

Assets used in Business Operation

Fixed Assets

Fixed assets of the Company and subsidiary companies as of December 31, 2022 and 2023 are as follows:

(Unit: Million Baht)

	Net Book Value	
	December 31, 2022	December 31, 2023
Condominium	4.22	3.65
Network equipment and network improvement	0.33	0.04
Transmission Equipment	0.72	-
Project Equipment	1,574.51	1,748.01
Furniture, fixture and office equipment	22.26	6.00
Furniture of sound recording room	3.49	-
Assets under installation	1,066.23	517.56
Total	2,671.76	2,275.26

The Company's project equipment and assets under installation

The Company has invested in the main equipment (Digital Trunked Radio Network) and the supporting systems that provide joint services as follows:

1. The host station control center consists of a set of hardware and software with various functions and is linked together to control connection, channel switching, processing, call control, signaling, and resource and number management within the system. It also manages all Base Stations and Radio Subscribers within the system. It operates in conjunction with a collaborative support system that includes Network management systems, Conversation recording systems, Vehicle tracking systems, Push to talk application support systems, Call detail recording systems, etc. The installation and distribution of the center's equipment and system control base stations by region can provide continuous services and effectiveness in meeting the customer demands in the field of communication groups with a wide area and keeping up with changing situations.
2. The base stations that provide services will be installed in conjunction with the outdoor antenna installed on building or telecommunication towers which functions as limbs of the network scattered across the country, allowing various walkie-talkies to communicate with each other within the service range of the host station. Currently, there are service areas in 77 provinces.

Active customer groups include government customers, such as the disaster prevention and mitigation group, energy and utilities business group, transportation business group, logistics business group, etc.

As of December 31, 2023, certain equipment items of the Company and subsidiary companies were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 1,774 million (2022: Baht 1,777 million).

As of December 31, 2023, the Company and subsidiary companies had allowance for impairment loss of equipment amounting to Baht 804 million (2022: Baht 402 million).

During the year 2023 the Company assessed the recoverable amount of its equipment for the Digital Trunked Radio System (DTRS) with total cost as at 31 December 2023 amounting to Baht 3,322 million, services based on its value in use through the discounted future cash flows. The resulting recoverable amount is lower than its carrying value due to an anticipated decrease in the number of users. The Company therefore recognised an additional impairment loss on equipment during the year amounting to Baht 403 million. As at 31 December 2023, the Company had an allowance for impairment loss on equipment amounting to Baht 796 million. Although the Group has conducted an evaluation and exercised its best estimate, there remains an uncertainty about potential changes in situations and technologies, which is typical for future events that have yet to occur.

The key assumption used in the calculation of value in use was a pre-tax discount rate of 12 percent per annum.

Intangible Assets

(Unit: Million Baht)

	Net Book Value	
	December 31, 2022	December 31, 2023
Right for telecommunication tower service	63.74	51.77
Computer software	0.90	1.41
Total	64.64	53.18

Right for telecommunication tower service

On September 1, 2017, the Company purchased shares of Thai Base Station Co., Ltd. (a subsidiary company) with mutually agreed price. As a result of the purchase of investment under the acquisition method, the Company recorded the right for telecommunication tower service as intangible assets with ten years useful lives.

Leases

The Company and subsidiary companies have lease contracts for various items of property, plant, and equipment used in their operations with lease terms between 4 - 10 years.

Right-of-use assets

Right-of-use assets as of December 31, 2022 and 2023 are as follows:

(Unit: Million Baht)

	Net Book Value	
	December 31, 2022	December 31, 2023
Transmission Equipment	47.16	-
Right-of-use building space	12.76	5.84
Motor vehicles	1.14	-
Total	61.06	5.84

Siam Sport Television Co., Ltd., a subsidiary company, has entered into the hire purchase agreements with related company and leasing companies for rental of motor vehicles with transmission tools and equipment and media asset management system for use in its operations, whereby the lease agreements carried interest 7.26 percent per annum and it is committed to pay rental on a monthly basis. The terms of the agreements are generally 3 years.

