

Independent Auditor's Report

To the Shareholders of Earth Tech Environment Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Earth Tech Environment Public Company Limited and its subsidiaries (“the Group”) and of Earth Tech Environment Public Company Limited (“the Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2023, and the related consolidated and separate statements of comprehensive income, 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 consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at December 31, 2023, their 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 and separate 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.

Impairment of Property, Plant and Equipment

Risk

As referred by Note 12 to the consolidated financial statements, As at December 31,2023, the balances of the the property, plant and equipment amounting Baht 2,330.13 million represented 46 percentage of total assets. I therefore focused on auditing and considering the impairment of such assets to ensure that the book values of the assets do not exceed their recoverable amounts. The determination of the provision for impairment of assets requires management to exercise significant judgement with respect to the projections of future operating performance and the assessment of future plans, including the determination of an appropriate discount rate and key assumptions. There is thus a risk with respect to the amount of impairment loss recorded on the assets.

Risk Responses of Auditor

I assessed the management's identification of cash generating units and selection of a financial model, according to the type of asset, by gaining an understanding of management's decision-making process and evaluating whether the decisions were consistent with how assets are utilized. In addition, I gained an understanding of and assessed the following items.

- The assumptions and approaches used by the Group's management in calculating the fair value of assets.
- The assumptions applied in preparing plans and cash flow projections of the Group, based on the understanding I gained of the process by which the figures were arrived at, comparison of the assumptions with external and internal sources of information and comparison of past cash flow projections with actual operating results in order to assess the exercise of management judgement in estimating cash flow projections, and comparison of the long-term growth rate of the Group with economic and industry forecasts.
- The discount rate, based on comparison of the average cost of capital and other data with those used by comparable organizations.
- I reviewed the disclosure of information with respect to the estimation of impairment of the assets in the notes to the consolidated financial statements.

Other Matter

The consolidated and separate financial statements of the Group and the Company, for the year ended December 31, 2022, presented as comparative information, were audited by another auditor in my firm whose report dated on February 23, 2023, expressed an unqualified opinion.

Other Information

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

My opinion on the consolidated and separate 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 consolidated and separate financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate 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 Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate 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 consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate 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 Ms.Bongkotrat Suamsiri.

(Ms.Bongkotrat Suamsiri)

Certified Public Accountant Registration No. 13512

Karin Audit Company Limited

Bangkok

February 19, 2024

**EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
AND INDEPENDENT AUDITOR'S REPORT**

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

		(Unit : Baht)			
		Consolidated financial statement		Separate financial statement	
Notes		2023	2022	2023	2022
ASSETS					
Current assets					
	Cash and cash equivalents	1,552,119,888	1,235,580,959	1,493,504,441	1,074,971,633
7	Trade and other current receivables	177,558,338	172,972,807	63,783,731	61,499,537
5.2,9	Short-term loans and accrued interest - related parties	66,085,479	60,654,247	496,363,068	334,425,315
9	Short-term loans and accrued interest - third party company	68,819,195	23,221,512	68,819,195	23,221,512
	Current portion of long-term loans and accrued interest to related parties	110,585,217	170,143,200	110,585,217	170,143,200
8	Inventories	29,935,885	22,302,061	9,186,309	8,198,483
	Current tax assets	1,596,208	2,292,521	171,005	-
10	Other current assets	10,856,792	141,192,722	8,991,040	1,938,055
	Total current assets	2,017,557,002	1,828,360,029	2,251,404,006	1,674,397,735
Non-current assets					
	Long-term loans and accrued interest to related parties net of current portion	-	110,585,217	-	110,585,217
17	Restricted deposits with banks	488,704,427	409,458,042	256,163,469	163,218,315
11	Investments in subsidiaries	-	-	434,124,000	389,127,600
12	Property, plant and equipment	2,330,128,992	1,978,030,478	1,029,204,000	1,090,784,361
13	Right of use assets	149,999,104	125,508,308	-	-
14	Deferred tax assets	2,370,151	2,592,458	1,636,253	1,293,179
28	Other non-current financial assets	1,122,468	-	-	-
	Other non-current assets	112,162,195	97,019,782	5,311,292	5,311,292
	Total non-current assets	3,084,487,337	2,723,194,285	1,726,439,014	1,760,319,964
	Total assets	5,102,044,339	4,551,554,314	3,977,843,020	3,434,717,699

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

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2023

(Unit : Baht)

	Notes	Consolidated financial statement		Separate financial statement	
		2023	2022	2023	2022
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	17	36,000,000	32,000,000	-	-
Trade and other current payables	15	129,986,355	143,236,798	52,515,513	62,270,114
Short-term loans and accrued interest	16	333,134,301	203,351,068	-	-
Current portion of long-term loan	17	130,831,035	305,281,309	-	174,988,739
Current portion of lease liabilities	19	3,144,225	2,503,162	1,791,116	1,463,027
Current provisions for employee benefits	20	1,146,713	-	-	-
Income tax payable		100,546	754,236	-	734,045
Total current liabilities		634,343,175	687,126,573	54,306,629	239,455,925
Non-current liabilities					
Trade and other non-current payables		900,368	320,378	27,800	6,000,000
Other non-current financial liabilities		-	1,383,567	-	774,164
Long-term loans	17	243,156,162	373,985,156	-	-
Debentures	18	1,191,918,589	493,425,979	1,191,918,589	493,425,979
Lease liabilities - net of current portion	19	83,906,677	84,077,901	2,382,326	3,024,184
Non-current provisions for employee benefits		16,252,224	12,125,364	8,181,266	5,691,731
Total non-current liabilities		1,536,134,020	965,318,345	1,202,509,981	508,916,058
Total liabilities		2,170,477,195	1,652,444,918	1,256,816,610	748,371,983
Shareholders' equity					
Share capital					
Authorized share capital					
Ordinary shares 2,460,000,000 shares, Baht 0.50 par value		1,230,000,000	1,230,000,000	1,230,000,000	1,230,000,000
Issued and paid-up share capital					
Ordinary shares 2,240,000,000 shares, Baht 0.50 par value		1,120,000,000	1,120,000,000	1,120,000,000	1,120,000,000
Premium on share capital		1,173,586,385	1,173,586,385	1,173,586,385	1,173,586,385
Retained earnings					
Appropriated - statutory		16,776,549	14,981,588	17,828,027	16,033,066
Unappropriated		589,736,041	562,520,263	409,611,998	376,726,265
Total equity attributable to owners of the Company		2,900,098,975	2,871,088,236	2,721,026,410	2,686,345,716
Non-controlling interests		31,468,169	28,021,160	-	-
Total shareholder's equity		2,931,567,144	2,899,109,396	2,721,026,410	2,686,345,716
Total liabilities and shareholders' equity		5,102,044,339	4,551,554,314	3,977,843,020	3,434,717,699

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

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
AS AT DECEMBER 31, 2023

		(Unit : Baht)			
		Consolidated financial statement		Separate financial statement	
Notes	2023	2022	2023	2022	
	Revenues from sales and services	708,385,378	738,267,483	302,285,285	321,943,842
	Cost of sales and services	(485,984,312)	(467,524,084)	(210,312,463)	(200,964,820)
	Gross (loss) profit	222,401,066	270,743,399	91,972,822	120,979,022
	Other income	43,184,002	44,357,181	64,070,916	27,606,730
	Profit (loss) before expenses	265,585,068	315,100,580	156,043,738	148,585,752
	Administrative expenses	(83,534,210)	(90,486,277)	(40,947,919)	(60,513,857)
	Management benefit expenses	(29,582,016)	(23,484,168)	(13,386,295)	(10,538,341)
	Total expenses	(113,116,226)	(113,970,445)	(54,334,214)	(71,052,198)
	Profit (loss) from operating	152,468,842	201,130,135	101,709,524	77,533,554
	Finance costs	(117,160,823)	(62,778,655)	(65,842,648)	(24,974,418)
	Profit (loss) before income tax expenses	35,308,019	138,351,480	35,866,876	52,559,136
	Income tax (expenses) revenue	(867,716)	(2,142,820)	32,339	(2,372,828)
	Net profit (loss) for the year	34,440,303	136,208,660	35,899,215	50,186,308
Other comprehensive income (loss) for the year					
Items not do be reclassified to profit or loss subsequent periods :					
	Gain (loss) on remeasurement of defined benefit plan	(1,986,155)	432,622	(1,218,521)	399,866
	Net comprehensive income for the year	32,454,148	136,641,282	34,680,694	50,586,174
Profit (loss) attributable to					
	Owners of the Company	30,996,894	131,066,545	35,899,215	50,186,308
	Non-controlling interests	3,443,409	5,142,115	-	-
		34,440,303	136,208,660	35,899,215	50,186,308
Total comprehensive income attributable to					
	Owners of the Company	29,010,739	131,499,167	34,680,694	50,586,174
	Non-controlling interests	3,443,409	5,142,115	-	-
		32,454,148	136,641,282	34,680,694	50,586,174
Profit (loss) per share					
	Basic earning (loss) per share (Baht per share)	0.014	0.059	0.016	0.022
	Weighted average number of ordinary shares (Shares)	2,240,000,000	2,240,000,000	2,240,000,000	2,240,000,000

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

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

AS AT DECEMBER 31, 2023

(Unit : Baht)

