



IN RETURN FOR ALL
THE CONFIDENCE IN US

SAMART

ANNUAL REPORT

2018

IN RETURN FOR ALL THE CONFIDENCE IN US

SAMART Group has been enjoying the trust and the confidence clients place in us for over six decades. This keeps us committed and determined to continue to work hard in the face of challenges and competition driving the business with our professionalism with the aim to deliver the best to our clients and shareholders as well as our society and the country at large.

This is in return for all the confidence in us, stepping forward together towards a sustainable future.



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Smart Solutions & Services from “SAMART Group”

“SAMART GROUP” is ready to provide ICT related services with the following ICT solutions being evidence of our performance quality.

ICT Solution & Service

- Installation of high-speed Internet all over the country.
- Installation of Digital Trunked Radio. Enhanced Technology Solutions
- Airport Information Management Systems (AIMS), Common Use Terminal Equipment (CUTE) including Common Use Self Service (CUSS) and Advance Passenger processing System (APPS) at the airports in the region.
- Information system development.
- Installation of Automatic Meter Reading (AMR).
- Cyber Security systems.
- Core Banking systems installation.
- Enterprise Resource Planning (ERP) system installation and management.
- Installation of E-payment systems.

Digital Content and Medial (Digital)

- EDT ; Eat, Drink, Travel and lifestyle information service for the new generation.
- HORO online center of fortune-tellers providing a complete range of astrological services.
- I-sport service providing digital sports information and entertainment.

Utilities & Transportations

- Air Traffic Control Center, Cambodia, by Cambodia Air Traffic Services Co. Ltd., granted an exclusive 39-year license by the Cambodian government (2001-2040).
- High voltage power station construction, laying power transmission cables both overhead and underground by Teda Co., Ltd.

Technology Related Services

- Complete contact center services by One To One Contacts Public Company Limited
- CCTV and security systems services at the Government Complex Commemorating His Majesty the King's 80th Birthday Anniversary, Suvarnabhumi Airport, Bangkok, as well as in the area of five southern border provinces and other places by Vision and Security Systems Co., Ltd.



SEEKING NEW BUSINESS OPPORTUNITIES AND STABLE GROWTH



We not only look for opportunities but also **create opportunities regularly by diversifying into new businesses** with high potential growth and worthwhile investment returns both in the country and abroad. We ensure that we are always prepared to **keep abreast with the business world in the ever-changing digital age.**



SUCCESS...WITH AN EFFECTIVE POWERFUL OVERALL TEAM AND
MANAGEMENT CAPABILITY STANDARDS



Each successful step is due to our effective powerful well-experienced team with adherence to excellence. In addition, our continued success in project management and **delivery for SAMART Group clients** is apparently our well-recognized work systems of international standards.



CONSTANTLY MAKING DEVELOPMENTS
FOR CONTINUAL GROWTH

“
STEPPING FORWARD TOGETHER
TOWARDS A SUSTAINABLE FUTURE.
”

For the past 63 years, **SAMART Group** has kept on growing while experiencing both successes and failures. **We keep on learning and have never stopped developing our organization** further so that we can always face new challenges no matter whatever changes there may be. That is our approach in promoting a strong and sustainable organization and **we hold true to that belief always.**

Message from the Board of Directors

In 2018, the overall picture of the world economy showed continuous growth thanks to the good expansion in the global commerce, the lower unemployment rate which supported the economic recovery, especially the improvement in U.S. economy that triggered the economic growth in Thailand with various factors, including the expansion of the export industry, the clear recovery of private sector investment, the rapid growth of the tourism industry, as well as investment in the EEC project by foreign investors. The Company's business operational policy will still correspond with the long-term strategic plan, which focuses on continuously increasing the business value. The Company gives priority to employee development at all levels, especially young-blood workforce and management development, adapting the strategy to the current situation, and regularly seeking new investment opportunities.

Major activities in the past year as follows :

Move Forward to the Digital Age with "Samart Digital"

"Samart Digital" underwent a major business transformation, closing down its mobile phone business and shifting to complete digital services, including the digital trunked radio system (DTRS) of which the target clients are state-owned enterprises and government agencies, the digital content business which has become a digital platform provider that offers eat, drink and travel content and comprehensive travel planner services. Meanwhile the sports business is aiming towards complete digital sports business that serves the digital trend and the upcoming age of sports and healthy lifestyle. This is to enhance the livelihood by providing quality products and services derived from technology advancement and excellent innovations of the digital age.

A Firm Growth and Readiness to Become an "ICT Solution & Service" Leader

The ICT Solution & Service business still emphasizes on technology and innovation development and value-added solutions and services, along with close collaboration with leading partners to consistently increase regular revenue and become a critical drive for Samart Group in order to become one of the country's top IT and communication service providers compliant to the global standard, which will bring about a firm and sustainable growth.



(Dr. Tongchat Hongladaromp)
Chairman

Samart Corporation Public Company Limited



Message from the Board of Directors

The Sustainable Utilities and Transportations Business

Utilities and Transportations, one of the Company's business that generates regular income, has also been highly successful thanks to "Cambodia Air Traffic Services" (CATS), a system installation and air traffic control service provider in Cambodia, and the high-voltage power line construction project, under the operation of Teda Company Limited, which is consistently improving. The Company is planning to expand its transportation and infrastructure business in the future in order to advance and broaden its business for more opportunities and success.

Social Development towards Perpetuity

Apart from transparent and fair business practice, community service is another activity that "Samart Group" always values. We believe that the Thai society needs two things for a strong and sustainable foundation : **"Quality people and ethical society"**.

In the part of **"quality people"**, Samart has been supporting Thai youths to create opportunities, career, and income because they will be the country's important asset. We sponsor Samart Innovation Award as part of the Young Technopreneur project. Moreover, we provide scholarships for underprivileged students and support their sports activities.

Next is **"ethical society"**. The Company's "Samart D Club" encourages volunteering, charity and community services such as the "Kia D" fund for employees to organize beneficial activities for the community, the "Tak Boon" project in which employees make knitted hats for children in the rural area.

On behalf of Samart Corporation Co. Ltd., we would like to thank all shareholders, business partners, trading partners, clients, financial institutes, relevant public organizations, management and employees, and all related personnel for their great support on Samart Group's operations. We will strive to conduct our business with determination and efficiency. We will not stop improving our products and services for the consumers' best interest along with maintaining good business regulation towards sustainable achievement in the future.



(Mr. Charoenrath Vilailuck)

Executive Chairman / Executive director
Samart Corporation Public Company Limited



Board of Directors

1. Dr.Tongchat Hongladaromp

- Chairman
- Independent Director
- Audit Committee Member
- Chairman of the Nominating & Compensation Committee

2. Mr.Pradang Prichayangkun

- Vice Chairman
- Independent Director
- Chairman of the Audit Committee
- Corporate Governance Committee Member
- Nominating & Compensation Committee Member

3. Mr.Seri Suksathaporn

- Independent Director
- Audit Committee Member
- Nominating & Compensation Committee Member
- Chairman of the Corporate Governance Committee

4. Mr.Prinya Waiwatana

- Independent Director
- Corporate Governance Committee Member

5. Mrs.Siripen Vilailuck

- Director

6. Mr.Sirichai Rasameechan

- Director
- Corporate Governance Committee Member



7. Mr.Charoenrath Vilailuck

- Authorized Director
- Executive Director
- Executive Chairman & CEO
- Chairman of the Risk Management Committee

8. Mr.Watchai Vilailuck

- Authorized Director
- President
- Executive Director
- Chief Operating Member of the Risk Management Committee
- Chairman of the Sustainable Development Committee

9. Mr.Thananan Vilailuck

- Authorized Director
- Executive Vice Chairman - Corporate Strategy
- Executive Director
- Risk Management Committee Member
- Sustainable Development Committee Member

10. Mr.Teerachai Phongpanangam

- Authorized Director
- Executive Director
- Sustainable Development Committee Member



SAMART DNA

Think **Ahead**

Customer **Focus**

Team of **Professionals**

Commit to **Excellence**

Vision

SAMART GROUP

is committed to offering advanced ICT and Technology-related products and services to create sustainable growth and enrich the quality of life

Mission

To realize our vision, we have defined a clear set of the following missions to create shared values for all of our stakeholders :

Organization

Promoting efficiency, transparency, fairness, and accountability in management processes and operations for the benefit of all stakeholders including society at large and the environment.

Clients

Offering telecommunications technology solutions and related services with dedication and care, to create optimum results satisfying the needs of service users.

Partners

Building a strong relationship in seeking opportunities for mutual business goals

Personnel

Enhancing professionalism and providing career progression opportunities.

Shareholders

Building a secure and sustainable income as continuing profitable returns.

Community and society

Promoting "quality people and virtuous society" via beneficial projects and activities continuously.

Corporate Social Responsibilities Report

(Sustainable Development Report)

Policy and Overall

The Company stands firm to operate businesses by adhering to good corporate governance and business ethics together with social and environmental responsibility by taking into consideration all stakeholders, both inside and outside the organization, from shareholders, employees, customers, communities and etc. with aims to lead to sustainable business development. As a member of the society, the Company decided to build positive impact to the communities and in order to achieve such intention and concept as mentioned above. The Board of Directors approved to appoint the Sustainable Development Committee to specify policy framework and operating guidelines of the Company's environmental and social responsibility activities. Such operations shall be used as guidelines to follow up progress and assess the CSR activities then report to the Board of Directors. The Sustainable Development Committee to arrange the meeting at least 2 times a year. The Company shall develop the CSR activities pursuant to the guidelines specified by the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand which can be led to sustainable business growth.

Roles and Responsibilities of the Sustainable Development Committee

1. Establish policy, strategy including operation plans for sustainable development which is consistent with the Company's business operations with regards to economic, social and environmental aspects.
2. Promote and support the Company's activities in order to make them achieve the targets pursuant to the sustainable development policy.
3. Supervise, review, follow-up progress of operations and evaluate efficiency on performance of the sustainable development policy.
4. Report the operating result to the Board of Directors.

