the Public Companies Act B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

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Before convert the Company from a limited company to a public limited company a legal reserve according to the Civil and Commercial Code, 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.

**20. Revenue from contracts with customers**

For the year ended December 31, 2023 and 2022, the Company has revenue from contracts with customers as follows:

	(Unit : Baht)		
	For the year ended December 31, 2023		
	Domestic	Overseas	Total
<b>Type of revenues</b>			
Sales revenues	111,579,686	9,380,452	120,960,138
Service revenues	3,358,539	-	3,358,539
Installation service revenues	7,839,594	-	7,839,594
Total revenue from contracts with customers	<u>122,777,819</u>	<u>9,380,452</u>	<u>132,158,271</u>
A point in time	114,938,225	9,380,452	124,318,677
Over time	7,839,594	-	7,839,594
			(Unit : Baht)
	For the year ended December 31, 2022		
	Consolidated financial statements /		
	Separate financial statements		
	Domestic	Overseas	Total
<b>Type of revenues</b>			
Sales revenues	91,687,884	11,261,882	102,949,766
Service revenues	2,289,170	-	2,289,170
Installation service revenues	4,963,107	-	4,963,107
Total revenue from contracts with customers	<u>98,940,161</u>	<u>11,261,882</u>	<u>110,202,043</u>
A point in time	93,977,054	11,261,882	105,238,936
Over time	4,963,107	-	4,963,107

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**21. Expense by nature**

Significant expenses by nature are as follows:

	(Unit : Baht)		
	Consolidated financial statements	Separate financial statements	
	2022	2023	2022
Salary and wages and other employee benefits	24,771,650	30,186,456	24,771,650
Depreciation and amortization	4,655,322	5,096,803	4,655,322
Consulting fee	2,946,200	4,917,523	2,413,604
Service fee	1,010,302	1,199,956	1,010,302
Repair expenses	591,903	504,378	591,903
Operating wages	2,485,195	808,189	2,485,195
Utilities	1,343,287	1,338,727	1,343,287
Transportation expenses	1,465,943	1,335,676	1,465,943
Material quantity variance	1,865,000	266,771	1,865,000

**22. Income tax**

Income tax recognized in profit or loss.

	(Unit : Baht)		
	Consolidated financial statements	Separate financial statements	
	2022	2023	2022
Income tax:			
Income tax for the year	4,524,353	4,521,251	4,524,353
Deferred tax:			
Expense (income) relating to origination and reversal of temporary differences	(98,169)	191,268	(98,169)
Expense (Income) tax in statements of comprehensive income	4,426,184	4,712,519	4,426,184

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Reconciliation of effective tax rate

	(Unit: Baht)					
	Consolidated			Separate		
	financial statements		financial statements		financial statements	
	Tax rate		Tax rate		Tax rate	
	(%)	2022	(%)	2023	(%)	2022
Profit before income tax expense		20,362,299		22,747,389		21,831,875
Income tax using the Thai						
corporation tax rate	20	4,072,460	20	4,549,478	20	4,366,375
Tax effect of income and						
expenses that are not taxable						
income or not deductible in						
determining taxable profit-net		451,893		(64,002)		157,978
Under provided in prior years		-		35,775		-
Total		<u>4,524,353</u>		<u>4,521,251</u>		<u>4,524,353</u>

**23. Earnings (loss) per share**

**Basic earnings (loss) per share**

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

**24. 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, 2023 and 2022 as follows:

	(Unit : Baht)		
	Consolidated		Separate
	financial statements		financial statements
	2022	2023	2022
<b>External customer revenue</b>			
Thailand	98,940,160	122,777,819	98,940,160
Overseas	11,261,883	9,380,452	11,261,883
Total	<u>110,202,043</u>	<u>132,158,271</u>	<u>110,202,043</u>

**Major customer**

For the year ended December 31, 2023 and 2022, the Company has 6 and 5 major customers, respectively. In the amount of Baht 36.26 million and Baht 40.91 million, respectively.

**25. Commitments**

As at December 31, 2023, 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 5.05 million by the business's savings.

**26. Financial instruments**

**26.1 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.

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**26.2 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, 2023 and 2022, 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, 2023						Interest Rate (% per annum)
	Fixed interest rates			Floating Interest rate	Non- interest bearing	Total	
	Within 1 year	1-5 years	Over 5 years				
<b>Financial Assets</b>							
Cash and cash equivalents	-	-	-	14,753,419	245,686	14,999,105	0.60
Restricted deposits with banks	-	-	-	5,050,044	-	5,050,044	0.60
	-	-	-	19,803,463	245,686	20,049,149	
<b>Financial liabilities</b>							
Long-term loans financial institutions	3,590,697	25,778,447	-	-	-	29,369,144	5.44
Lease liabilities	174,331	-	-	-	-	174,331	5.95
	3,765,028	25,778,447	-	-	-	29,543,475	

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(Unit: Baht)

	As at December 31, 2022						Interest Rate (% per annum)
	Fixed interest rates			Floating Interest rate	Non-interest bearing	Total	
	Within 1 year	1-5 years	Over 5 years				
<b>Financial Assets</b>							
Cash and cash equivalents	-	-	-	32,621,740	168,027	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
	-	-	-	34,562,259	168,027	34,730,286	
<b>Financial liabilities</b>							
Lease liabilities	164,285	174,330	-	-	-	338,615	5.95
	164,285	174,330	-	-	-	338,615	

**27. 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, 2023 debt to equity ratio in financial statements is 0.60: 1

**28. Subsequent events**

28.1 The Board of Directors passed a resolution to specify the subscription and payoff date of newly issued ordinary shares for the public on February 14 -16, 2024, with an offer price of Baht 3.68 per share. The Company received payment for those newly issued shares and registered the increased share capital with the Department of Business Development on February 19, 2024. This makes up the paid-up share capital of Baht 95,000,000 and share premium of Baht 159,000,000 (exclusive of financial advisory and underwriting fees). The Company’s shares were approved by the Securities and Exchange Commission ("SEC") on February 13, 2024, to the public offering.

28.2 At the Board of Directors Meeting No. 1/2024 held on February 28, 2024. Approved pay dividend from net profit for the year 2023. Dividend of Baht 0.04 per share a total amount Baht 7.60 million. The dividend is to be paid on May 15, 2024.

**29. Approval of the financial statements**

These financial statements have been approved by the Company’s Board of Directors on February 28, 2024.