Consolidated financial statement								
Owners of the Company								
Notes	Issued and paid share capital	Premium on share capital	Retained earnings		Other components of shareholder's equity	Total equity		
			Appropriated Statutory reserves	Unappropriated	Gains (losses) on remeasurements of defined benefit plans	attributable to owner's of the Company		Non-controlling interests
	1,120,000,000	1,173,586,385	12,472,273	433,530,411	-	2,739,589,069	22,876,045	2,762,465,114
Balance as at January 1, 2022								
	-	-	-	-	-	-	3,000	3,000
Acquisition of non-controlling interest								
	-	-	2,509,315	(2,509,315)	-	-	-	-
Appropriated statutory reserve	21							
	-	-	-	131,066,545	432,622	131,499,167	5,142,115	136,641,282
Comprehensive income (loss) for the year								
	-	-	-	432,622	(432,622)	-	-	-
Transferred to retained earnings								
Ending balance as at December 31, 2022	1,120,000,000	1,173,586,385	14,981,588	562,520,263	-	2,871,088,236	28,021,160	2,899,109,396
Acquisition of non-controlling interest							3,600	3,600
	-	-	-	-	-	-	-	-
Appropriated statutory reserve	21		1,794,961	(1,794,961)	-	-	-	-
	-	-	-	30,996,894	(1,986,155)	29,010,739	3,443,409	32,454,148
Comprehensive income (loss) for the year								
	-	-	-	(1,986,155)	1,986,155	-	-	-
Transferred to retained earnings								
Ending balance as at December 31, 2023	1,120,000,000	1,173,586,385	16,776,549	589,736,041	-	2,900,098,975	31,468,169	2,931,567,144

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

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

AS AT DECEMBER 31, 2023

(Unit : Baht)

	Notes	Separate financial statement					Total shareholder's equity
		Issued and paid share capital	Premium on share capital	Retained earnings		Other components of shareholders' equity	
				Appropriated		Gains (losses) on	
				Statutory reserves	Unappropriated	remeasurements of defined benefit plans	
Balance as at January 1, 2022		1,120,000,000	1,173,586,385	12,472,273	329,700,884	-	2,635,759,542
Appropriated statutory reserve	21	-	-	3,560,793	(3,560,793)	-	-
Comprehensive income (loss) for the year		-	-	-	50,186,308	399,866	50,586,174
Transferred to retained earnings		-	-	-	399,866	(399,866)	-
Ending balance as at December 31, 2022		1,120,000,000	1,173,586,385	16,033,066	376,726,265	-	2,686,345,716
Appropriated statutory reserve		-	-	1,794,961	(1,794,961)	-	-
Comprehensive income (loss) for the year		-	-	-	35,899,215	(1,218,521)	34,680,694
Transferred to retained earnings		-	-	-	(1,218,521)	1,218,521	-
Ending balance as at December 31, 2023		1,120,000,000	1,173,586,385	17,828,027	409,611,998	-	2,721,026,410

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

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

AS AT DECEMBER 31, 2023

	(Unit : Baht)			
	Consolidated financial statement		Separate financial statement	
	2023	2022	2023	2022
Cash flows from operating activities				
Profit (Loss) before income tax expense	35,308,019	138,351,480	35,866,876	52,559,136
Items to reconcile profit before income tax expense to cash received (disbursement) from operating activities				
Interest expense	115,912,054	59,848,160	65,292,089	23,993,617
Interest income	(22,502,804)	(17,324,924)	(45,992,544)	(19,843,105)
Trade and other current receivables (increase) decrease	(4,585,530)	11,535,495	(2,284,194)	(3,779,387)
Inventories (increase) decrease	(7,633,824)	238,365	(987,826)	(132,095)
Other current assets (increase) decrease	(4,841,338)	(224,480,710)	(7,052,982)	(3,456,605)
Other non-current assets (increase) decrease	(15,229,600)	1,677,960	-	1,677,960
Trade and other current payables increase (decrease)	(21,675,801)	20,902,426	(20,194,867)	7,220,340
Other non-current liabilities increase (decrease)	-	-	27,800	-
Depreciation and amortization	115,682,216	116,488,676	65,285,496	68,418,064
Provisions for employee benefit	2,790,879	2,010,524	966,383	468,838
(Gain) loss from write-off of fixed assets	561,192	-	561,192	-
(Gain) loss on disposals of fixed assets	(11,996)	14,673	(11,996)	14,673
(Gain) loss from lease to contract termination	-	27,137,199	-	27,137,199
Unrealised (gain) loss on exchange	547,231	702,924	-	-
(Gain) loss on derivative instruments	(2,506,036)	(22,268,142)	(774,164)	(5,806,997)
Total items to reconcile profit before income (loss) tax expense	156,506,643	(23,517,374)	54,834,387	95,912,502
Net cash provided by (used in) operating activities	191,814,662	114,834,106	90,701,263	148,471,638
Cash received from interest income	566,434	712,804	259,187	3,369,560
Tax received from refund	2,298,061	-	-	-
Cash paid for income tax expense	(2,317,119)	(2,565,029)	(911,155)	(240,292)
Net cash provided by (used in) operating activities	192,362,038	112,981,881	90,049,295	151,600,906
Cash flows from investing activities				
(Increase) decrease in restricted deposits with banks	(79,246,385)	(84,721,284)	(92,945,155)	(39,098,887)
Cash received from disposals of plant, property and equipment	12,000	1,746	12,000	1,746
Cash paid for purchases of plant, property and equipment	(321,573,779)	(69,731,447)	(3,049,081)	(24,194,230)
Cash paid for right of use land	(29,500,000)	-	-	-
Cash paid for right of use assets by lease	-	(5,881,060)	-	-
Cash received from borrowing and interest to related parties	183,950,655	54,000,000	183,950,655	108,000,000
Cash paid for short-term loans and accrued interest to third party	(42,900,000)	(23,100,000)	(42,900,000)	(23,100,000)
Cash received for loans and interest to subsidiaries	-	-	290,466	(266,000,000)
Cash paid for borrowing to related parties	-	(280,000,000)	-	(280,000,000)
Cash paid for borrowing to subsidiaries	-	-	(133,000,000)	-
Net cash provided by (used in) investing activities	(289,257,509)	(409,432,045)	(87,641,115)	(524,391,371)

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

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONT.)

AS AT DECEMBER 31, 2023

(Unit : Baht)

	Consolidated financial statement		Separate financial statement	
	2023	2022	2023	2022
Cash flows from financing activities				
Cash received (paid) from overdrafts and short-term loans				
from financial institutions	4,000,000	20,700,000	-	(9,000,000)
Cash received from issue debentures	701,600,500	500,000,000	701,600,500	500,000,000
Cash received from loan - third party	108,000,000	202,000,000	-	-
Cash received from loan - director	5,000,000	-	-	-
Cash paid of share equities in subsidiaries	-	-	(44,996,400)	-
Cash received in non-controlling interests	3,600	3,000	-	-
Repayment of loan from financial institutions	(307,712,000)	(299,012,000)	(175,400,000)	(166,700,000)
Cash paid for interest expense	(89,586,150)	(51,916,091)	(63,350,854)	(21,833,448)
Lease payment	(7,871,550)	(7,614,521)	(1,728,618)	(1,471,589)
Net cash provided by (used in) financing activities	413,434,400	364,160,388	416,124,628	300,994,963
Net increase (decrease) in cash and cash equivalents	316,538,929	67,710,224	418,532,808	(71,795,502)
Cash and cash equivalents at beginning of year	1,235,580,959	1,167,870,735	1,074,971,633	1,146,767,135
Cash and cash equivalents at ending of year	1,552,119,888	1,235,580,959	1,493,504,441	1,074,971,633

Supplemental disclosures of cash flows information :

Non cash transactions

Net cash payments for purchases of plant, property and equipment

- Subcontract payable	4,017,850	-	-	-
- Retention payable	579,989	-	27,800	1,200,000
- Hire purchase payable	1,217,250	1,199,280	1,217,250	1,199,280

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

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. General information

1.1 Company information

The Company has been registered to be a limited company on January 9, 2004, in the Earth Tech Environment Company Limited and registered change the name to “Earth Tech Environment Public Company Limited” on December 13, 2019. On August 18, 2020, ETC’s securities to be traded on SET. The Company principal businesses are generation and distribution of electricity from industrial waste. On March 9, 2017, the Company started commercial operation (COD) to the Provincial Electricity Authority (PEA). The registered address of the Company is located at 88,88/1 Moo 1, Ban That Subdistrict, Kaeng Khoi District, Saraburi.

The parent company is Better World Green Public Company Limited with 43.93% shareholding. Akkhie Prakarn Public Company Limited (a subsidiary of Better World Green Public Company Limited) acquired its ordinary shares at 7.14% of share capital from other former shareholders.

2. Basis for preparation of the consolidated financial statements

- a) The consolidated financial statements include the financial statements of Earth Tech Environment Public Company Limited (“the Company”) and the following subsidiary companies (“subsidiaries”) (collectively as “the Group”):

Company’s name	Type of business	Location	Percentage of shareholding		
			2023	2022	
Direct - Subsidiaries :					
Ava Grand Energy Company Limited	Generation and distribution of electricity from industrial waste	Phichit	97.00	97.00	
Siri Lapha Power Company Limited*	Generation and distribution of electricity from industrial waste	Saraburi	97.00	97.00	
Link 88 Power Company Limited	Holding Recovery House Company Limited	Saraburi	99.88	99.88	
Earth Engineer and Construction Company Limited	Service on integrated engineering, procurement and construction (“Integrated EPC”)	Bangkok	99.99	99.99	
Get Green Power Company Limited	Holding company that invest and/or joint investment with other investor(s) for operating a power plant business.	Bangkok	99.97	99.97	

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Company's name	Type of business	Location	Percentage of shareholding	
			2023	2022
Indirect - Subsidiaries :				
Held by Link 88 Power Company Limited				
Recovery House Company Limited	Generation and distribution of electricity from industrial waste	Ayutthaya	95.00	95.00
Held by Get Green Power Company Limited				
Ban Saeng Kan Company Limited*	Generation and distribution of electricity from industrial waste	Ayutthaya	99.99	99.99
Green Care Energy Company Limited**	Generation and distribution of electricity from industrial waste	Saraburi	99.99	99.99
Green Scene Energy Company Limited**	Generation and distribution of electricity from industrial waste	Saraburi	99.99	99.99
Khiang Kan Energy Company Limited**	Generation and distribution of electricity from industrial waste	Bangkok	99.99	99.99
Meekwan Power Company Limited**	Generation and distribution of electricity from industrial waste	Saraburi	99.99	99.99
Me Preme Energy Company Limited**	Generation and distribution of electricity from industrial waste	Bangkok	99.99	99.99
Phraofa Power Company Limited**	Generation and distribution of electricity from industrial waste	Bangkok	99.99	99.99
Proudkwan Power Company Limited**	Generation and distribution of electricity from industrial waste	Bangkok	99.99	99.99
The Prao Power Company Limited**	Generation and distribution of electricity from industrial waste	Bangkok	99.99	99.99
Phan Saeng Dao Company Limited**	Generation and distribution of electricity from industrial waste	Bangkok	99.99	99.99
Thorsaeng Energy Company Limited**	Generation and distribution of electricity from industrial waste	Bangkok	99.99	99.99

* Not yet started its business operations

** In the process of operating to approval from Energy Regulatory Commission (ERC) before building a power plant

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

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as applied to the Company.
- e) Material balances and the Group's related transactions are eliminated in the preparation of the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated statement of financial position.