Sustainable Development Policy

1. To conduct business based on governance principles as well as social and environmental responsibility including other relating to sustainable development by taking into consideration the best interests of all stakeholders.
2. To build corporate culture which could cultivate the employees' consciousness on operations and volunteer spirit, devotion of personal time and effort for benefits of the whole community.
3. To promote and educate the employees at all levels on joint guidelines for sustainable development and environmental and social responsibility throughout the organization.
4. To promote the social and environmental projects or activities and works related to sustainable development

The Company conducts business based on good governance principle and recognizes the importance of all stakeholders. The Company has considered and prioritized stakeholders as well as provided appropriate strategies for sustainable development of business. Therefore, the Company has set vision and mission to represent the Company's focus on customers as normal operation of the Company as follows:

Vision

"SAMART GROUP" is committed to offering advanced ICT and Technology-related products and services to create sustainable growth and enrich the quality of life.

Mission

Organization : Promoting efficiency, transparency, fairness, and accountability in management processes and operations for the benefit of all stakeholders including society at large and the environment.

- Clients** : Offering telecommunications technology solutions and related services with dedication and care to create optimum results satisfying the needs of service users.
- Partners** : Building a strong relationship in seeking opportunities for mutual business goals.
- Personnel** : Enhancing professionalism and providing career progression opportunities.
- Shareholders** : Building a secure and sustainable income as continuing profitable returns.
- Community and society** : Promoting “quality people and virtuous society” via beneficial projects and activities continuously.

Details of policies for all stakeholders and implement of policies in the previous year were disclosed in the section “**Corporate Governance**” under the topic “**Business Ethics**”.

Progress and Reporting

The Company conducts business in compliance with the Sustainable Development Policy and taking into account with all stakeholders. The policies regarding treatments to all stakeholders are stipulated in the Company’s Business Ethics. Details are disclosed in the section “**Corporate Governance**” under topic of “**Business Ethics**” and posted on the Company’s website at www.samartcorp.com. The CSR policies comprise 9 operating principles of conduct as follows:

1. Corporate Governance
2. Fair Operating Practices
3. Anti-Corruption
4. Respect of Fundamental Human Rights
5. Fair Labor Practices
6. Consumer Responsibility
7. Contribution to the Community and Society
8. Environmental Conservation
9. Innovation and Publication of Innovation from Social Responsibility

1. Corporate Governance

Promote and make good governance principle become corporate culture, adhere to responsibilities for all stakeholders with transparency and auditability.

The Board of Directors of the Company realized on the importance of the good Corporate Governance which will be the fundamental factor for improving standard of business operation to create more transparency, competitiveness and strengthen the confidence of all shareholders, investors and other related parties. Thus, written Corporate Governance Policy and Business Ethics, which complied with the Corporate Governance Principles of the Stock Exchange of Thailand (“SET”), have been provided for practices of directors, managements and employees of the Company. The Company has the Corporate Secretary Division which is the compliance unit to supervise and oversee the operations of the Company, the directors and the managements to ensure that they have been correctly complied with the regulations of the SET, the Office of Securities and Exchange Commission (“SEC”) and the Public Company Limited Act including other relevant laws. More details on Corporate Governance initiatives undertaken by the Company in 2018. Details are provided under “**Corporate Governance**”.

During the past year, the Company has strongly observed the Corporate Governance Principles, as a result, Samart Corporation Public Company Limited (“SAMART”) and its 2 listed subsidiaries, Samart Telcoms Public Company Limited (“SAMTEL”) and Samart Digital Public Company Limited (“SDC”), including One To One Contacts Public Company Limited (“OTO”), its listed subsidiary in MAI, received corporate governance assessment results in 2018 as follows:

1) Assessment Result on Corporate Governance of Thai Listed Companies in 2018

SAMART, SAMTEL, SDC and OTO were assessed with “**Excellent**” Recognized Level (**5 Stars**), from the survey of total 657 listed companies by the Thai Institute of Directors Association (IOD) together with the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

2) Assessment Result on Quality on Arrangement of Annual General Meeting of Shareholders for 2018

All of SAMART, SAMTEL, SDC and OTO were assessed with 4 TIA. They were 657 listed companies assessed this year as surveyed by the Thai Investors Association.

2. Fair Operating Practices

Determine to operate business with fairness and with ethical behavior, observe the laws and respect all social rules.

The Company conducted business and managed work ethically. The Board of Directors has provided the business ethics manual for the Company’s directors, managements and employees to adhere as their practical guidelines on integrity, honesty, standardization, quality, moral and fairness. It also covers the administration of all stakeholder groups, i.e. shareholder, employee, customer, competitor, business partner, creditor including society and the environment. The practical guidelines which include the rights and benefits entitled to all stakeholders have also been specified in the business ethics for the directors, managements and employees. Such **business ethic** has been posted on the Company’s website (www.samartcorp.com). Moreover, the Board of Directors of the Company also assigns the Corporate Governance Committee to oversee the directors, the managements and the employees to ensure that they strictly adhere to this principle. For more details, please see in the Section “**Corporate Governance**” under the topic of “**Business Ethics**”.

3. Anti-Corruption

The Company recognizes the importance of anti-corruption in all aspects. The Board of Directors Meeting has specified the Company’s anti-corruption policy for approve to be used as operating practices. The amendment polices were covered the following issues:

- Political neutrality and political assistance
- Donation for charity and support fund
- Receiving and giving present, property or other benefits policies

Furthermore, General Operating Guidelines were as follows:

- The process of risk assessment and risk management.
- Protection
- Training and Communication
- Reporting Channels
- Regulatory and monitoring of the implementation of the policy.

Result of the implementation of such policies in 2018 caused the following matters:

- No case of misconduct on corruption or breach of the Ethics. It was found only fault that not complied with the Company’s regulation and it was amended and clarified the correct procedures to the employees.
- No director and executive resigned due to the issues of corporate governance.
- No case of the Company’s negative reputation as a result of failure in the monitoring function of the Board of Directors.

The Company disclosed the policy in the Company's Business Ethics manual and posted on website at www.samartcorp.com for all employees to adhere. Details of Anti-Corruption policy, guidelines to perform of anti-corruption and the result of the implementation of such policies and training course regarding protection and prevention of corruption were disclosed in section **"Internal Control, Risk Management and Anti-Corruption"**.

4. Respect of Fundamental Human Rights

Put emphasis on fundamental human rights, promote and respect rights, freedom and equality. Do not support discrimination based on gender and social status and strongly prohibit child labor/forced labor.

The Company adheres to human rights principle as a mutual operating principle. All employees shall not undertake any action or shall by no means support any action to violate any human rights. On the contrary, the Company shall create the knowledge-based-organization on human rights as well as cultivate consciousness to the Company's employees to make them adhere to and follow. The policy on non-human right violation has been stated in the business ethics manual as follows:

- **Personal right and freedom:**
 - The Company has policies that employee's personal information is the secret and shall not be sent or disseminated to unauthorized parties;
 - Disclosure or transfer of personal information only upon the owner's consent;
 - The human has right and freedom so long as not violate the right and freedom of others.
- **Equal treatment:**
 - All employees shall be treated equally and shall not be discrimination against race, nationality, language, religion, gender, age and education;
 - The employees shall value and respect each other and shall behave oneself appropriated with his/her duty pursuant to the regulations of the Company and the tradition and shall not damage the Company's image;
 - The Company allows the employees to express their potentials fully and shall fix appropriated remuneration pursuant to the Company's regulations and also provide opportunity to the employees to further their education both in university level as well as short term and long term training course;
 - Deliberation related to hiring and judgment of performance should be accurate and fair;
 - When performing the work, avoid expressing opinions that have to do with differences of physical and mind, race, nationality, language, religion, gender, age, education, or any other attribute likely to cause conflict;
 - Contribute to making the work environment free of oppression and injustice;
 - The employee shows respect and tolerance for each other's opinions.

5. Fair Labor Practices

Create safety and healthy workplace, implement the employment conditions which are appropriated with fundamental labor laws as well as enhance skills of personnel on continued basis so that they can have better quality of life.

The Company always realizes that all employees are the most valuable assets of the Company and they are the successful factors in making the Company achieve its objectives. The Company must respect and obey the laws and ethics in order to establish justice, stability and peace in the society. Therefore, the Company takes good care of and equally treat them with regards to the opportunity, compensation, appointment, transfer including fair and appropriated welfares in various aspects as follows:

1. Respect for the right to work pursuant to the fundamental human right principles. Details are provided under **“Corporate Governance”** in the topic of **“Business Ethics”** in the item of **“Non-violation of human rights policy”**.
2. Specify to have **“Compensation & Benefit Policy”** regarding to employee motivation, internal impartiality and compensation standards, and job value to company, Company essentially determines corporate compensation, benefit and welfare policy being compatible to position accountability, knowledge, and competence with business operation and up-to-date compare to leading companies in industrial competition. In the other hand, Company certainly ensures compensation, benefit and welfare policy aligned to new wage of legal regulation. Propose reasonable remuneration packages according to market situations, business competitions, job descriptions, work qualities including assessment of company’s performance on short term and long term based on Company’s capability to pay for that remuneration packages. And provide opportunities for employees to express opinions and file complaints related to their jobs. Those suggestions and complaints will be seriously taken into consideration for formulating solutions. This important policy is meant to draw benefits to all parties and spawn camaraderie in the office.

For welfare to the employees, the Company has group health insurance (in case of in-patient) for the Company’s employees as well as group life insurance which covers all kinds of death, annual medical check-up and provident fund to secure their working life security. The Company also has the social security fund and provision of loan in case of the accident or sickness to the employees as well, loan for employees, in case of the employee or his/her family died, to arrange for the fitness center and special discount for Company’s products. Details regarding welfare of employees were disclosed under **“Corporate Governance”** in the topic of **“Business Ethics”** in the item of **“Employee Policies”**.

