

**Professional Waste Technology (1999) Public  
Company Limited and its subsidiary**

Financial statements for the year ended  
31 December 2023  
and  
Independent Auditor's Report

## **Independent Auditor's Report**

### **To the shareholders of Professional Waste Technology (1999) Public Company Limited**

#### *Opinion*

I have audited the consolidated and separate financial statements of Professional Waste Technology (1999) Public Company Limited and its subsidiary (the Group), and of Professional Waste Technology (1999) Public Company Limited (the Company), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2023, and the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Professional Waste Technology (1999) Public Company Limited and its subsidiary and of Professional Waste Technology (1999) Public Company Limited, respectively, as at 31 December 2023, and their financial performance and their cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

#### *Basis for Opinion*

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* paragraph 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 responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### *Material uncertainty related to going concern*

I draw attention to note 2.6 to the financial statements for the year ended 31 December 2023, the Group/Company had net operating losses in the amount of Baht 187 million and Baht 174 million, respectively, and had negative cash flows from operating activity in the amount of Baht 65 million and Baht 54 million, respectively in the consolidated and separate financial statements. As at the same day, the Group/Company had also deficit in the amount of Baht 757 million and Baht 761 million, respectively, and had current liabilities exceeded current assets in the amount of Baht 77 million and Baht 123 million, respectively in the consolidated and separate financial statements, including default in payment of debt to trade and other payables. The Company also had a lot of lawsuit and litigation or dispute which has not been finalized and has been still in the process of consideration by the Court as described in note 40 to the financial statements, and significant other matter as described in note 43 to the financial statements. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the ability of the Group/Company to continue as a going concern. However, the management have been in the process of resolving these matters such as the offering for sale of certain assets. My opinion is not modified in respect of these matters.

*Key Audit Matters*

Key audit matter is the matter that, in my professional judgment, was of most significance in my audit of the consolidated and separate financial statements of the current period. The matter was 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.

Key Audit Matters	Audit Responses
<p><b>Revenues from services of industrial waste treatment and landfill</b></p> <p>Financial performance of the Company is mainly from treatment services for industrial waste or unused supplies including waste transportation, segregate and waste landfill, etc. In 2023 revenues from such services amounted to Baht 34 million and Baht 34 million (accounting for 43 percent and 93 percent of total revenues) in the consolidated and separate financial statements, respectively. Therefore, the Company may take significant risks to operated its core business with respect to the environmental masses, the Government Agency that controls the core business, types, quantities of industrial wastes, service rates, and the process of issuing manifest document, the approval of issuing manifest document for hazardous industrial waste, in relation to accuracy and completeness in recognizing revenues from services.</p> <p>Accounting policies and details of revenues from services were disclosed in Notes 3 and 27 to the financial statements.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> <li>• Understand the process of accounting records, calculating revenues and related matters to apply substantive procedures;</li> <li>• Understand and assess the marketing strategy in respect of increasing revenues, environmental masses protection, preparing service agreement of the Company, preparing and approving the manifest documents, the result of the industrial waste analysis and related matters.</li> <li>• Perform substantive testing as follows: <ul style="list-style-type: none"> <li>- Examine service agreement and various term of agreement, payment evidence and verify documents related to accounting records;</li> <li>- Verify accuracy of recording revenues from service by testing the calculation of revenues based on waste treatment quantities to manifest document, test the calculating of commission and evidence of the service to be completed, and verify service price to agreement or purchase orders from the customers;</li> <li>- Cut-off testing of revenues by selecting revenues transactions recorded in the period prior to and post period-end to verify to the manifest, credit notes and evidence of the service to be completed, in order to ensure that the Company recognized service revenues in the proper period;</li> <li>- Review the adequacy of disclosures in notes to the financial statements.</li> </ul> </li> </ul>

Key Audit Matters	Audit Responses
<p><b>Lawsuits and litigation</b></p> <p>During 2023, the Group and the Company had a lot of lawsuits and disputes, which have been still in the process of consideration by the Court that may be incurred damage if the Group and the Company can not defend the lawsuits, and must use judgment to determine the adequacy of the provision.</p> <p>Therefore, I pay particular attention to determine the adequacy of provision whether it is recognized in accordance with the financial reporting standards.</p> <p>Accounting policies and details of commitment, significant events and significant cases were disclosed in Notes 3, 24 and 40 to the financial statements.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> <li>• Understanding the process for assessing the lawsuits and the management’s disputes and related internal control systems;</li> <li>• Performing substantive test as follows: <ul style="list-style-type: none"> <li>- Inquiring the legal advisors and the management of the entities to be acknowledge of any significant lawsuits and litigation that may occur and whether the financial impact and expense is reasonable or not.</li> <li>- Considering the potential damages from lawsuits, disputes and litigation and assess the financial risks, including the adequacy and appropriateness of the recognition and disclosure.</li> </ul> </li> </ul>

*Emphasis of Matters*

I draw attention to Notes 24 and 40 to the financial statements, explained the details regarding the Company was requested for fines and claimed the damage from non-compliance with the condition of an agreement to manage wastes. The Company already sent a letter to deny the fines and to dispute the right with AOT. In addition, the SPS Consortium group (including the Company’s proportional responsibility of 30%) as the plaintiff, sued AOT to the Central Administrative Court. Based on such circumstances, indicate the existence of an uncertainty in these matters.

My opinion is not modified in respect of these matters.

*Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor’s report thereon. The annual report 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 will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement there in, I am required to communicate the matter to those charged with governance and request further appropriate corrections.

*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 TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate 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 the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the 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 TSAs 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 TSAs, 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate 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 and the Company 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.

(Maliwan Phahuwattakorn)  
Certified Public Accountant  
Registration Number 4701

NPS Siam Audit Limited  
Bangkok  
29 February 2024