3. Basis of preparation of financial statements and significant accounting policies

3.1 Basis of preparation of the 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.

3.2 New financial reporting standards

Basis of preparation of the financial statements

During the year, the Group has adopted the revised and new financial reporting standards and interpretations 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 Group's financial statements.

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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, for some standards, providing temporary reliefs or temporary exemptions for users.

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

3.3 Significant accounting policies

3.3.1 Revenue and expense recognition

Revenue under the Power Sale Agreements. The Group recognises from sale of electricity are according to the unit of measurement electrical under condition in contract as agreed with PEA. The revenue from sale of electricity recognised at a point in time when the controls over the products are transferred at destinations as stated in the agreements. The revenue from sale are recognised based on transaction price net of output tax, rebates and discounts.

The Group recognised revenue from construction by the percentage of completion which is based on the proportion of actual costs to the total estimated costs by considering the effects to the most recent estimates of total costs, coupled with the consideration of the physical completion estimated by the engineer.

The recognised revenue which is not yet due per the contracts has been presented under the caption of "Unbilled trade accounts receivable" in the statement of financial position and contract in which the amount collected from customer is more than the revenue that should be recognized as income from calculations based on the portion of the completed work is presented under the current liabilities of "Unearned Income" in the statement of financial position.

Services income is recognised when the service has been provided to customers by considering the success stage of the work in determining the timing of delivery of controls to assess whether income is recognised at certain times or over a period of time.

Rental income is recognised over the rental period.

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

Costs of construction are recognized in accordance with the percentage of work completed based on total estimated costs. Provision for anticipated losses on costs of rendering of services is made in the accounts in full when the possibility of loss is ascertained. Differences between the estimated costs and the actual costs are recognised as work in progress or current liabilities in the statement of financial position.

Other income and expenses are recorded on an accrual basis.

3.3.2 Cash and cash equivalents

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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.

3.3.3 Accounts receivable

Accounts receivable are presented at net realizable value.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised 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 recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. 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 recognised in profit or loss within administrative expenses.

3.3.4 Inventories

Chemicals and fuels, spare parts and repair materials are measured at the weighted average cost

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory

Allowance for obsolescence, slow moving or defective inventories is recorded based on the consideration of future use of those inventories and the aging analysis at the end of each reporting year.

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

3.3.5 Investments in subsidiaries

Investments in subsidiaries are recorded at cost net of allowance for decline in value (if any).

3.3.6 Property, plants and equipment

Land is stated at cost less provision for impairment of assets (if any). Plants and equipment are stated at cost less accumulated depreciation and provision for impairment of assets (if any).

The Group depreciates 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	10-25
Machinery and equipment	20
Furniture and equipment	5
Computer and accessories	5-10
Tools	5-10
Vehicle	5

No depreciation is made for land and assets under construction.

3.3.7 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.

3.3.8 Leases

The Group 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 of time 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 recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

Right-of-use assets

The Group recognises 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 recognised 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 recognised 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 Group recognises 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 Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a 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 recognised as expenses on a straight-line basis over the lease term.

3.3.9 Interest bearing liabilities

Interest bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the profit or loss over the period of the borrowings on an effective interest basis.

3.3.10 Employee benefits

Short-term employee benefits

The Group are recognized salaries, wages, bonuses and contributions to the social security fund 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.

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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

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

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

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

3.3.11 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 takes into account 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

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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.

3.3.12 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.

3.3.13 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 amortised 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 amortised cost

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

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

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 recognised in profit or loss.

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

Classification and measurement of financial liabilities

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

Derivatives

Derivatives are recognized initially at fair value, attributable transaction costs are recognized in profit or loss when incurred. Subsequent to 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 derecognised 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 derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

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

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

3.3.14 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.

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:

Impairment of property, plant and equipment

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

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.

Impairment of investments

The Group treat investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment.

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

5. Transactions with related person and parties

Portion of accounting transactions as assets, liabilities, revenues and expenses arose from transactions with below related parties, which are linked to the Company by common shareholders or directors.

<u>Companies</u>	<u>Relationship</u>
Better World Green Public Company Limited	Parent company
Better Waste Care Company Limited	Related company (common shareholders and directors)
Better World Transport Company Limited	Related company (common shareholders and directors)
Be Green Development Company Limited	Related company (common shareholders and directors)
Better ME Company Limited	Related company (common shareholders and directors)
Akkhie Prakarn Public Company Limited	Related company (common shareholders and directors)
Circular Camp Company Limited	Related company (common shareholders and directors)
Ava Grand Energy Company Limited	Subsidiary
Siri Lapha Power Company Limited	Subsidiary
Link 88 Power Company Limited	Subsidiary
Earth Engineer and Construction Company Limited	Subsidiary
Get Green Power Company Limited	Subsidiary
Recovery House Company Limited	Indirectly holding shares through subsidiary
Ban Saeng Kan Company Limited	Indirectly holding shares through subsidiary
Green Care Energy Company Limited	Indirectly holding shares through subsidiary
Green Scene Energy Company Limited	Indirectly holding shares through subsidiary
Khiang Kan Energy Company Limited	Indirectly holding shares through subsidiary
Meekwan Power Company Limited	Indirectly holding shares through subsidiary
Me Preme Energy Company Limited	Indirectly holding shares through subsidiary
Phraofa Power Company Limited	Indirectly holding shares through subsidiary
Proudkwan Power Company Limited	Indirectly holding shares through subsidiary
The Prao Power Company Limited	Indirectly holding shares through subsidiary
Phan Saeng Dao Company Limited	Indirectly holding shares through subsidiary
Thorsaeng Energy Company Limited	Indirectly holding shares through subsidiary

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

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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

(Unit : Thousand Baht)

Transactions type / company's name	Pricing Policies	Consolidated financial statement		Separate financial statement	
		2023	2022	2023	2022
Revenue					
Interest income (3)					
Parent		13,807	16,540	13,807	16,540
Related parties		5,431	-	5,431	-
Subsidiaries		-	-	23,797	3,148
Total		<u>19,238</u>	<u>16,540</u>	<u>43,035</u>	<u>19,688</u>
Income from administrative (2)					
Subsidiaries		<u>-</u>	<u>-</u>	<u>720</u>	<u>720</u>
Other income (1)					
Related parties		<u>430</u>	<u>2,148</u>	<u>146</u>	<u>367</u>
Cost and Expense					
Cost of waste disposal (1)					
Parent		<u>69,806</u>	<u>44,693</u>	<u>25,399</u>	<u>17,552</u>
Cost of fuel (1)					
Parent		122,548	120,235	47,127	46,721
Related parties		<u>973</u>	<u>-</u>	<u>973</u>	<u>-</u>
Total		<u>123,521</u>	<u>120,235</u>	<u>48,100</u>	<u>46,721</u>
Transportation Cost (1)					
Related parties		<u>-</u>	<u>4,615</u>	<u>-</u>	<u>-</u>
Engineering service cost (2)					
Subsidiaries		<u>-</u>	<u>-</u>	<u>17,146</u>	<u>16,555</u>

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

(Unit : Thousand Baht)

Transactions type / company's name	Pricing Policies	Consolidated		Separate	
		financial statement		financial statement	
		2023	2022	2023	2022
Administrative expense	(2)				
Related parties		21	-	4	-
Subsidiaries		-	-	483	-
Total		<u>21</u>	<u>-</u>	<u>487</u>	<u>-</u>
Key management personnel compensations					
Short-term benefits		27,728	22,539	12,527	10,163
Benefits after leaving work for Employee benefits		1,854	945	859	375
Total		<u>29,582</u>	<u>23,484</u>	<u>13,386</u>	<u>10,538</u>

Pricing policy

- (1) Market price
- (2) Contract price
- (3) MLR rate not less than to lender's rate

5.2 Related assets and liabilities as at December 31, 2023 and 2022 are as follows:

(Unit : Thousand Baht)

	Consolidated		Separate	
	financial statement		financial statement	
	2023	2022	2023	2022
Other current receivables				
Related parties	-	595	-	114
Short - term loans and accrued interest				
Related parties	66,085	60,654	66,085	60,654
Subsidiaries	-	-	430,278	273,771
Total Short - term loans and accrued interest	<u>66,085</u>	<u>60,654</u>	<u>496,363</u>	<u>334,425</u>

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statement		financial statement	
	2023	2022	2023	2022
Long - term loans and accrued interest				
Parent	110,585	280,728	110,585	280,728
<u>Less</u> current portion	<u>(110,585)</u>	<u>(170,143)</u>	<u>(110,585)</u>	<u>(170,143)</u>
Net Long - term loans and accrued interest	<u>-</u>	<u>110,585</u>	<u>-</u>	<u>110,585</u>
Trade and other current payables :				
Trade payables				
Parent	63,367	94,878	19,823	39,495
Subsidiaries	-	-	3,585	3,105
Total trade payables	<u>67,367</u>	<u>94,878</u>	<u>23,408</u>	<u>42,600</u>
Other current payables				
Subsidiaries	-	-	6,000	-
Total trade and other current payables	<u><u>67,367</u></u>	<u><u>94,878</u></u>	<u><u>29,408</u></u>	<u><u>42,600</u></u>
Other non - current payables				
Subsidiaries	-	-	-	<u>6,000</u>