3. Specify to have **“Safety and Health Policy”**. The Company develops policy and system of safety and health of employees in accordance with the requirements of law and performs all necessary measures to ensure the safety of life and health of employees, including strengthening health. In addition to providing the medical care. And basic medical services as well as serving modern medicine and include an annual health check, such as

- **Be Healthy ... Be Happy Project** organized fitness classes. The dance forms. Every Wednesday evening after work to employees, such as, Body Combat, Zumba, BodyJam. During October to November 2018

Furthermore, the Company also has the practical guidelines concretely by appointment of the safety officers, training and cultivate consciousness of safety, occupational health and working environment for the employees, the annual evacuation drill in case of fire, the fingerprint scanning system. Details are provided under **“Corporate Governance”** in the topic of **“Business Ethics”** in the item of **“Employee Policies”**.

4. Specify to have **“Human Resources Management and Development Policy”** as below:

1) Human Resources Management and Development Policy

- Manpower planning Policy
- Recruitment & Selection Policy
- Performance Development Policy
- Human Resources Management and Development Information Systems Policy
- Compensation & Benefit Policy
- Employee Relation & Engagement Policy

2) Human Resources Development Policy

- Career Development Policy
- Employee Training & Development Policy
- Knowledge Management
- Talent Management Policy and Succession Planning

Details regarding Human Resources Management and Development Policy were disclosed in section **“Management Structure”** under topic of **“Human Resources”** in **“Human Resources Management and Development Policy”**

The Company is well aware that its existence and prosperity today owing to the support from the employees hence, the Company places robust emphasis and support on the development on the quality of the employees. For the past year, the activities undertaken by the Company under such scope and practical guideline are as follows:

- **“Lunch & Learn Project” and “CEO suggestion box”** : The company places strong emphasis on employee relationship among top executives and employees as well as two-way communication as a mean to communicate top management direction to all employees closely and directly percept employee’s innovative, improvement and other open-mind ideas to enhance SAMART business operations and other processes.

Furthermore, the Company concentrates on the employee relation and engagement at all levels of employees throughout SAMART and also implants them into corporate value along with corporate culture by building synergy professional working-style (Team of Professionals). Hence, these initiate the best cooperation among individual level through corporate level. In 2018, there were a various ER&EE programs and activities to build synergy among employees, executives and organization i.e., SAMART Management Meeting twice a year, Team Building activities at all levels, and D-Club (CSR programs) etc.

6. Consumer Responsibility

Place importance on manufacturing products and provision of service with good quality and safety.

The Company strongly believes in building confidence and bringing satisfaction to all of the customers. Since their trusts are benefactors to our business, the Company promotes the following policies:

1. Determine to provide, produce commodities and services that are trendy to satiate customers’ needs;
2. Provide high-quality products and services at reasonable price;
3. Provide accurate information without any exaggeration that may cause misunderstandings on product’s quality and quantity, or special conditions for each product and service;
4. Formulate procedures that permit customers to inform about drawbacks of the products or improper services, because those complaints are valuable for the Company to come up with immediate remedy and improvement for problematic products and services;
5. Provide effective after-sale services for customer’s convenience;
6. Guard all customers’ information as top secret and refuse to use them for personal benefits;
7. Support all activities that will strengthen, as well as maintain, lasting and healthy relationship between Company and customer.

Details are provided under **“Corporate Governance”** in the topic of **“Business Ethics”** in the item of **“Customers Policies”**.

7. Contribution to the Community and Society

Support and develop quality of life as well as prosperity of the community and society.

The Company is well aware that its existence and prosperity today is owing to the support from the communities and the society, hence, the Company places robust emphasis and support on the development of quality of life, prosperity of the communities and Thai society. For the past period, the activities undertaken by the Company under such scope and practical guideline are as follows:

1. Strengthen good relationship with the organizations, both from public and private sectors, as well as the community leaders in various levels so that the works for community development can be harmoniously coordinated on sustainable and concrete basis;
2. Support community and public safety for instance the construction of bus shelter in front of the Company's office building, donation of rain coats and reflective coats to the traffic police in the areas of Pakkred Local Police Station and Pak Klong Rangsit Local Police Station, support the learning materials and sport equipment to the schools in nearby areas, restoration of the temples and donation of money to the poor in the communities;
3. Raise funds and supply the necessities to help the disaster victims, for instance provision of boats to the government agencies to be used for facilitating the people who were suffered from the flood;
4. Cultivate consciousness to the Company's employees on responsibility to the society, community and environment via media and internal activities continually.

Detail of the relating activities were disclosed in **"Activities for society and environment"**

8. Environmental Conservation

Conduct business by always taking into account the environmental conservation and use resources in the most meaningful way.

The Company recognizes the duties and responsibilities to environment, the Company has policies to:

1. Operate the business by taking into consideration of conservation and security standard, and also be civility to follow the law and related regulations;
2. Be responsible to utilize natural resources in form of raw materials, investments, human resources, and energies in prudent manners;
3. Support care taking environment activities and conservation campaign continually.

The Company has a policy to strengthen and provide knowledge and training on environment to the employees in the organization, in order to be aware of environmental responsibility as follows:

1. The Company has arranged campaign to cultivate conscious mind on environment and natural resources through employee participation activities;
2. The Company supports environment conservation to social and other organizations as well as disseminating news and information on environment in order to build up image and good understanding on environmental management of the Company;
3. The Company has policies to foster the guideline of responsibility to environment for understanding the importance of environment by training the employee continuously for efficient environment system.

In 2018, the activities arranged by the Company included:

- **Development of products and services valuable to the environment**

We develop our products and services with conservation and environmental safety as our priority. We offer environmentally-concerned telecommunication services and encourage energy conservation among public organizations and state enterprises with the same vision. For example, the Provincial Electricity Authority's AMR project, and waste management through separation and fuel-generation.

- **Creating Conscious among Employees to Utilize Resources with Appreciation**

Creating conscious among the employees to make them care more about the environment and utilize resources with appreciation through internal media and continuous energy-saving campaigns through interesting means that corresponds with the current situation, yielding maximum benefit to the employees every year.

In 2018, the following changes were made to the activities:

- **Samart Save** : Promotes resource utilization with staff understanding by collaborating to reduce common charges, including saving electricity and using papers with appreciation.
- **Clean & Clear** : Promotes good workplace environment and creates a good waste-separation habit for garbage, rubbish, and recyclable waste in order to maximize the value of resources and optimize them.
- **Big Cleaning Day** : Promotes hygiene and good workplace environment
- **Grow Back Trees Activity** : Promotes forest conservation with volunteer employees planting trees which will grow into a forest at the Forest Product Research Center in Nakhon Ratchasima.

9. Innovation and Publication of Innovation from Social Responsibility

Determine to develop and present innovation on technology application to uplift the standard of living, conserve environment

Samart Innovation Awards is an important project that "Samart Group" has been organizing for over 16 years. The objective is to encourage youths and new entrepreneurs to improve their ideas and capabilities, leading to new technology and innovation. Each year, after the competition ends, the company will show the participating and winning projects to the public through advertisement and media, which, apart from commercial benefits to the participants, the showcase is also inspiring Thailand's young innovative developers. During the past year, 95 news about the activity and participating projects were distributed through printed media, radio, television, and online media.

Business practices that affect social responsibility

As the Company conducts business in compliance with the CSR Policies through 9 operational principles, so in the past year, the Company and its subsidiaries have not been audited or investigated by the competent authority or any law in any way.

Activities for society and environment

For clarity on the arrangement of the Corporate Social Responsibility (CSR) Project, Samart Group has set up the policy and practical guidelines under the promotion framework of the “Quality People and Moral Society” which comprise of the following projects and activities:

Creating QUALITY PEOPLE

1. **SAMART INNOVATION** includes technological innovation contest organization, research funding and skill training classes. **Samart Innovation Award 2018** has been held for 16 consecutive years. The company collaborates with **The National Science and Technology Development Agency (NSTDA)** to organize Young Technopreneur which benefits the participants in the following ways:

- Providing opportunities to visit and experience public and private organizations that support Japanese start-ups (for the top 3 participants)
- Sponsoring **Samart Innovation Awards 2018** consisting of 3 awards : “Best Prototype Innovation Developer”, or the 1st prize, of Baht **200,000** and 2 runner up awards of Baht **100,000** and Baht **50,000** respectively. Start up funds of Baht **30,000** are also awarded to 16 teams who passed to the 2nd round.
- Concretely supporting the business. In the past 7 years (2012-2018) we have encouraged over 1,000 Thai developers with more than 500 creations, 45 of which have been applied in the business context. And we never stop searching for talented innovators.