On 17 November 2021, the subsidiary company entered into a memorandum of amendment to lease agreement with the related company, in order to extend the payment period of rental order to lease agreement by 3 years.

During the year 2022, the subsidiary company recognised an impairment loss on such right-of-use assets of Baht 77.3 million to reduce the carrying amount of the assets to their recoverable amounts, because of the uncertainty of entering into the long-term service agreement with an agency.

Subsequently, on 15 December 2023, the subsidiary requested to terminate the aforementioned hire purchase agreement. The subsidiary has proposed that another company (which is not a related company) become the new buyer at a price of Baht 61.5 million. Therefore, the subsidiary wrote off the right-of-use assets and lease liabilities amounting to Baht 114.8 million and Baht 81.2 million, respectively, and reversed the allowance for impairment of right-of-use assets amounting to Baht 77.3 million. The subsidiary recognised a profit of Baht 43.7 million from the termination of this lease agreement in profit or loss for the year ended 31 December 2023.

Right-of-use building space

As of December 31, 2023, the Company and its subsidiary companies have leased space for business operation as follows:

- Software Park Building, 34th Floor, 99/2 Moo 4, Chaengwattana Road, Klong Gluar, Pak-kred, Nonthaburi, total area of 439.21 square meters from Samart Corporation Public Company Limited. The current lease agreement with the rental fee of Baht 173.34 per square meter per month will expire on April 30, 2026.
- Software Park Building, 2nd Floor, 99/37 Moo 4, Chaengwattana Road, Klong Gluar, Pak-kred, Nonthaburi, total area of 341.51 square meters from Vilailuck International Holding Co., Ltd. The current lease agreement with the rental fee of Baht 224.70 per square meter per month will expire on April 30, 2026.
- Warehouse at Smart One Building, 99/49 Moo 4, Chaengwattana Road, Klong Gluar, Pak-kred, Nonthaburi, total area of 942 square meters from CSV Asset Co., Ltd. The current lease agreement with the rental fee of Baht 86.94 per square meter per month will expire on December 31, 2023.
- Document storage area of 37.50 square meters from Samart Corporation Public Company Limited. The current lease agreement with the rental rate of Baht 50 per square meter per month will expire on March 31, 2024.
- Building No. 115/75-76, Nuanchan, Bueng Kum, Bangkok, total area of 702 square meters from Kilane Printing Co., Ltd. The current lease agreement with the rental fee of Baht 159.38 per square meter per month will expire on December 31, 2023.

Trademark

Currently, trademarks and services of the Company and subsidiaries are 2 forms, registered in the name of company that uses the trademarks and services and obtained permission from the owner of that trademarks and services without compensation. Each service mark has legally registered a trademark and service license agreement trademark and valid for 10 years from the date of registration with renewal option of 10 years as well as the lifetime of the service mark under the Trademark and Service License Agreement and the age of use in accordance with the age of the registered owner's mark. At present, all the marks used by the Company and subsidiaries are still under the legal protection period.

For other intellectual property rights, there is a legal protection period for each type of property such as the coverage period of copyright is 50 years from the date of publication, etc.

Investment Policy in Subsidiaries and Associated Companies

The Company has a policy to invest in businesses with high growth potential, recurring revenue and appropriate risk for the return on investment. However, the approval of the said investment must be in accordance with the Notification of the Capital Market Supervisory Board Re: Rules on Entering into material transactions deemed as acquisition or disposal of assets, and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets, B.E. 2547. The Company will determine the management policy as well as nominating representatives to join as directors in proportion to their shareholding and attend the meeting as a shareholder. The Company's representative has the duty to vote at the meeting in accordance with the guidelines or directions that the Board of Directors has considered.

Details of Asset Revaluation

The Company and subsidiaries have no asset revaluation in 2023.