During the year ended December 31, 2023, the movement of Short-term loans and accrued interest are as follows:

	(Unit : Thousand Baht)			
	Consolidated / Separate financial statement			
	As at			As at
	January	Increase	(Decrease)	December 31,
	1, 2023			2023
Short-term loans and accrued interest				
to related parties				
Principle	60,000	-	-	60,000
Accrued interest	654	5,431	-	6,085
Total	<u>60,654</u>	<u>5,431</u>	<u>-</u>	<u>66,085</u>

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

(Unit : Thousand Baht)

	Separate financial statement			As at December 31, 2023
	As at January 1, 2023	Increase	(Decrease)	
Short-term loans and accrued interest to related parties				
Principle	269,000	133,000	-	402,000
Accrued interest	4,771	23,507	-	28,278
Total	273,771	156,507	-	430,278

Short-term loan from a related party to Ava Grand Energy Company Limited (“Subsidiary”) as at December 31, 2023, This short-term loan has total amount of Baht 87 million and charged interest rate at 6% per annum. The principal loan is callable by lender which must inform at least 90 days in advance for repayment.

Short-term loans to Get Green Power Company Limited (“Subsidiary”) credit line Baht 1,000 million , the subsidiaries have used short term loan is Baht 315 million and charged interest rate 6% per annum. The principal loan is callable by lender which must inform at least 90 days in advance for repayment.

Short-term loan from a related party to Better Waste Care Company Limited (“Related Party”) credit line Baht 60 million and charged interest rate at 6% per annum. This short-term loans is due at call with a maximum period of not more than 3 years.

The movement of Long-term loans and accrued interest to a related parties are as follows :

(Unit : Thousand Baht)

	Consolidated / Separate financial statement			As at December 31, 2023
	As at January 1, 2023	Increase	(Decrease)	
Long-term loans and accrued interest to related party				
Parent				
Principle	280,728	-	(170,143)	110,585
Accrued interest	-	13,808	(13,808)	-
Total Long-term loans and accrued interest to related party	280,728	13,808	(183,951)	110,585

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

Long-term loan to Better World Green Public Company Limited (“Parent Company”) has total amount of 350 Baht million and charged interest at 7% per annum. Long-term of the loans is due at Long-term loan and interest is to be payment received in quarterly installments.

5.3 Short-term loans and accrued interest - director

As at December 31, 2023, the Subsidiaries has short - term loans from the director in the amount of Baht 5 million for the purpose to develop waste power plant projects for the subsidiary. . This short-term loans is due on January 31, 2024 and not charged interest and will repay the loan within 2024.

5.4 Significant intercompany agreements

A) Fuel purchase agreement from industrial waste (RDF)

The Company and subsidiaries entered into a contract to purchase fuel from industrial waste (RDF) with the parent company (Better World Green Public Company Limited) for 20 years from the date of commercial electricity distribution (COD), which the Parent company has assured to produce and delivery RDF fuel to the Company and its subsidiaries by the following details.

<u>Company</u>	<u>Contract signing date</u>	<u>Assured Production Quantity</u>
Earth Tech Environment Company Public Limited	July 3, 2015	Not less than 250 tons per day
Ava Grand Energy Company Limited	November 1, 2017	Not less than 100 tons per day
Recovery House Company Limited	November 1, 2017	Not less than 170 tons per day

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

B) Management and maintenance agreement

The company and two subsidiaries entered into a contract to manage the power plants with a subsidiary company.

To manage and maintain the power plant as follows:

Company	Objective	Rate (Baht)	Period of Contract
Earth Tech Environment Company Public Limited	Management and maintenance of power plant	1,464,011	The contract is valid for 3 years from the date of June 1, 2023 – May 31, 2026
Ava Grand Energy Company Limited	Management and maintenance of a waste fuel power plant with a capacity of 4 MW.	848,966	The contract is valid for 3 years from the date of December 1, 2022 – November 31, 2025
Recovery House Company Limited	Management and maintenance of a waste fuel power plant with a capacity of 7 MW .	1,273,450	The contract is valid for 3 years from the date of September 1, 2022 – August 31, 2025

6. Cash and cash equivalents

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

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	2023	2022	2023	2022
Cash	150	150	50	50
Deposit at banks				
- Saving account	16,182	18,815	-	-
- Current account	1,535,788	1,216,616	1,493,454	1,074,922
Total	1,552,120	1,235,581	1,493,504	1,074,972

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

7. Trade and other current receivables

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

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statement		financial statement	
	2023	2022	2023	2022
Trade receivables - unbilled	68,309	70,988	27,345	31,675
Trade receivables	72,110	61,650	32,798	22,246
Total trade receivables	<u>140,419</u>	<u>132,638</u>	<u>60,143</u>	<u>53,921</u>
Other current receivables :				
Revenue department receivable	17,015	27,825	-	-
Other receivable to related parties (Note 5.2)	-	595	-	114
Other receivables	20,124	11,915	3,641	7,465
Total other current receivables	<u>37,139</u>	<u>40,335</u>	<u>3,641</u>	<u>7,579</u>
Total trade and other current receivables	<u>177,558</u>	<u>172,973</u>	<u>63,784</u>	<u>61,500</u>
The aging of accounts and notes receivable are as follows:				
Within due	<u>72,110</u>	<u>61,650</u>	<u>32,798</u>	<u>22,246</u>
Total	<u>72,110</u>	<u>61,650</u>	<u>32,798</u>	<u>22,246</u>

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2023****8. Inventories**

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

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statement		financial statement	
	2023	2022	2023	2022
Chemicals and fuels	3,870	2,532	1,599	1,382
Spare parts and repair materials	26,066	19,770	7,587	6,816
Total	<u>29,936</u>	<u>22,302</u>	<u>9,186</u>	<u>8,198</u>

9. Short-term loans and accrued interest

As at December 31, 2023 and 2022 the Company has short-term loans and accrued interest as follows :

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statement		financial statement	
	2023	2022	2023	2022
Short-term loans and accrued interest				
Related parties (Note 5.2)	66,085	60,654	66,085	60,654
Subsidiaries (Note 5.2)	-	-	430,278	273,771
Third party	68,819	23,222	68,819	23,222
Total	<u>134,904</u>	<u>83,876</u>	<u>565,182</u>	<u>357,647</u>

Short-term loan to other company has credit line Baht 70.00 million and charged interest at 6% per annum. This loan is due at call and the lender must inform at least 90 days in advance.

According the resolution of the Board of Directors' Meeting No. 6/2023, On November 9, 2023, consider expanding credit line of unrelated companies total amount of 70 million (original amount of Bath 66 million) charged interest at 6% per annum. This loan is due at call and the lender must inform at least 90 days in advance in order to continue according to the joint investment plan.

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

10. Other current assets

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

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statement		financial statement	
	2023	2022	2023	2022
Deposits and guarantees for power plant projects	8,786	135,177	8,786	-
Deposits and other guarantees	1,697	3,424	93	1,823
Others	374	2,592	112	115
Total Other current assets	<u>10,857</u>	<u>141,193</u>	<u>8,991</u>	<u>1,938</u>

11. Investments in subsidiaries

As at December 31, 2023 and 2022 the Company has Investments in subsidiaries as follows :

Company's name	(Unit : Thousand Baht)							
	Separate financial statement						Dividend for the	
	Paid-up share capital		% Of holding		At cost		year ended	
	2023	2022	2023	2022	2023	2022	December 31,	
							2023	2022
Ava Grand Energy Company Limited	125,000	125,000	97.00	97.00	121,250	121,250	-	-
Siri Lapha Power Company Limited	12,500	12,500	97.00	97.00	12,125	12,125	-	-
Link 88 Power Company Limited	200,000	200,000	99.88	99.88	199,760	199,760	-	-
Earth Engineer and Construction Company Limited	100,000	55,000	99.99	99.99	99,992	54,996	-	-
Get Green Power Company Limited	1,000	1,000	99.97	99.97	997	997	-	-
Total					<u>434,124</u>	<u>389,128</u>	<u>-</u>	<u>-</u>

On February 22, 2023, Earth Engineer and Construction Company Limited has a called up the increased share capital of Baht 45 million. divided into 900,000 common shares at Bath 50 per value. The Company has paid for shares in the amount of Baht 44.99 million on March 1, 2023.

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

According to the resolution of the Board of Directors Meeting No. 3/2023 On June 19, 2023 and No. 5/2023 On September 21, 2023 of the subsidiary (Get Green Power Company Limited) expanding in the registered capital to an amount not exceeding Baht 999 million, or equivalent to 9.99 million shares with a par value of Baht 100 per share, from the original registered capital of Baht 1 million to a new registered capital of Baht 1,000 million to support business expansion and continuity of operations. The Company has waived the right to purchase additional shares to joint venture partners in a total amount not exceeding Baht 499 million, representing 50 % of the paid-up registered capital after the capital increase of the Company. As a result, the shareholding proportion in the Company after the capital increase changed from 99.97 % to 50 %.