2. Sponsorship for KNOWLEDGE-SHARING CONFERENCES



- **UNDERGRADUATE SCHOLARSHIPS** for students with good academic performance but are lack of fund in Rajabhak Buriram, Buriram, consisting of 4 scholarships of Baht **14,000** Baht **56,000** in total, provided by **One To One Contacts Pcl.**
- **ACADEMIC EQUIPMENT SPONSORING**
 - > **Distance education support** by donating satellite and equipment and sports equipment to 30 schools in Sakaew, provided by **Samart Telcoms Pcl., Samart Comtech Co.,Ltd., and Samart Communication Services Co., Ltd.**
 - > **Educational fund** of Baht **100,000** in total for school bus repair for primary school students in Ban Nong Kae School and Ban Dong Klang School in Lopburi, provided by **Samart Telcoms Pcl.**

Sponsorship for Football

- **FOOTBALL FOR THAI YOUTHS PROJECT** : a collaboration with KING POWER to support the **FOX HUNT project** in which selected Thai youths getto practice football at Leicester City Football Clubin England. Moreover, children between 12-14 years oldof employees are sent to practice football skills to prepare for participation in the **FOX HUNT project**,supported by “**Samart Telcoms Group**”.
- **FOOTBALL TRAINING FOR TEACHERS PROJECT** :a professional football teaching development trainingactivity for teachers to help children and youths improve their football skills, provided by **I-Sport Co., Ltd.**
- **FOOTBAL CLUB SPONSORSHIP** : including Buriram United, Prae United, by **Samart Corporation Pcl.** and **Samart Telcoms Pcl.**



Sponsorship for other sports

- **PEA TABLE TENNIS JUNIOR AND CADET 2018 :** Support for “PEA Table Tennis Junior and cadet 2018” table tennis competition, organized by the Provincial Electricity Authority Table Tennis Club, the Table Tennis Association of Thailand, and the Photographer and News Reporter Association of Thailand Under the Royal Patronage for youths. The special prizes and the activity cost of Baht 50,000 was sponsored by “Samart Telcoms Group”
- **MOTORSPORTS :** Support for “Bangsae Grand Prix 2018” international road racing competition in Chonburi of Baht 5,000,000 provided by “Samart Telcoms Group”



- **PETANQUE COMPETITION :** Support for 6th Petanque Competition activity cost and prizes sponsorship of Baht 50,000 by “Samart Telcoms Group”
- **RUNNING :** Support for 9th PEA Mini Marathon, held by the Provincial Electricity Authority, by Samart Telcoms Pcl. and Portalnet Co.,Ltd. Prizes were sponsored and over 50 employees participated.
- **POLO SPORT :** Support for 2018 Polo Horse Riding Competition sponsorship of Baht 1,000,000 by Samart Telcoms Pcl.
- **BIKE FOR CHILD :** Support for the Thai Chamber of Commere Bike for Children in Samutprakan activity, a collaboration with the Thai Chamber of Commerce in Bangkrajao District, Samutprakan, of Baht 100,000 by Samart Corporation Pcl.



OTHER SUPPORTS

- Support for **Thammasat University's academic conference** of Baht 200,000 by **Samart Corporation Pcl.**
- **Forest conservation support**, with over 70 employees planting forest and a sponsorship for 450 sprouts and equipment, for the Forest Product Research Center, Klangdong Sub-district, Nakhon Ratchasima, provided by **Portalnet Co.,Ltd.**

Promotion of THE MORAL SOCIETY

We support and arrange community services through **"Samart...D-Club"**, formed by a group of community service staff. In addition, **"Samart Foundation"** has also been organizing Buddhism support and charity activities.

• LOYALTY AND GRATITUDE TO THAILAND ROYAL

- **SPECIAL EVENTS** dedicated to His Majesty the King to honor his birthday, including merit making and praying-meditation activities dedicated to the King, wearing yellow shirts and participation of management and employees in the **"Love and Warmth Biking"** and **"Love and Warmth at Winter's End"** Events.



- **SAMART MIND POWER** : for the promotion of morality, Dhamma and conscience
 - **Dhama Activities** : "Conscious, Concentration, and Wisdom Development" activity due to important Buddhist event.
 - **Dhamma Radio Program** : titled "Voice of Dhamma" for bringing Dhamma doctrinal open on the internal radio every Monday at 8.30 - 9.00 A.M.

- **GOODWILL KNITTING PROJECT** : Creating for 4 consecutive years, the project gives employees an opportunity to knit 500 hats for the Police Border Patrol students in Tak province



- **FUNDS FOR “DOING GOOD” PROJECT** : A volunteering project held for 5 consecutive years. Volunteers from “Samart D-Club” participate in community and 7 society service activities, including 2 projects for animals, 2 projects for children, a project for people with multiple disabilities, a Thai culture support project, and a water purification reservoir project.



- **BLOOD DONATION** : Samart Group collaborated with the conjunction of Thai Red Cross Society institutes to organize Annual Blood donation activity 3 times per year.



- **DISASTER VICTIM SUPPORTING** : Support for disaster victim in Laos including a donation of 100,000 baht through Thai Pueng Thai Foundation and 300 sacks of rice, Baht **24,000** worth, by **Samart Corporation Pcl.**



- **ICT GIVE & SHARE PROJECT** : an opportunity for employees to make merit for the community and the society to honor the company anniversary. There are 9 activities in total, including 2 at Phayathai Pakkret Babies Home, 4 at the Shelter for Disabled Children (Nontaphum House), 1 at Tiwanon Elderly Ladies Shelter, and 2 at Fueng Fah Home for Persons with Disabilities Protection and Development.



THE PRIDE IN 2018

ASIA'S MOST TRUSTED CUSTOMER SERVICES CENTER

One To One Contacts Pcl. was awarded “Asia’s Most Trusted Contact Center and Customer Management Services Company” as “Asia’s Most Trusted Customer Services Center” by International Brand Consulting Corporation, USA.



CONTACT CENTER BUSINESS AWARD WINNER FOR 6 CONSECUTIVE YEARS

One To One Contacts Pcl. was awarded “2018 Thailand Outsourced Contact Center Service Provider of the Year” for the 6th time in the 2018 Frost & Sullivan Thailand Excellence Awards as the country’s leading private organization in contact center business with excellent performance and consistent growth and improvement.



Report of the Audit Committee

Dear Shareholders of Samart Corporation Public Company Limited

The Audit Committee of Samart Corporation Public Company Limited, which comprised of 3 independent directors. All members of the Audit Committee are fully qualified as per specified in the regulations of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

In 2018, the Audit Committee held 5 meetings where the Company's management, auditors and Internal Auditor jointly attended all of such meetings of which their essence could be summarized as follows:

1. Review financial reports

The Audit Committee has reviewed accuracy and completeness of the consolidated financial statements of the Company and its subsidiaries for 2018 by reviewing material issues jointly with the auditor, so that the preparation of financial statements and disclosure of information in the note to financial statement of the Company are correct and reliable.

The Audit Committee is of opinion that financial statements of the company disclosure financial status and performance in essence was correctly according to financial reporting standards.

2. Review the connected transactions or the transactions which may have conflict of interests

The Audit Committee has reviewed transactions which may have conflict of interests with the Company every quarter for transparency, reasonableness and adequate disclosure of information.

The Audit Committee is of opinion that transactions with related parties is a reasonable transaction and most beneficial to the business including full disclosure of information.

3. Review compliance with laws and regulations of the relevant agencies

The Audit Committee has reviewed and supervised the Company's operations on compliance with the laws and regulations of the Stock Exchange of Thailand (SET) and the laws relevant to the Company's businesses.

The Audit Committee is of opinion that the company has an internal control process for compliance with laws and various requirements correctly.

4. Review adequacy of internal control system

The Audit Committee has reviewed adequacy of the internal control systems pursuant to concept of COSO (The Committee of Sponsoring Organizations of the Treadway Commission) to make sure that the Company has suitable and adequate internal control systems.

The Audit Committee is of opinion that the Company has appropriately and adequately internal control system to operate in accordance with the Company's goals and objectives efficiently.

5. Review the internal control operations

The Audit Committee has approved internal audit plan every year by put emphasis on risk assessment as well as audit on anti-corruption measures.

The Audit Committee is of the opinion that the Company has adequately and appropriately internal audit system to meet international standards and achieve the goals.

6. Consider on selection and proposal for appointment of the Company's auditor for 2018

The Audit Committee has considered on selection and proposal for appointment of the Company's auditor and the auditing fee for 2018, by taking into account their qualifications, capabilities, professional expertise and appropriateness of auditing fee.

The Audit Committee has considered to appoint the auditor from EY Office Limited to be the Company's auditor for 2018 based on performance in the past year their knowledge, competency and recommendation on internal control system and important business risks.

In addition, the Committee held a meeting with the external auditors without the presence of the Company's management to discuss issues and concerns that had arisen while performing their duties.

7. Assessment on performance of the Audit Committee for 2018

The Audit Committee has assessed performance of the Committee every year to ascertain that the Audit Committee has performed works pursuant to duties and responsibilities as per specified in the Audit Committee Charter.

In conclusion, the Audit Committee is of opinion that the Company has appropriate and adequate internal control systems. Preparation of financial statements in accordance with accounting standards and the operating in accordance with the law and related requirements.



(Mr. Pradang Prichayangkun)

Chairman of the Audit Committee

Report of the Executive Board

Dear Shareholders of Samart Corporation Public Company Limited

The Company strongly believes in the importance of managing the business operations according to the Company's business policies and plans, including any initiatives mandated by the resolutions of the Board of Directors and Shareholders meetings. All such implementations that are needed to be done have to be executed in strict adherence to the Company's good Corporate Governance Policies. The Executive Board helped the Board of Directors to consider, inspect and screen important matters before proposing to the Board of Directors for consideration, so the Company and its subsidiaries can perform the business efficiently.

In 2018, the Executive Board held 12 meetings to consider various material matters and reported meeting results as well as solution guidelines including suggestions to the Board of Directors' for a constant appropriate consideration, which can be summarized as follows:

- To consider, specify and review mission, vision and business operation plans of the Company and its subsidiaries in each line of business every quarter, by specifying that the meeting shall be arranged and such plans shall be conveyed to the management and the employees at all levels for their acknowledgement and compliance, so that the targets should be achieved as per specified.
- To consider, review and monitor performance of the Company and its subsidiaries every month, so that the operations can be achieved as per the specified targets.
- To consider and approve the Company's investment and annual budget prior to further approved of the Board of Directors.
- To consider remuneration policy and salary structure of the employees for the Nominating and Compensation Committee's consideration prior to further consideration of the Board of Directors' meeting.

The Executive Board has performed duties with integrity, carefulness and cautiousness pursuant to the Executive Board Charter and in accordance with vision, mission and strategy of SAMART GROUP by taking into account the best interests of all shareholders and stakeholders, as well as supervised to ensure that the Company has effective operation systems and as per the specified laws and that they are compliance with corporate governance principles of which the Executive Board adheres as foundation stone for management to lead the organization to prosperity with stability and sustainability.



(Mr. Charoenrath Vilailuck)

Executive Chairman & CEO

Samart Corporation Public Company Limited

Report of the Risk Management Committee

Dear Shareholders of Samart Corporation Public Company Limited

The Company's Risk Management Committee, which has been appointed by the Board of Directors, comprised of the Company's Executive Chairman as the Chairman and 3 directors as the members. In addition, top management are the working group.

The Company puts strong emphasis on management of risks of its businesses in order to accomplish the specified objectives and targets, as well as to prevent and reduce loss which may occur during business operations.

The Risk Management Committee has complied with such risk management policies and recommend various risk management guidelines to the management of the group of companies. In 2018 the Risk Management Committee held 3 meeting can be summarized as follows:

- (1) Consider risk, impacts, risk management measures for 2018 and follow-up progress on risk management of the Group of Companies.
- (2) Give recommendation to eliminate and reduce potential risks as well as instruct the management of each department to report its operating results to the Risk Management Committee continually and regularly.
- (3) Review new risks to make them correspond to the current change of businesses in order to reduce material risks of the Company.

The Risk Management Committee determines to manage the Company to ensure that it has corporate governance and that risks are in acceptable levels with aims to enhance confidence that the Company's risk management is adequate and can cover all business operations and it could achieve the targets specified.



(Mr. Charoenrath Vilailuck)

Chairman of the Risk Management Committee

Report of the Corporate Governance Committee

Dear Shareholders of Samart Corporation Public Company Limited

The Company is aware of the importance of the corporate governance and strongly believes that the system and process of ensuring good corporate governance are one of the key foundations of maximizing shareholders' benefits, bringing fairness to all stakeholders, and enhancing the competitiveness of the Company's operations. The Board of Directors assigned the Corporate Governance Committee (CG Committee) to monitor and encourage the Company operations pursuant to the Corporate Governance Code for listed companies 2017 (CG Code) of the Office of the Securities and Exchange Commission (SEC) and guidelines specified by the Stock Exchange of Thailand (SET).

In 2018, the CG Committee held 3 meetings which followed to the meeting plan and members of CG Committee jointly attended all of such meetings. All of the committee has attended on every meeting to consider and follow up on corporate governance operations as well as improve corporate governance policy, code of business ethics, the Committee Charters as well as operating guidelines of the Company and the meeting results have been constantly reported to the Board of Directors' meeting of which their main points can be concluded as follows:

- **Review the Corporate Governance Policy, Code of Business Ethics and Committee Charters of the Company**

The CG Committee has reviewed and adjusted the policy on corporate governance, code of business ethics and Committee Charters of the Company to make them consistent with criteria of CG Code of the Office of the Securities and Exchange Commission (SEC). In 2018, the CG Committee has considered and proposed the Company's Board of Directors to approve on amendment of the Corporate Governance Policy, Business Ethics and the Committees Charters. Details of the topics amended and added are as follows:

1. Amend the Corporate Governance Policy, Item 4: Disclosure and Transparency with regards to information disclosure policy and accountability to the financial statement;
2. Amend the Corporate Governance Policy, Item 5: Roles and Responsibilities of the Board of Directors, with regards to Directors' Qualifications, Roles and Responsibilities of the Board of Directors, Executive Chairman, Chief Executive Officer, Nomination of Directors, Nomination of Management, Executive Succession Plan, Directors' Remuneration, Set Policy and Business Direction, Scope of Power and Duties of the Audit Committee, the Executive Board, the Nominating & Compensation Committee, Board of Directors' Meeting, Risk Management, Development of Directors and the Management and supervision on operations of the subsidiaries and the associated company;
3. Amend the Business Ethics, in the topics of Creditors' Treatment Policy and Acknowledgement of Suggestion and Complaint;
4. Prepare the Board of Directors' Charter

- **Supervise the Operations of the Committees on Compliance with the Corporate Governance Policy**

The CG Committee supervised the operations of the Committees to ensure that they are compliance with the corporate governance policy of the Company. The Committees have been specified to prepare the operation report of the previous year to propose to the shareholders in the Company's annual report.

- **Assess Performance of the Board of Directors, the Committees, the Chief Executive Officer (CEO) and the Corporate Secretary**

In order to comply with the corporate governance principles of the Stock Exchange of Thailand, the Corporate Governance Committee specified that performance of the Board of Directors, both individually and by the team, the Committees, the CEO and the Corporate Secretary must be assessed. Outcome from such assessment

shall be used to improve and develop for better efficiency. In addition, summary report on assessment outcome shall be presented to the Board of Directors and the shareholders for their acknowledgement.

- **Arrange for the Meeting among the Non-Executives Directors**

In order to comply with corporate governance principles of the Stock Exchange of Thailand, the CG Committee specified that the Company's non-executive directors shall hold a meeting without participation of any management team, so that they can independently discuss about all management problems of the Company.

- **Specify that there must be reports on new laws and laws which have been changed**

The Corporate Governance Committee has specified that information on new laws or change in any laws concerning the Board should be reported in order to make the Board of Directors have knowledge and understanding of those laws.

Such strong intention and determination on encouraging for operations pursuant to corporate governance principles, as a result, Samart Corporation Public Company Limited ("SAMART") and its 2 listed subsidiaries, Samart Telcoms Public Company Limited ("SAMTEL") and Samart Digital Public Company Limited ("SDC"), including One To One Contacts Public Company Limited ("OTO"), its listed subsidiary in MAI, received corporate governance assessment results in 2018 as follows:

1) Assessment Result on Corporate Governance of Thai Listed Companies in 2018

All of SAMART, SAMTEL, SDC and OTO were assessed with **"Excellent"** Recognized Level (**5 Stars**), from the survey of total 657 listed companies by the Thai Institute of Directors Association (IOD) together with the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

2) Assessment Result on Quality on Arrangement of Annual General Meeting of Shareholders for 2018

All of SAMART, SAMTEL, SDC and OTO were assessed with 4 TIA. They were 657 listed companies assessed this year as surveyed by the Thai Investors Association.

In addition, the Company has also been nominated from Thai Institute of Directors (IOD) to be **Top 10 companies** with size category - market capitalization less than Baht 30,000 million as the shortlist companies for **"Board of the Year Awards 2018"**. IOD has considered and selected from scores on Corporate Governance Report of Thai Listed Companies (CGR) and overall return on investments including scores from institutional investors, IOD's Fellow Members, such as, IOD Chartered Directors and members of Independent Director Club, which are regarded as the new selection process of Board of the Year Awards for this year which focused on corporate governance, performance and participation of the stakeholders.

These achievements could clearly reflect the continual efforts of the Company to elevate corporate governance levels. The CG Committee still determined to develop and enhance corporate governance standards for utmost benefits to all stakeholders, which will eventually benefit the societies and the country, as a whole.



(Mr. Seri Suksathaporn)

Chairman of the Corporate Governance Committee
Samart Corporation Public Company Limited

Report of the Nominating and Compensation Committee

Dear Shareholders of Samart Corporation Public Company Limited

The Nominating and Compensation (NC) Committee has performed duties pursuant to the good corporate governance principles and the Nominating and Compensation Committee Charter specified by the Company. Such duties included recruitment, selection and recommendation of the knowledgeable, competent and qualified candidates suitable for the position of director and top management. This Committee is also responsible for proposing fair and transparent compensation policy and payment guidelines including other benefits to the Board of Directors, the committee, the high ranking executives as well as the employees of the Company by taking into consideration the best interests of all parties. The NC Committee consists of 3 members and all of them are the Independent Directors.

In 2018, the NC Committee held 4 meetings to consider important matters and constantly reported the meeting results including comments and recommendations to the Board of Directors for consideration of which they could be summarized as follows:

- The NC Committee shall consider, nominate and select the candidates who are fully qualified as per specified by the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) and who do not have any prohibited characteristics as per specified by the laws to hold the position of the Independent Director and the Company's Director and to replace the committee's member who will be retired upon completion of the term and top management. Such nominated person must be knowledgeable, competent and have transparent, fair, accountable working background as well as possess experiences which will be beneficial to the business operations of the Company. After that the NC Committee shall propose to the Board of Directors' Meeting and the shareholders' meeting (in case of nomination of the Company's director) for further consideration and approval. Any director who has an interest will not participate and vote in such matter. Moreover, in 2018 the Company has considered to select directors and committees, details are in page 043.
- To thoroughly consider on remuneration of the directors and the committee members related to the Company overall performance, the remuneration of the directors who are assigned to take additional responsibilities shall be increased in proportion with their workload and responsibilities as appropriated comparing with other companies in the same industry. In 2018, the NC Committee deemed appropriated to propose to the Shareholders' Meeting for consideration and approval on determination of remuneration amount of the directors and the Committees to be not more than Baht 7 million (which comprising of meeting allowance of the Board of Directors, the Committees and the directors' pension). For instance, the directors' remuneration for meeting allowance of the Board of Directors and the Chairman of the Audit Committee is Baht 30,000 per attendance and the other participating directors is Baht 15,000 per attendance. In addition, remuneration for meeting allowance of the Corporate Governance Committee and the NC Committee have also been specified, whereas the Chairman is Baht 20,000 per attendance and the other participating directors is Baht 15,000 each per attendance will be propose to the Shareholders' Meeting for consideration and approval. However, total remuneration paid to the Board of Directors and the Committees in 2018 were Baht 1,955,000 which was still within the amount of Baht 7 million as per approved by the Shareholders' Meeting. Additional details have been disclosed in topic **"Management Structure"** under **"Remuneration of Directors and Management"**.

- In order to motivate and retain the capable and good performance employees, the NC Committee shall consider the criteria on salary increase for 2019, bonus allocation for 2018 and bonus payment policy for 2019 jointly with the Human Resources Department and the Executive Board. The salary increase rate and the bonus shall be in appropriate rate and in line with the economic and the Company's performance. In 2018, the NC Committee has considered the survey reports on annual salary adjustment of the recognized institutes and human resource consultants, both domestically and internationally as per compiled by the Company's Human Resources Department, as the supporting document for consideration on adjustment of salary and bonus.