Information about subsidiaries that are not wholly owned by the Group which has a non-controlling interest that is significant to the Group as at December 31, 2023 and 2022, are as follows:

Company	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2023	2022	2023	2022	2023	2022	2023	2022
	(Percentage)	(Percentage)						
Recovery House Company Limited	5.00	5.00	26,661	23,354	3,297	4,920	-	-

(Unit : Thousand Baht)

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

12. Property, plant and equipment

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

	(Unit : Thousand Baht)				
	Consolidated financial statement				
	Balance as at January 1, 2023	Additions	Disposals / Write off	Transfer In/ (Out)	Balance as at December 31, 2023
<u>At cost</u>					
Land and land improvement	256,734	403,726	-	-	660,460
Buildings and structures	1,051,788	385	(813)	-	1,051,360
Machinery and equipment	1,092,856	-	-	-	1,092,856
Furniture and office equipment	3,925	808	(76)	-	4,657
Computer and accessories	4,607	1,912	(139)	-	6,380
Tools	29,630	579	(14)	-	30,195
Vehicles	12,811	1,623	-	-	14,434
Work in progress - power plants from waste	-	52,951	-	-	52,951
Total	2,452,351	461,984	(1,042)	-	2,913,293
<u>Accumulated depreciation</u>					
Buildings and structures	(225,238)	(50,299)	252	-	(275,285)
Machinery and equipment	(214,871)	(52,440)	-	-	(267,311)
Furniture and office equipment	(3,297)	(420)	76	-	(3,641)
Computer and accessories	(2,683)	(619)	139	-	(3,163)
Tools	(23,212)	(3,037)	14	-	(26,235)
Vehicles	(5,020)	(2,509)	-	-	(7,529)
Total	(474,321)	(109,324)	481	-	(583,164)
Net	1,978,030				2,330,129
Allocate depreciation					
Cost of sales					105,776
Administrative expenses					3,548
Depreciation for the year					109,324

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

(Unit : Thousand Baht)

	Consolidated financial statement				Balance as at December 31, 2022
	Balance as at January 1, 2022	Additions	Disposals / Write off	Transfer In/ (Out)	
<u>At cost</u>					
Land and land improvement	215,003	41,731	-	-	256,734
Buildings and structures	1,046,268	5,520	-	-	1,051,788
Machinery and equipment	1,092,136	720	-	-	1,092,856
Furniture and office equipment	3,807	173	(55)	-	3,925
Computer and accessories	4,251	386	(30)	-	4,607
Tools	29,123	583	(76)	-	29,630
Vehicles	11,212	1,599	-	-	12,811
Work in progress - power plants from waste	-	-	-	-	-
Total	2,401,800	50,712	(161)	-	2,452,351
<u>Accumulated depreciation</u>					
Buildings and structures	(175,138)	(50,100)	-	-	(225,238)
Machinery and equipment	(162,476)	(52,395)	-	-	(214,871)
Furniture and office equipment	(2,808)	(540)	51	-	(3,297)
Computer and accessories	(2,164)	(549)	30	-	(2,683)
Tools	(18,572)	(4,704)	64	-	(23,212)
Vehicles	(2,807)	(2,213)	-	-	(5,020)
Total	(363,965)	(110,501)	145	-	(474,321)
Net	2,037,835				1,978,030
Allocate depreciation					
Cost of sales					107,201
Administrative expenses					3,300
Depreciation for the year					110,501

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

(Unit : Thousand Baht)

	Separate financial statement				financial statement
	Balance As at January 1, 2023	Additions	Disposals / Write off	Transfer In/ (Out)	Balance As at December 31, 2023
<u>At cost</u>					
Land and land improvement	113,676	452	-	-	114,128
Buildings and structures	633,482	355	(813)	-	633,024
Machinery and equipment	656,530	-	-	-	656,530
Furniture and office equipment	2,075	40	(76)	-	2,039
Computer and accessories	2,023	1,143	(139)	-	3,027
Tools	15,617	98	(14)	-	15,701
Vehicles	9,388	1,623	-	-	11,011
Work in progress - power plants from waste	-	556	-	-	556
Total	1,432,791	4,267	(1,042)	-	1,436,016
<u>Accumulated depreciation</u>					
Buildings and structures	(168,368)	(31,008)	252	-	(199,124)
Machinery and equipment	(152,336)	(31,833)	-	-	(184,169)
Furniture and office equipment	(1,950)	(62)	76	-	(1,936)
Computer and accessories	(1,288)	(217)	139	-	(1,366)
Tools	(14,956)	(341)	14	-	(15,283)
Vehicles	(3,108)	(1,826)	-	-	(4,934)
Total	(342,006)	(65,287)	481	-	(406,812)
Net	1,090,785				1,029,204
Allocate depreciation					
Cost of sales					63,183
Administrative expenses					2,104
Depreciation for the year					65,287

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

(Unit : Thousand Baht)

	Separate financial statement				Balance As at December 31, 2022
	Balance As at January 1, 2022	Additions	Disposals / Write off	Transfer In/ (Out)	
<u>At cost</u>					
Land and land improvement	113,676	-	-	-	113,676
Buildings and structures	633,482	-	-	-	633,482
Machinery and equipment	655,810	720	-	-	656,530
Furniture and office equipment	2,098	32	(55)	-	2,075
Computer and accessories	1,893	160	(30)	-	2,023
Tools	15,611	82	(76)	-	15,617
Vehicles	7,789	1,599	-	-	9,388
Work in progress - power plants from waste	-	-	-	-	-
Total	1,430,359	2,593	(161)	-	1,432,791
<u>Accumulated depreciation</u>					
Buildings and structures	(137,359)	(31,009)	-	-	(168,368)
Machinery and equipment	(120,551)	(31,785)	-	-	(152,336)
Furniture and office equipment	(1,806)	(195)	51	-	(1,950)
Computer and accessories	(1,148)	(170)	30	-	(1,288)
Tools	(13,651)	(1,369)	64	-	(14,956)
Vehicles	(1,580)	(1,528)	-	-	(3,108)
Total	(276,095)	(66,056)	145	-	(342,006)
Net	1,154,264				1,090,785
Allocate depreciation					
Cost of sales					64,163
Administrative expenses					1,893
Depreciation for the year					66,056

As at December 31, 2023 and 2022, the Company and subsidiaries has a portion of Baht 18.64 million and Baht 16.50 million, respectively (Separate: Baht 18.09 million and Baht 16.50 million, respectively) are in use but fully depreciated.

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2023**

As at December 31, 2023, the Company and subsidiaries has certain parcels of land with amount of Baht 190.11 million (Separate: Baht 88.91 million), and a part of buildings and machineries have been mortgaged as collateral for loan facilities from commercial banks (Note 17).

According the resolution of the Board of Directors' Meeting a No. 4/2023, On August 9, 2023, approved to acquire land and buildings was not exceeding totaling Baht 100 million, later on October 9, 2023, the Company has entered into a contract in Phra Nakhon Si Ayutthaya province with unrelated persons amount of Baht 29.27 million by placing a deposit of Baht 8.79 million.

13. Right-of-use assets

Movements of the right-of-use assets during for the year ended December 31, 2023 are summarised below:

	(Unit : Thousand Baht)
	Consolidated financial statement
Net book value as at January 1, 2023	125,508
Transfer in/(Transfer out)	30,846
Amortization	-
Depreciation for the year :	
Land reclamation	(2,648)
Right of use asset	(3,707)
Net book value as at December 31, 2023	<u>149,999</u>

14. Deferred tax assets

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

	(Unit : Thousand Baht)			
	Consolidated financial statement		Separate financial statement	
	2023	2022	2023	2022
Total	3,638	2,592	1,791	1,293
Tax set-off	(1,268)	-	(155)	-
Net deferred tax assets	<u>2,370</u>	<u>2,592</u>	<u>1,636</u>	<u>1,293</u>

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

Movements of deferred tax assets and liabilities during the year are as follows:

	(Unit : Thousand Baht)				
	Consolidated financial statement				
	(Charged) / credited to:				
As at	Gains or	Other	shareholder's	As at	
January 1,	(loss)	comprehensive	equity	December 31,	
2023	(loss)	income	equity	2023	
Deferred tax assets					
Lease liabilities	12	(1,113)	-	-	(1,101)
Obligation employee benefits	2,425	549	497	-	3,471
Trade and other non-current payables	155	(155)	-	-	-
Total	2,592	(719)	497	-	2,370

	(Unit : Thousand Baht)				
	Consolidated financial statement				
	(Charged) / credited to:				
As at	Gains or	Other	shareholder's	As at	
January 1,	(loss)	comprehensive	equity	December 31,	
2022	(loss)	income	equity	2022	
Deferred tax assets					
Lease liabilities	357	(345)	-	-	12
Obligation employee benefits	2,132	401	(108)	-	2,425
Accumulated loss carry forward not exceed 5 years	1,316	(1,161)	-	-	155
Total	3,805	(1,105)	(108)	-	2,592

	(Unit : Thousand Baht)				
	Separate financial statement				
	(Charged) / credited to:				
As at	Gains or	Other	shareholder's	As at	
January 1,	(loss)	comprehensive	equity	December 31,	
2023	(loss)	income	equity	2023	
Deferred tax assets					
Lease liabilities	-	-	-	-	-
Obligation employee benefits	1,138	193	305	-	1,636
Trade and other non-current payables	155	(155)	-	-	-
Total	1,293	38	305	-	1,636

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

(Unit : Thousand Baht)

	Separate financial statement				As at December 31, 2022
	As at January 1, 2022	(Charged) / credited to:			
		Gains or (loss)	Other comprehensive income	shareholder's equity	
Deferred tax assets					
Lease liabilities	331	(331)	-	-	-
Obligation employee benefits	1,145	93	(100)	-	1,138
Trade and other non-current payables	1,316	(1,161)	-	-	155
Total	2,792	(1,399)	(100)	-	1,293

Deferred tax asset on temporary differences are not recognized in the financial statements as follows:

(Unit : Thousand Baht)

	Consolidated financial statement		Separate financial statement	
	2023	2022	2023	2022
Accumulated loss carry forward not exceed 5 years	19,788	14,857	-	-
Net deferred tax assets	19,788	14,857	-	-

As at December 31, 2023 and 2022, The Company and subsidiaries did not record the deferred tax assets for the temporary differences totaling Baht 19.79 million and 14.86 million, respectively. The Company's management considers that there is uncertainty whether the Company will have sufficient future taxable income to utilize such items and or they might not be used to offset taxable income in the future.