The Nominating & Compensation Committee has fully performed the assigned duties carefully, concisely, transparently and independently pursuant to good corporate governance principles for maximum benefits of all shareholders and stakeholders and also determined to perform duties with equality and fairness, so that the Company can be developed steadily and sustainably.



(Dr. Tongchat Hongladaromp)

Chairman of the Nominating and Compensation Committee
Samart Corporation Public Company Limited

Nomination and Selection of Candidate to hold the Position of Director and Committee for 2018

1. Considered and selected directors who have been retired by rotation and eligible to be re-elected for another term were Mr. Charoenrath Vilailuck, Mrs. Siripen Vilailuck and Mr. Sirichai Rasameechan. In addition, as one director has resigned from the post, hence, it was resolved and approved to appoint Mr. Teerachai Phongpanangam to hold office and replace the resigned director and term of office of the newly replaced director shall be equal to the remaining term of the director whom he replaced.
2. Considered and selected the member of committees who has been retired by rotation as follows:
 - Agreed to propose the re-appoint of Mr. Pradang Prichayangkun as Nominating and Compensation Committee's member.
 - Agreed to propose the re-appoint of Mr. Seri Suksathaporn as Audit Committee's member.
 - Agreed to propose the re-appoint the Corporate Governance Committee's member.
 - Agreed to propose the re-appoint the Risk Management Committee's member.
 - Agreed to propose the re-appoint the Executive Board member and to appoint Mrs. Phongsri Saluckpetch, Ms. Kanokwan Chanswangpuvana and Ms. Chotika Kamloonwesaruch as Executive Boards members.
 - Agreed to propose the re-appoint the Sustainable Development Committee's member.

List of the Board of Directors and Committees for 2018 as follows:

The Board of Directors

- | | |
|------------------------------|---------------------------------|
| 1. Dr. Tongchat Hongladaromp | 6. Mrs. Siripen Vilailuck |
| 2. Mr. Pradang Prichayangkun | 7. Mr. Charoenrath Vilailuck |
| 3. Mr. Seri Suksathaporn | 8. Mr. Watchai Vilailuck |
| 4. Mr. Prinya Waiwatana | 9. Mr. Thananan Vilailuck |
| 5. Mr. Sirichai Rasameechan | 10. Mr. Teerachai Phongpanangam |

The Committees

Audit Committee

1. Mr. Pradang Prichayangkun
2. Dr. Tongchat Hongladaromp
3. Mr. Seri Suksathaporn

Nominating and Compensation Committee

1. Dr. Tongchat Hongladaromp
2. Mr. Pradang Prichayangkun
3. Mr. Seri Suksathaporn

Corporate Governance Committee

1. Mr. Seri Suksathaporn
2. Mr. Pradang Prichayangkun
3. Mr. Prinya Waiwatana
4. Mr. Sirichai Rasameechan

Risk Management Committee

1. Mr. Charoenrath Vilailuck
2. Mr. Watchai Vilailuck
3. Mr. Thananan Vilailuck

Executive Board Committee

1. Mr. Charoenrath Vilailuck
2. Mr. Watchai Vilailuck
3. Mr. Thananan Vilailuck
4. Mr. Jong Diloksombat
5. Mr. Teerachai Phongpanangam
6. Mrs. Phongsri Saluckpetch
7. Ms. Kanokwan Chanswangpuvana
8. Ms. Chotika Kamloonwesaruch

Sustainable Development Committee

1. Mr. Watchai Vilailuck
2. Mr. Jong Diloksombat
3. Mr. Thananan Vilailuck
4. Mrs. Sukanya Vanichjakvong
5. Mr. Teerachai Phongpanangam
6. Mrs. Phongsri Saluckpetch
7. Ms. Kanokwan Chanswangpuvana

Report of the Sustainable Development Committee

Dear Shareholders of Samart Corporation Public Company Limited

The Company stands firm to operate businesses by adhering to good corporate governance and business ethics together with social and environmental responsibility by taking into consideration all stakeholders, both inside and outside the organization, from shareholders, employees, customers, communities and etc. with aims to lead to sustainable business development. As a member of the society, the Company decided to build positive impact to the communities and in order to achieve such intention and concept as mentioned above, the Company's Board of Directors has appointed the Sustainable Development Committee to supervise such undertakings. Presently, the Sustainable Development Committee consist of 7 members where the Company's President is the Chairman of the Sustainable Development Committee.

During 2018, the SD Committee arranged 2 meetings to follow up operations and consider matters pursuant to the sustainability development policy and the SD Committee Charter. The meeting results have been constantly reported to the Board of Directors of which their main points can be summarized as follows:

- To consider and conduct the SD Committee self-evaluation for 2018 and the assessment results including the recommendations shall be used for improving with aims to have sustainable development and increase efficiency of the operations;
- To consider and review the Company's sustainability development policy and responsibility of the Company's SD Committee;
- To consider and monitor operational results on social responsibility activities of the Company in 2018;
- To prepare a report on duties of the SD Committee during the past year to propose to the shareholders as well as to disclose in the annual report.

The Sustainable Development Committee strongly determines to fully perform duties to develop and support social and environmental activities, so that the Company and the society can grow together on sustainable basis.



(Mr. Watchai Vilailuck)

Chairman of the Sustainable Development Committee
Samart Corporation Public Company Limited

Financial Highlights

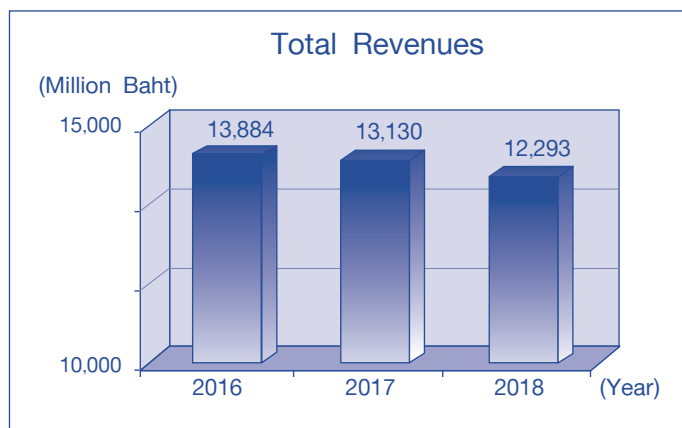
Samart Corporation Public Company Limited and Subsidiaries

(Unit : Million Baht)

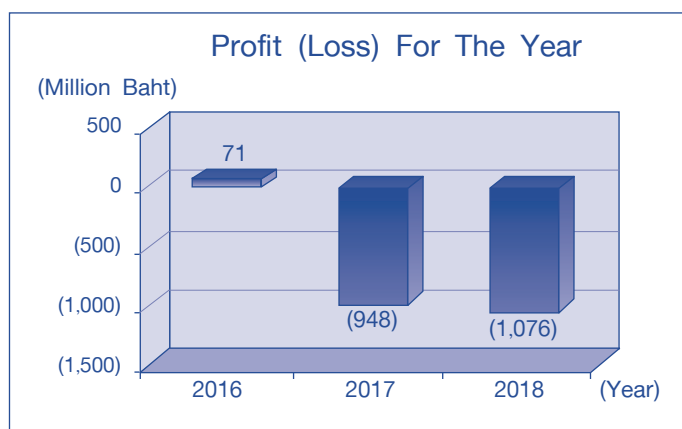
Information from Consolidate Financial Statements	2018	2017 Restated	2016
Total Asset	21,468	22,210	25,216
Total Liabilities	16,527	16,060	17,309
Non-controlling interests of the Subsidiaries	1,625	1,569	2,133
Equity attributable to owners of the Company	3,316	4,581	5,774
Revenues from sales, contract work and service	12,185	13,023	13,676
Total Revenue	12,293	13,130	13,884
Gross Profit	2,451	2,180	2,635
Profit (loss) for the year (Equity holder of the Company)	(1,076)	(948)	71

Financial Ratios	2018	2017 Restated	2016
Basic earnings (loss) per share (Baht)	(1.07)	(0.94)	0.07
Book Value Per Share (Baht)	3.29	4.55	5.74
Dividend Per Share (Baht)	0.10 ^(*)	0.10	0.19
Profit (loss) Margin	(8.75)	(7.22)	0.51
Return on Equity	(27.24)	(18.31)	1.21
Return on Total Assets	(4.93)	(4.00)	0.27

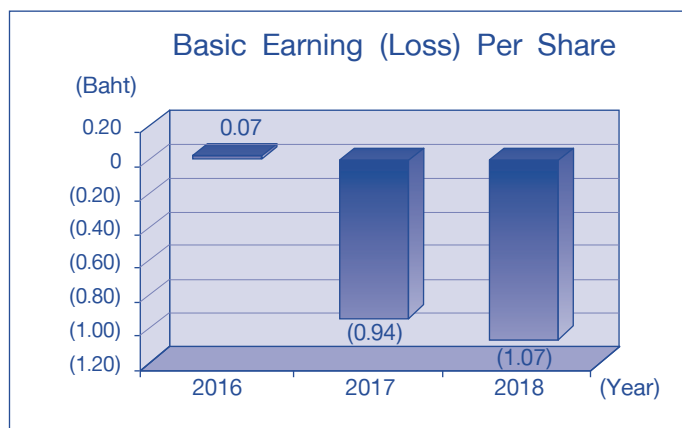
Remark :^() Dividend per share for 2018 at Baht 0.10 which will be proposed for consideration of shareholders in the 2019 Annual General Meeting of Shareholders.*



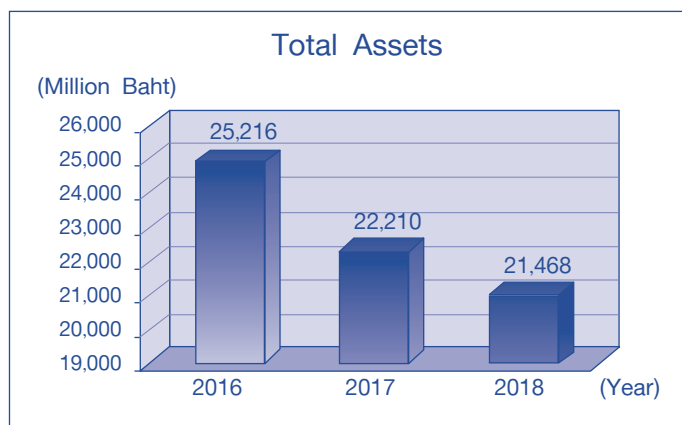
In 2018, total revenues were decreased to Baht 12,293 million resulted from the decrease in revenues of Digital business.