15. Trade and other current payables

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

(Unit : Thousand Baht)

	Consolidated financial statement		Separate financial statement	
	2023	2022	2023	2022
Trade and other current payables to related parties (Note 3.2)	67,367	94,878	29,408	42,600
Contractor payables	4,950	6,315	-	-
Trade payables	21,875	17,004	6,989	7,285
Other current payables	35,794	25,040	16,119	12,385
Total	129,986	143,237	52,516	62,270

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

16. Short - term loans and accrued interest

As at December 31, 2023 and 2022 the Subsidiaries has short - term loans and accrued interest as follows:

	(Unit : Thousand Baht)			
	Consolidated financial statement			
	As at January			As at December
	1, 2023	Increase	(Decrease)	31, 2023
Principle - loan from third party company	202,000	108,000	-	310,000
Principle - loan from director (Note 5.3)	-	5,000	-	5,000
Total principle	202,000	113,000	-	315,000
accrued interest	1,351	16,783	-	18,134
Total	<u>203,351</u>	<u>129,783</u>	<u>-</u>	<u>333,134</u>

The Board of Directors' Meeting during the year 2022 of a subsidiary company has resolution for borrowing agreement from non-related company by credit line Baht 202 million with interest rate of 6% per annum for expanding new power plant projects of indirect subsidiary company.

The Board of Directors' Meeting during the year 2023 of a subsidiary company has resolution for borrowing agreement from non-related company by credit line Baht 108 million with interest rate of 6% per annum for expanding new power plant projects of indirect subsidiary company.

17. Long-term loans

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

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statement		financial statement	
	2023	2022	2023	2022
Long-term loans from financial institutions	376,666	684,347	-	175,369
<u>Less</u> Deferred front end fee	<u>(2,679)</u>	<u>(5,081)</u>	<u>-</u>	<u>(380)</u>
Total	373,987	679,266	-	174,989
<u>Less</u> Current portion due within				
one year	<u>(130,831)</u>	<u>(305,281)</u>	<u>-</u>	<u>(174,989)</u>
Net	<u>243,156</u>	<u>373,985</u>	<u>-</u>	<u>-</u>

Administrative fee for the loan, which will have recognized as expenses on the effective rate method.

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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

	(Unit : Thousand Baht)	
	Consolidated financial statement	Separate financial statement
Balance as at January 1, 2023	679,266	174,989
Drawdown	-	-
Repay	(305,279)	(174,989)
Balance as at December 31, 2023	<u>373,987</u>	<u>-</u>

The Company :

The Company had entered into loan agreements with two commercial banks for granting credit facilities for development of Waste-to-Energy RDF Power Plant Project. The granted credit facilities have details as follows:

	Credit line (Million Baht)	Interest rate
Overdrafts	10	MOR-0.5%
Short-term loans	30	MLR-0.5%
Long-term loans	1,000	THBFIX 3 month plus 3% p.a. and Fixed Rate 5.38% - 5.40% p.a.
Letter of guarantees	5	2% p.a.

The credit line of long-term loan is Baht 1,000 million, the Company has to repay quarterly installment at the rate 2.74% - 4.64% of loan for 26 installments and the first repayment commencing in September 2017.

Under this loan agreement, has the restrictions on use of funds. And maintaining important financial ratios as follows :

Deposit with restrictions on use has essential conditions. In the deposit account received from the Provincial Electricity Authority, which the company have to deposit into the Revenue Account and will be allocated for payment in the following order

1. Transfer into the operating account due for monthly payment according to the approved annual budget.
2. Transfer to the Debt Service Accurate Account (DSAA) as required to pay for debt repayment (repayments of principal and interest to the bank and the amount to be paid under the risk insurance contract).
3. Transfer into Debt Service Reserve Account (DSRA) as required to reserve for the next repayment.
4. Transfer to Major Maintenance Reserve Account (MMRA) as needed for maintenance.
5. Excess cash can be transferred after the above allocation to invest in approved investments.
6. The company can transfer the remaining excess cash to the account for allocation according to the Distribution test. For example, dividend payment to shareholders. (by the condition does not default, the outstanding debt account has the specified account amount, the reserve account has the amount in the specified account, the large maintenance reserve account has the specified account amount. And DSCR repayment ratio not less than 1.30 : 1).

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

The Company must maintain the financial ratio as follows :

1. The debt-to-equity ratio of the company at the end of every fiscal year must not exceed 2:1 calculated from the annual financial statements.
2. Debt service coverage ratio (DSCR) at the end of every year end must not be less than 1.15 : 1 by calculating from the company's annual financial statements.

These loans are secured by the mortgage of land and construction, buildings, machineries and equipment, the pledge of deposits of the project and are guaranteed by the parent company with no charge between companies (Note 12).

On June 30, 2023, the Company made an early repayment of loans from the financial institutions. As at December 31, 2023, the Company is in the process of releasing the obligation to guarantee the mortgage of land and buildings, machinery and equipment, including the pledge of the project's deposit account.

Subsidiaries:

On September 17, 2018, the subsidiaries had entered into loan agreements with two commercial banks for granting credit facilities for development of Waste-to-Energy RDF Power Plant Project. The granted credit facilities have details as bellows:

	<u>Credit line (Million Baht)</u>	<u>Interest rate</u>
Overdrafts	20	MOR-0.5%
Short-term loans	44	MLR-0.5%
Long-term loans	894	THBFIX 6 month And Fixed Rate 4.85% - 5.46% p.a.
Letter of guarantees	5	2% p.a.

Under the loan agreement, there are restrictions on the use of funds. And maintaining important financial ratios as follows :

Deposit with restrictions on use has essential conditions. In the deposit account received from the Provincial Electricity Authority, which the company and its subsidiaries have to deposit into the Revenue Account and will be allocated for payment in the following order

1. Transfer into the operating account due for monthly payment according to the approved annual budget.
2. Transfer to the Debt Service Accurate Account (DSAA) as required to pay for debt repayment (repayments of principal and interest to the bank and the amount to be paid under the risk insurance contract).
3. Transfer into Debt Service Reserve Account (DSRA) as required to reserve for the next repayment.
4. Transfer to Major Maintenance Reserve Account (MMRA) as needed for maintenance.
5. Excess cash can be transferred after the above allocation to invest in approved investments.

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

6. The company can transfer the remaining excess cash to the account for allocation according to the Distribution test. For example, dividend payment to shareholders. (by the condition does not default, the outstanding debt account has the specified account amount, the reserve account has the amount in the specified account, the large maintenance reserve account has the specified account amount. And DSCR repayment ratio not less than 1.20 : 1).

The Subsidiaries must maintain the financial ratio as follows :

1. Debt to equity ratio (Debt-to-Equity) of subsidiaries and indirect subsidiaries At the end of every year must not exceed 2.33 : 1 and not more than 3 : 1 respectively, calculated from the annual financial statements of the company.
2. Debt service coverage ratio (DSCR) of subsidiaries and indirect subsidiaries at the end of every year must not be less than 1.20 : 1 by calculating from the company's annual financial statements.

These loans are secured by the mortgage of land and construction, buildings, machineries and equipment, the pledge of deposits of the project and are guaranteed by the parent company with no charge between companies (Note 12).

As at December 31, 2022, the Company is unable to maintain the DSCR ratio as stipulated in the above loan agreement conditions which subsidiaries is unable to maintain the debt to equity ratio and DSCR which referred in the conditions of the loan agreement. However, the company and its subsidiaries received a waiver letter and consent from the financial institution creditors.

As at December 31, 2023, the subsidiaries is unable to maintain the debt to equity ratio and DSCR ratio as stipulated in the above loan agreement conditions which indirect subsidiaries is unable to maintain DSCR ratio which referred in the conditions of the loan agreement. However, the subsidiaries and its indirect subsidiaries received a waiver letter and consent from the financial institution creditors.

As at December 31, 2023 and 2022, the subsidiaries have used short term loan is Baht 36 million and Baht 32 million, respectively MLR - 0.5% p.a.

As at December 31, 2023 and 2022, the Company and subsidiaries have restricted deposits with banks is Baht 488.70 million and Baht 409.46 million, respectively (Separate Baht 256.16 million and Baht 163.21 million, respectively).

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

18. Debentures

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

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statement		financial statement	
	2023	2022	2023	2022
Debentures	1,201,567	499,983	1,201,567	499,983
<u>Less</u> Deferred debentures fee	(9,648)	(6,557)	(9,648)	(6,557)
Total	1,191,919	493,426	1,191,919	493,426
<u>Less</u> Current portion due within one year	-	-	-	-
Net	<u>1,191,919</u>	<u>493,426</u>	<u>1,191,919</u>	<u>493,426</u>

In the year 2022, the shareholder's meeting for 2022 approved the issuance and offering the company's debentures in the amount not exceed Baht 2,500 million. The offering No. 1/2022 to general public and/or private for the purpose of investment in the new power plant projects of the Group. The unit of offering 500,000 units amounting Baht 500 million, redemption period in 2025 at interest rate 6.50% p.a.

In the year 2023, the shareholder's meeting for 2023 , approved to increase for the issuance and offering of the company's debenture stocks, form the original limit of Baht 2,500 million is the total amount and outstanding value (Revolving basis) not exceeding Baht 7,500 million.

The Company has issued additional debentures during 2023 with the offering amount of 701,600 units, the total offered value of Baht 701.60 million, maturity date before 2026, interest rate of 5.40% per year.

The company's expenses relevant to the debentures offering amount Baht 14.48 million (No. 1/2022 amount Bath 7.05 million and No. 1/2023 amount Bath 7.43 million), which amortized by effective rate methode deducted from the debt amount.

As at December 31, 2023 and 2022, details of debenture is as follows :

Debentures	Term	Issue date	Maturity date	Interest rate (% per annum)	Interest payment	(Unit : Million Baht)	
						Consolidated / Separate financial statement	
						Par value	
						2566	2565
1/2022	2 years 6 months.	October 26, 2022	April 25, 2025	6.50	every 3 months.	500.00	500.00
1/2023	2 years 9 months.	May 19, 2023	January 19, 2026	5.40	every 3 months.	<u>701.60</u>	-
Total						<u>1,201.60</u>	<u>500.00</u>

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

Under the rights and responsibilities of debenture issuer, the Company is required to comply with certain covenants and restrictions, which include the maintenance of a debt to equity ratio per the consolidated financial statements of not more than 3 : 1 throughout the tenor of the debentures. Thus net liabilities mean debts bear interests from the consolidated financial statements (excluded : trade payables, advance received and/or any not bear interest of debts) less by cash and cash equivalents.

19. Lease liabilities

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

	(Unit : Thousand Baht)			
	Consolidated financial statement		Separate financial statement	
	2023	2022	2023	2022
Lease liabilities	204,723	209,841	4,529	4,944
<u>Less</u> Deferred interest expenses	(117,672)	(123,260)	(356)	(457)
Total	87,051	86,581	4,173	4,487
<u>Less</u> Current portion of lease liabilities	(3,144)	(2,503)	(1,791)	(1,463)
Lease liabilities - net	<u>83,907</u>	<u>84,078</u>	<u>2,382</u>	<u>3,024</u>

The subsidiary (Ava Grand Energy Company Limited.) Contract for certain land thereon with a non-related company, the period of 23 years since September 30, 2016 to September 20, 2039 amount of Baht 1.51 million per year.

Per the Board of Directors' Meeting No. 6/2022 held on December 24, 2022, has resolution for write-off the land reclamation because of discontinued the land rental contract G3 of Kaeng Khoi Industrial Estate, Saraburi Province.

Two indirect subsidiaries have obligations with other person to rent the land rental agreement for 30 years starting from November, 2022 and ending November, 2052, by rental rate at Baht 1.72 million and Baht 2.11 million per year that shall be increased fixed rate of each 3 years.

20. 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 : Thousand Baht)			
	Consolidated		Separate	
	financial statement	financial statement	financial statement	financial statement
	2023	2022	2023	2022
Current provisions for employee benefits	1,147	-	-	-
Non-current provisions for employee benefits	16,252	12,125	8,181	5,692
Total provisions for employee benefits	<u>17,399</u>	<u>12,125</u>	<u>8,181</u>	<u>5,692</u>

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

(Unit : Thousand Baht)

	Consolidated		Separate	
	financial statement		financial statement	
	2023	2022	2023	2022
Obligation employee benefits-beginning	12,125	10,656	5,692	5,723
Employee benefit expense				
Current service cost	2,232	1,751	714	353
Interest cost	559	259	252	116
Actuarial (gain) loss	2,483	(541)	1,523	(500)
Obligation employee benefits-ending	17,399	12,125	8,181	5,692

Significant actuarial assumptions are summarized below:

(Unit : Thousand Baht)

	Consolidated		Separate	
	financial statement		financial statement	
	2023	2022	2023	2022
<u>Change in assumptions</u>				
Discount rate (%)	2.47 – 3.53	3.05 - 4.33	3.55	3.94
Future salary increase rate (%)	5.00 – 5.68	5.00 - 5.68	5.68	5.68
Retirement age (years)	60	60	60	60

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 follows:

(Unit : Thousand Baht)

	As at December 31, 2023			
	Consolidated financial statement		Separate financial statement	
	Increase	Decrease	Increase	Decrease
<u>Change in assumptions</u>				
Discount rate (0.5 %)	(846)	933	(453)	499
Future salary increases rate (0.5 %)	907	(831)	484	(445)
Turnover rate (1.0 %)	(841)	927	(437)	479

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

(Unit : Thousand Baht)

	As at December 31, 2022			
	Consolidated financial statement		Separate financial statement	
	Increase	Decrease	Increase	Decrease
<u>Change in assumptions</u>				
Discount rate (0.5 %)	(642)	708	(347)	383
Future salary increases rate (0.5 %)	512	(628)	209	(342)
Turnover rate (1.0 %)	(439)	313	(152)	4

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 future benefit payments as at December 31, 2023 and 2022 are as follows:

(Unit : Thousand Baht)

	As at December 31, 2022			
	Consolidated financial statement		Separate financial statement	
	2023	2022	2023	2022
Within 1 year	8,659	-	3,382	-
Within 2-5 years	899	7,590	-	2,680
Within 6-10 years	4,765	4,176	186	187
Within 11-15 years	12,828	9,328	7,167	4,779

21. 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.

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

22. Expense by nature

Significant expenses by nature are as follows:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statement		financial statement	
	2023	2022	2023	2022
Salary and wages and other employee benefits	107,472	95,628	23,548	19,298
Depreciation and amortization	119,522	120,294	65,285	68,418
Tax deducted not refundable	2	-	-	-
Consulting fee	26,067	17,697	29,724	27,200
Raw materials and consumables used	173,571	179,798	68,325	67,928
Rental and service expense	3,670	2,214	894	505
Cost of landfill	69,806	44,693	25,399	17,552
Cost of wastewater treatment	4,867	4,756	1,958	2,205
Repair expense	31,388	26,173	14,313	10,461
Operating wages	9,029	10,292	6,650	7,856
Utilities	24,604	22,559	8,192	7,572
Loss from lease termination	-	27,137	-	27,137
Other fee and other expense	17,223	22,156	12,779	12,049

23. Income tax

The company has been granted promotional privileges by the Office of the Board of Investment.

Income tax recognized in profit or loss

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statement		financial statement	
	2023	2022	2023	2022
Income tax :				
Income tax for the year	149	1,038	6	974
Deferred tax :				
Expense (income) Relating to origination and reversal of temporary differences	719	1,105	(38)	1,399
Expense (Income) tax in statements of comprehensive income	868	2,143	(32)	2,373

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

Reconciliation of effective tax rate

	(Unit : Thousand Baht)			
	Consolidated financial statement			
	Tax rate (%)	2023	Tax rate (%)	2022
Profit before income tax expense		33,945		138,351
Income tax using the Thai corporation tax rate	20	6,789	20	27,670
Current income tax expense as tax rate				
Tax implications for:				
Investment promotion		(24,121)		(27,174)
Loss from non - investment promotion		15,789		3,995
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit-net		1,761		(3,464)
Others		(69)		11
Total		<u>149</u>		<u>1,038</u>

	(Unit : Thousand Baht)			
	Separate financial statement			
	Tax rate (%)	2023	Tax rate (%)	2022
Profit before income tax expense		35,867		52,559
Income tax using the Thai corporation tax rate	20	7,173	20	10,512
Current income tax expense as tax rate				
Tax implications for:				
Investment promotion		(9,860)		(8,824)
Loss from non - investment promotion		2,465		-
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit-net		228		(714)
Total		<u>6</u>		<u>974</u>

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

24. Financial information classified by segment

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

The principal business operations of the Company and subsidiaries are generation and distribution of electricity from industrial waste. The company's other business segment has construction.

The revenue from sale of electricity recognized at a point in time when the controls over the products are transferred at the Provincial Electricity Authority (PEA) in the agreements.

(Unit : Thousand Baht)

	Consolidated financial statement				
	For the year ended December 31, 2023				
	Power business	Construction	Total	Elimination	Net
Sale and service income	708,385	43,098	751,483	(43,098)	708,385
Cost of sale and service	(483,920)	(48,520)	(532,440)	46,455	(485,985)
Gross (loss) profit	224,465	(5,422)	219,043		222,400
Other income	68,457	123	68,579	(25,395)	43,185
Profit (loss) before expense	292,922	(5,300)	287,622		265,585
Expenses					
Administrative expenses			(84,737)	1,203	(83,534)
Management benefit expenses			(29,582)	-	(29,582)
Finance costs			(139,361)	22,200	(117,161)
Total expenses			(253,680)		(230,277)
Net profit (loss) before income tax expense			33,942		35,308
Income tax			(868)		(868)
Profit before non - controlling interest			33,074		34,440
Gain of non - controlling interest			-	(3,443)	(3,443)
Net profit of owners of the Company			33,074		30,997
Timing of revenue recognition					
At a point in time	708,385	-	708,385		
Over time	-	-	-		
Total revenues	708,385	-	708,385		

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

(Unit : Thousand Baht)

	Consolidated financial statement				
	For the year ended December 31, 2022				
	Power business	Construction	Total	Elimination	Net
Sale and service income	736,840	43,474	780,314	(42,047)	738,267
Income from construction	-	6,163	6,163	(6,163)	-
Cost of sale and service	(465,470)	(46,758)	(512,228)	44,704	(467,524)
Cost of construction	-	(5,195)	(5,195)	5,195	-
Gross (loss) profit	271,370	(2,316)	269,054		270,743
Other income	47,623	602	48,225	(3,868)	44,357
Profit (loss) before expense	318,993	(1,714)	317,279		315,100
Expenses					
Administrative expenses			(92,356)	1,870	(90,486)
Management benefit expenses			(23,484)	-	(23,484)
Finance costs			(70,094)	7,315	(62,779)
Total expenses			(185,934)		(176,749)
Net profit (loss) before income tax expense			131,345		138,351
Income tax			(2,142)		(2,142)
Profit before non - controlling interest			129,203		136,209
Gain of non - controlling interest			-		(5,142)
Net profit of owners of the Company			129,203		131,067
Timing of revenue recognition					
At a point in time	736,840	-	736,840		
Over time	-	-	-		
Total revenues	736,840	-	736,840		