Loss for 2018 was Baht 1,076 million. Decreased due to the transformation in the Digital business.



In 2018, earnings per share was decreased to Baht -1.07 per share.



Total assets were Baht 21,468 million in 2018.

Results of Customer Satisfaction Survey

Customer Satisfaction is one of the keys for success of the Company. Therefore, the Company has placed high priority and emphasized international standards in quality for all procedures ranging from design, installation, implementation and delivery to after-sales services in order to effectively response customer requirements and achieve satisfaction of customers in both government and private sectors.

Samart Telcoms Pcl., a listed subsidiary, allowed the external, neutral party to design and conduct customer satisfaction surveys to seek the real results. The results were brought into analysis and used to improve and rectify known defects, to maintain and elevate positive aspects that customers recommended. Customer satisfaction surveys and fault correction process are procedures required by ISO 9001 standard, which subsidiaries have been certified. The Company set customer satisfaction target with the score higher than 80 percent of total customers surveyed.

The Company conducted the satisfaction surveys into two categories: 1. Installation and Delivery and 2. After-Sales Services, which the customers were surveyed every time after the services had been delivered. The survey results for 2018 indicated as follows:

1. Satisfaction of the installation and delivery. Overall customer satisfaction was at high level with number of customers having positive attitude (somewhat satisfied and very satisfied) at 95.7 percent of total customers surveyed (close to that in 2017 at 96.7 percent) and average satisfaction score was 4.38 out of 5.00 (close to that in 2017 at 4.57). The results indicated that the Company was great in:

- **Project Manager** which is outstanding in convenience in collaboration (4.68), delivery progress in accordance with the plan indicated (4.62) and manner and relation of employee (4.60);
- **Implementation Engineer** outstanding in the use of proper tools/equipment (4.85), manner and relation (4.79) and manner/proper dress (4.79);
- **Quality of Product** outstanding in quality of equipment and system implemented (4.53), overall performance of system (4.45) and timely delivery of goods and project (4.43).

2. Satisfaction on after-sales services. Conducted by contacting customers for satisfaction interviews every time after delivery of after-sales services, customers rated their satisfaction of the services received, ranging from Excellent, Good, Fair, Need Improvement and Must Improve with score of 5,4,3,2,1 respectively. The Company conducted surveys on after-sales services for 2,495 times in 2018 and found that overall score was at high level with average score of 4.60 out of 5.00 or 92.0 percent (slightly lower than that in 2017 at 4.69 or 93.8 percent) and there were no one indicated “Must Improve” (compared to that in 2017 at 0.14 percent).

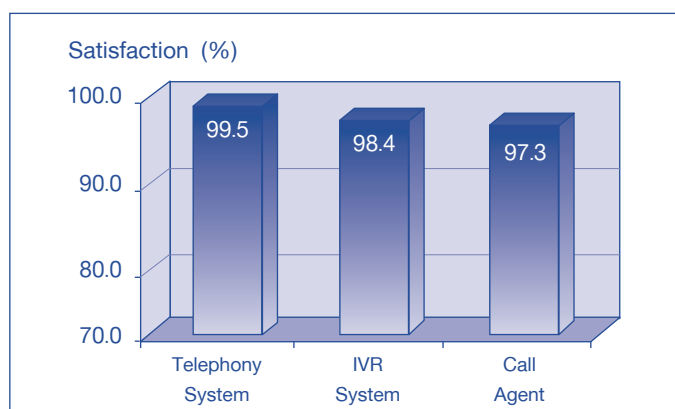
The Company acknowledged such flaws and recommendations of customers from surveys through monthly management report and then generated Corrective Action Requests (CARs) for the improvement process in order to prevent those flaws from recurrence and to continuously elevate quality of customer services.

In addition, One To One Contact Pcl., a listed subsidiary, realized the important of providing our services to meet customer's satisfaction and the customer satisfaction survey is one of competitive strategies. The company carries out the survey every quarter, and summarizes it as the overall image annually. The results of the survey will be applied to improve the company's services effectively in terms of related systems and personnel's services. The obtained data is not only used for developing the service, but it also satisfies the organizations that are the company's customers, with the services and that need to use the outsourced contact center as well as renew the long-term contract with the company. In 2018, the company conducted the surveys of the end users' satisfaction that can be summarized as follows.

End User Survey

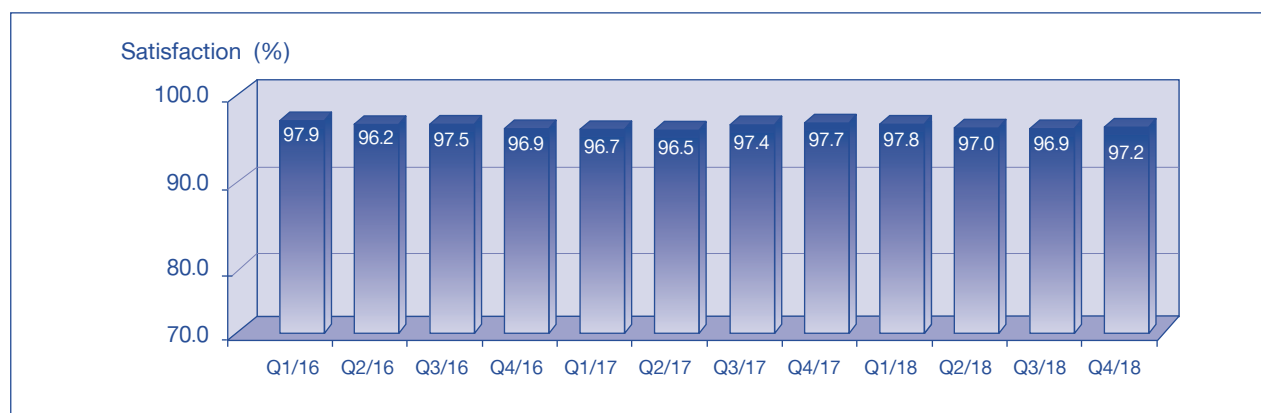
Number of projects	Topics of the survey	Factors that satisfy the end users
8 projects	<ol style="list-style-type: none"> 1. Telephony System 2. IVR System (Interactive Voice Recording) 3. Call Agent 	<ul style="list-style-type: none"> • Clearly Signal of Telephony System • No drop call during the conversation • Appropriate seletive menu • Useful provided information • Good sequence and easy to select menu • Cleary of Voice (IVR System) • Proactive of agent • Understand your requirements • Agent Manner

Satisfaction survey in 2018



In 2018, the results of the survey reveal that the end users are satisfied with the Telephony System at 99.5%, the IVR System at 98.4%, and the Call Agent at 97.3%.

Moreover, the end users have been continually satisfied with the company's services since the first quarter in 2016 to the fourth quarter in 2018. The end users' satisfaction of the services increased from 96.9% in the third quarter of 2018 to 97.2% in the fourth quarter of 2018. Overview, average end users satisfaction of services since the first quarter in 2016 to the fourth quarter in 2018 at 97.1%.



Policy and Overview on Business Operation

Overview on Business Operation of the Company

Samart Corporation Public Company Limited was incorporated on March 7, 1989 under the name “Samart Comtech Company Limited” by Vilailuck Group with an initial registered capital of Baht 5 million to engage in business of design and installation of telecommunication system. Later in 1992, the Company’s name has been changed to “Samart Corporation Company Limited” and it has been privatized in 1993. Presently, the Company undertakes business as a holding company by investing in its subsidiaries. The Company’s core company is Cambodia Air Traffic Service Co., Ltd. which provide air traffic control services in Cambodia. In 2018, Samart Corporation Public Company Limited, a parent company also have policies to have its own business in order to maximize the value added for shareholders. Its current business structure has been divided into 5 LOBs as follows: ICT Solution and Service, Digital, Call Center, Utilities and Transportations and Technology Related Services.

Overview on Business Operation of Subsidiaries

Samart Corporation Public Company Limited is undertakes business concerning telecommunication system. Its current business structure has been divided into 5 LOBs as follows: ICT Solution and Service, Digital, Call Center, Utilities and Transportations and Technology Related Services with subsidiaries in each LOBs business operation as follows:

1. **ICT Solution and Service** Provide solutions and services in information and communication technology including Network Solutions, Enhanced Technology in ICT and Business Application ranging from consulting, system design, installation and implementation, operation and maintenance as Total Solutions and Services for clients in government and private sectors.
2. **Digital** Provide integrated businesses in digital network, solution and content.
3. **Call Center** Provide outsourced contact center and customer management services, and turnkey total solutions in Thailand and Cambodia and also provide digital service innovation, debt collection and training institute.
4. **Utilities and Transportations** Provide air traffic control services and electricity supply in Cambodia, and also provide construction design and installation services of electrical power transmission systems.
5. **Technology Related Services** Manufacture and distribution of television and radio antennas and satellite dishes, distribution, installation and maintenance of communication and security systems.

In 2001, the Company has expanded its scope of business investment in Cambodia by obtaining concession on planning and development of communication system and air traffic control system, including obtaining exclusive right to provide air traffic control services above the Cambodian sky operated via Cambodia Air Traffic Services Company Limited (“CATS”) for 32 years (concession period is between 2001 - 2033). On December 8, 2017 the subsidiary company signed an amendment to the concession agreement with the Royal Government of the Kingdom of Cambodia to extend the concession period for another seven years, from 2033 to 2040, whereby the subsidiary company has to additionally invest in project assets as condition stipulated in the extend agreement.