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

25. Benefits from investment promotion

Details BOI	Earth Tech Environment Public Company Limited	Recovery House Company Limited	Ava Grand Energy Company Limited
Number	1189 (1) / 2558	61-0959-1-00-2-0	61-0965-1-00-2-0
Approval date	February 13, 2015	August 14, 2018	August 14, 2018
Important rights and benefits	Exemption from corporate income tax on net income derived from the promoted business for 8 years from the date of first earning operating income.		
	Receive a reduction of corporate income tax for net profit derived from investment at the rate of 50 percent of the normal rate for a period of 5 years from the date of the first 8 year period.	-	-

The Company's Revenue from sales could be classified are as follows:

(Unit : Thousand Baht)

Consolidated financial statement			
For the year ended December 31, 2023			
	BOI	Non-BOI	Total
Sale and service incomes	708,385	-	708,385
Other incomes	-	43,183	43,183
Total revenues	708,385	43,183	751,568

(Unit : Thousand Baht)

Separate financial statement			
For the year ended December 31, 2023			
	BOI	Non-BOI	Total
Sale and service incomes	302,285	-	302,285
Other incomes	-	64,071	64,071
Total revenues	302,285	64,071	366,356

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

(Unit : Thousand Baht)

Consolidated financial statement			
For the year ended December 31, 2022			
	BOI	Non-BOI	Total
Sale and service incomes	736,840	1,427	738,267
Other incomes	-	44,357	44,357
Total revenues	736,840	45,784	782,624

(Unit : Thousand Baht)

Separate financial statement			
For the year ended December 31, 2022			
	BOI	Non-BOI	Total
Sale and service incomes	321,944	-	321,944
Other incomes	-	27,607	27,607
Total revenues	321,944	27,607	349,551

26. Significant contracts

Power purchase agreement

The Group have entered into three power purchase agreements with Small Power Producers (VSPP) in the Non-firm category with the Provincial Electricity Authority. By the Regulation of the Energy Regulatory Commission (ERC) regarding the purchase of electricity from VSPP (For electricity production from renewable energy) as follows:

Company	Power plant using fuel		FiT (20 years)		FiT Premium	For the Biofuels / Industrial Waste group project (Flat rate for the first 8 years)	Commencement date of electricity supply to the system (COD)	Contract end date
	Installed capacity (MW)	Offering (MW)	FiT _F (Flat rate)	FiT _{V, 2560} (Variable rate)				
Earth Tech Environment Public Company Limited	9.4	8.0	2.39	2.69	0.70		March 9, 2017	March 8, 2037
Ava Grand Energy Company Limited	4.0	3.0	3.39	2.69	0.70		December 25, 2019	December 24, 2039
Recovery House Company Limited	7.0	5.5	3.39	2.69	0.70		September 24, 2019	September 23, 2039

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

Remarks

1. Fixed Feed-in Tariffs (FiTF) are fixed electricity prices (Baht per unit) over the commercial period of 20 years.
2. Variable Feed-in Tariffs (FiTV) are based on 2.69 Baht per unit and increase in accordance with the average core inflation rate of the previous year, as announced by The Ministry of Commerce.
3. Premium Feed-in Tariffs (Fit Premium) are incentive rates, according to the government's policy, to promote investments in energy from biomass and industrial waste with an additional rate of 0.70 Baht per unit covering the first 8 commercial years only.

On October 16, 2023, a subsidiary of Get Green Power Company Limited, has signed a power purchase agreement (PPA) with the Provincial Electricity Authority ("PEA") to develop 10 industrial waste power plant projects with a contracted power capacity of 8 megawatts per project, totaling 80 megawatts (1 subsidiary company : 1 project : 8 megawatts) The said contract has a period of 20 years from the date the electricity is supplied to the system. There is a fixed electricity rate of 6.08 baht per kilowatt-hour. and receive an additional electricity charge of 0.70 baht per kilowatt-hour for the first 8 years of operation, with the entire project scheduled to open for commercial operation in 2026.

27. Commitments

As at December 31, 2023, the Company has commitments as follows:

- A) The Company and subsidiaries have obligations from land rental agreements for the Industrial Estates which they must pay the facilities of services fees and maintenance at specific rates.
- B) The subsidiaries had liabilities may arise from letters of guarantee and cash cheque by banks to guarantee the Government amounting Baht 10.88 million. The letters of guarantee those guarantee by deposit at bank of the company.
- C) The third party company had commitments from engineering services agreement with an unrelated companies amount of Baht 11.85 million (Separate: Baht 2.22 million).

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

28. Financial instruments

28.1 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, short-term loans, bank overdrafts and short-term loans from financial institutions, 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 and long-term borrowings 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, except for the items that will be mentioned as follows.

Fair values of financial assets and liabilities, together with the carrying values show in the statement of financial position as at December 31, 2023 were as follows :

(Unit : Thousand Baht)

	Consolidated financial statement				
	As at December 31, 2023				
	Carrying amount	Fair Value			
	Level 1	Level 2	Level 3	Total	
Financial liabilities					
Financial assets measured at fair value through profit or loss					
- Interest Rate SWAP	3,342	-	1,122,468	-	-
Total	1,122,468	-	1,122,468	-	-

The company have no transaction transfer between Level 1, Level 2, and Level 3 of the fair value hierarchy during the year.

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

28.2 Interest rate risk

Interest rate risk incurs from the future interest rate instability, which may affect the Company operating result and cash flow. the Group 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 Group 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 summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit : Thousand Baht)

Consolidated financial statement							
As at December 31, 2023							
	Fixed interest rates			Floating Interest rate	Non- interest bearing	Total	interest rate (% per annum.)
	Within 1 year	1-5 years	Over 5 years				
Financial Assets							
Cash and cash equivalents	-	-	-	16,182	1,535,938	1,552,120	0.15 – 0.25
Loans and accrued interest	134,904	110,585	-	-	-	245,489	4.00 – 6.00
Restricted deposits with banks	-	-	-	8,752	479,952	488,704	0.15
	<u>134,904</u>	<u>110,585</u>	<u>-</u>	<u>24,934</u>	<u>2,015,890</u>	<u>2,286,313</u>	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	-	-	-	36,000	-	36,000	MLR - 0.5
Short-term loans and accrued interest	328,134	-	-	-	-	328,134	6.00
Long-term loans	-	-	-	373,987	-	373,987	4.85 – 5.46
Debentures	-	1,191,919	-	-	-	1,191,919	6.50
Lease liabilities	3,144	2,382	80,904	-	-	86,430	2.65 – 8.90
	<u>331,278</u>	<u>1,194,301</u>	<u>80,904</u>	<u>409,987</u>	<u>-</u>	<u>2,016,470</u>	

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

(Unit : Thousand Baht)

Consolidated financial statement							
As at December 31, 2022							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating Interest rate	Non- interest bearing	Total	interest rate (% per annum.)	
Financial Assets							
Cash and cash equivalents	-	-	-	18,815	1,216,766	1,235,581	0.15 - 0.25
Loans and accrued interest to related parties	83,876	280,728	-	-	-	364,604	4.00 - 6.00
Restricted deposits with banks	-	-	-	380,431	29,027	409,458	0.15
	<u>83,876</u>	<u>280,728</u>	<u>-</u>	<u>399,246</u>	<u>1,245,793</u>	<u>2,009,643</u>	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	-	-	-	32,000	-	32,000	MLR - 0.5
Short-term loans and accrued interest	203,351	-	-	-	-	203,351	6.00
Long-term loans	-	-	-	679,267	-	679,267	4.85 - 5.46
Debentures	-	493,426	-	-	-	493,426	6.50
Lease liabilities	2,503	3,305	80,773	-	-	86,581	2.65 - 8.90
	<u>205,854</u>	<u>496,731</u>	<u>80,773</u>	<u>711,267</u>	<u>-</u>	<u>1,494,625</u>	

(Unit : Thousand Baht)

Separate financial statement							
As at December 31, 2023							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating Interest rate	Non- interest bearing	Total	interest rate (% per annum.)	
Financial Assets							
Cash and cash equivalents	-	-	-	-	1,493,504	1,493,504	-
Loans and accrued interest to related parties	565,182	110,585	-	-	-	675,767	4.00 - 6.00
Restricted deposits with banks	-	-	-	8,752	247,411	256,163	0.15
	<u>565,182</u>	<u>110,585</u>	<u>-</u>	<u>8,752</u>	<u>1,740,915</u>	<u>2,425,434</u>	
Financial liabilities							
Debentures	-	1,191,919	-	-	-	1,191,919	6.50
Lease liabilities	1,791	2,382	-	-	-	4,173	2.65 - 8.90
	<u>1,791</u>	<u>1,194,301</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,196,092</u>	

EARTH TECH ENVIRONMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

(Unit : Thousand Baht)

Separate financial statement							
As at December 31, 2022							
Fixed interest rates							
	Within 1 year	1-5 years	Over 5 years	Floating Interest rate	Non- interest bearing	Total	interest rate (% per annum.)
Financial Assets							
Cash and cash equivalents	-	-	-	-	1,074,972	1,074,972	-
Loans and accrued interest to related parties	357,647	280,728	-	-	-	638,375	6.00
Restricted deposits with banks	-	-	-	134,191	29,027	163,218	0.15
	357,647	280,728	-	134,191	1,103,999	1,876,565	
Financial liabilities							
Long-term loans	-	-	-	174,989	-	174,989	5.38 - 5.40
Debentures	-	493,426	-	-	-	493,426	6.50
Lease liabilities	1,463	3,024	-	-	-	4,487	2.10 - 8.96
	1,463	496,450	-	174,989	-	672,902	

29. 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 consolidated financial statements is 0.74 : 1 (Separate: debt to equity ratio is 0.46 : 1)

30. Subsequent events

31. Reclassification

Certain amounts in the financial statements for the year ended December 31, 2022, have been reclassified to conform to the current period, which no effect on net income or shareholders' equity previously reported.

32. Approval of the financial statements

These financial statements have been approved by the Company's Board of Directors on February 19, 2024.