Corporate Vision, Mission, Culture, Goals and Strategies

Vision

“SAMART GROUP” is committed to offering advanced ICT and Technology-related products and services to create sustainable growth and enrich the quality of life.

Mission

Organization :	Promoting efficiency, transparency, fairness, and accountability in management processes and operations for the benefit of all stakeholders including society at large and the environment.
Clients :	Offering telecommunications technology solutions and related services with dedication and care to create optimum results satisfying the needs of service users.
Partners :	Building a strong relationship in seeking opportunities for mutual business goals.
Personnel :	Enhancing professionalism and providing career progression opportunities.
Shareholders :	Building a secure and sustainable income as continuing profitable returns.
Community and society :	Promoting “quality people and virtuous society” via beneficial projects and activities continuously.

Corporate Culture

- Think Ahead
- Customer Focus
- Team of Professionals
- Commit to excellence

Goals and Strategies

Samart Group aims to be a leader in technology applying as well as products and services delivering in Thailand. With Samart Group strong passion, we are willing to expand our business to CLMV countries among ASEAN Economic Community (Cambodia, Laos, Myanmar, and Vietnam). Furthermore, we are targeting to increase the group’s income by 50% of total earnings in 3-5 years ahead in order to create Samart Group continuity growth. Below are the strategies which we currently apply for different business line;

ICT Solution & Service :	Focusing on generating income by introducing full services to customers through designing, installation, processing, and maintenance services. Moreover, we penetrate our target market to private sector in favor of chasing more growth opportunities.
Digital :	Focusing on business development and applying digital tools to deliver information in accordance with consuming behaviors also, cooperate with business partners e.g. Digital Trunked Radio and Co-Tower concerning to drive business earnings.
Call Center :	Aiming to be a leader in Customer Management Solutions among CLMV countries by delivering services beyond customers’ expectations with international standard.
Utilities and transportations Businesses and Technology Related Services :	With company growth opportunities in firm infrastructure, aviation, logistic, and energy industrials, we are active and open to any business growth opportunities within upcoming EEC: Eastern Economic Corridor, beneficial to motivate domestic country development.

Significant developments and changes of the Company during the past 3 years:

2018

- On January 25, 2018, an Extraordinary Meeting of shareholders of Samart Waste2Power Co., Ltd. (“SW2P”), a subsidiary company, passed a special resolution approving the change of the company’s name from **“Samart Waste2Power Co., Ltd.”** to **“Samart Green Energy Co., Ltd.”**. The subsidiary company registered the change of its name with the Ministry of Commerce on January 26, 2018.
- On February 15, 2018, an Extraordinary Meeting of shareholders of Samart Multimedia Co., Ltd., a subsidiary company, passed a special resolution approving the change of its name from **“Samart Multimedia Co., Ltd.”** to **“Samart Digital Media Co., Ltd.”**. The subsidiary company registered the change of its name with the Ministry of Commerce on February 20, 2018.
- On February 23, 2018, a meeting of the Board of Directors of One To One Contacts Public Co., Ltd.(“OTO”), a subsidiary company, passed a resolution to approve the establishment of a new subsidiary under the name **“Inno Hub Co., Ltd.”**, to provide research and development related to software program, robot, equipment, tooling and artefact innovation, with a registered share capital totalling Baht 3 million (consisting of 0.3 million ordinary shares of Baht 10 each) in which, the subsidiary company hold a 100 percent interest. The subsidiary company registered the establishment of the new company with the Ministry of Commerce on March 6, 2018. The share capital was fully paid in May 2018.
- On February 27, 2018, the meeting of the Board of Directors of Samart Telcoms Public Co., Ltd. (“SAMTEL”), a subsidiary company, passed a resolution approving the disposal of investment of 0.1 million ordinary shares of Net Media Co., Ltd., another subsidiary company, to third party at a price of Baht 34.5 per share, or for a total of Baht 3.6 million. The subsidiary company signed the shares transfer agreement and received the repayment on March 9, 2018.
- On April 27, 2018, an Annual General Meeting of shareholders of the Company passed the resolutions approving the following.

Decrease in registered share capital

The meeting approved a reduction in the registered share capital from Baht 1,208 million (1,207,804,692 ordinary shares of Baht 1 per share) to Baht 1,007 million (1,006,503,910 ordinary shares of Baht 1 per share) by cancelling the 201,300,782 ordinary shares with a par value of Baht 1 each, reserved for the exercise of 1st warrants (“SAMART-W warrant”). The Company registered the reduction in share capital with the Ministry of Commerce on May 2, 2018.

Issuance of the warrants

The meeting approved the issuance of 2nd warrants (“SAMART-W2 warrant”) not over 335,501,303 warrants, with the offering price per unit begin Baht 0, to the existing shareholders at the exercise ratio of 3:1. The warrants have three years maturity from the issuance date and the exercise price is Baht 15 per share. The warrants can be exercised on the last business day of every 6 months from the issuance date of SAMART-W2 throughout the term of the warrants.

The Company fixed the Record Date on May 9, 2018 for determining the shareholders for entitlement to receive warrants.

Increase in registered share capital

The meeting approved the increase in its registered share capital from Baht 1,007 million (1,006,503,910 ordinary shares of Baht 1 per share) to Baht 1,342 million (1,342,005,213 ordinary shares of Baht 1 per share) through the issuance of 335,501,303 additional ordinary shares of Baht 1 each to be allocated of not more than 335,501,303 shares, with a par value of Baht 1 per share, to accommodate the exercise of the warrants as described above. The Company registered the increase in registered of share capital with the Ministry of Commerce on May 3, 2018.

- On April 27, 2018, an Annual General Meeting of the shareholders of Samart Digital Public Co., Ltd. ("SDC"), a subsidiary company, passed a resolution approving the cancellation of the resolution of the Extraordinary Meeting of the subsidiary company's shareholders held on September 27, 2017 relating to the increase in its registered share capital and the reduction in the its registered share capital of the following.

Registered share capital

	Number of shares (shares)	Amount (Baht)	Registration date with the Ministry of Commerce
Balance as at December 31, 2017	9,900,562,500	990,056,250	May 17, 2018
Decrease in registered share capital	(5,500,312,500)	(550,031,250)	
	4,400,250,000	440,025,000	
Increase in registered share capital	11,000,625,000	1,100,062,500	May 18, 2018
Balance as at December 31, 2018	15,400,875,000	1,540,087,500	

In addition, the meeting approved the allocation of not more than 8,800,500,000 newly-issued ordinary shares, at the par value of Baht 0.1 per share, for the purpose of offering for sale to the existing shareholders of the subsidiary company in proportionate to their respective shareholdings (Rights offering), at the allocation ratio of 1 existing ordinary share to 2 newly-issued ordinary shares, at Baht 0.3 per share.

Issued and paid-up capital

	Number of shares (shares)	Amount (Baht)	Shares premium (Baht)	Registration date with the Ministry of Commerce
Balance as at December 31, 2017	4,400,250,000	440,025,000	1,230,452,034	June 4, 2018
Increase from share offering to existing shareholders	6,924,173,218	692,417,322	1,384,834,644	
Balance as at December 31, 2018	11,324,423,218	1,132,442,322	2,615,286,678	

Warrants

An Annual General Meeting of the subsidiary company's shareholders passed a resolution to issue warrants no. 1 (SDC-W1) up to 2,200,125,000 units of warrants to the existing shareholders of the subsidiary company who subscribe to and are allocated newly issued shares by offering to them in proportion to their shareholdings (rights offering) at the ratio of 4 newly issued shares to 1 warrant, without any cost. The exercise ratio is 1 warrant : 1 share, with an exercise price of Baht 0.5 per 1 ordinary share. The warrants have a life of 5 years and are exercisable on the last business day of the June and December of each year throughout the life of the warrants, commencing from December 28, 2018.

- On April 27, 2018, a meeting of Annual General Meeting of shareholders of One To One Professional Co., Ltd. ("OTP"), a subsidiary company, passed a resolution to approve the increase in share capital from Baht 1 million (100,000 ordinary shares of Baht 10 each) to Baht 2 million (200,000 ordinary shares of Baht 10 each) through an issuance of additional 100,000 ordinary shares of Baht 10 each. The subsidiary company registered the increase in the share capital with the Ministry of Commerce on 9 May 2018. OTP, a subsidiary company, paid up the share capital in full in May 2018.
- On April 30, 2018, an Annual General Meeting of the shareholders of I-Sport Media Co., Ltd., a subsidiary company, passed a resolution to dissolve the company. The subsidiary company registered its dissolution on May 9, 2018 and its liquidation was registered with the Ministry of Commerce on June 12, 2018.
- On August 8, 2018, a meeting of the Board of Directors of OTO, a subsidiary company, pass a resolution to approve the increase in share capital of One To One (Cambodia) Co., Ltd., a subsidiary company, from USD 440,000 (88,000 ordinary shares of USD 5 each) to USD 600,000 (120,000 ordinary shares of USD 5 each) through an issuance of additional 32,000 ordinary shares of USD 5 each. Presently, documentation is being prepared for registration of the capital increase.
- On November 2, 2018, an Extraordinary Meeting of shareholders of Suvarnabhumi Environment Services Co., Ltd., a subsidiary company, passed a special resolution to dissolve the company. The subsidiary company registered its dissolution with the Ministry of Commerce on November 5, 2018 and its liquidation was registered with the Ministry of commerce on December 28, 2018.
- On November 16, 2018, an Extraordinary Meeting of shareholders of Portalnet Co., Ltd. a subsidiary company, passed a resolution to decrease its registered capital by Baht 1,270 million, from Baht 3,370 million. (33.7 million ordinary shares with a par value Baht 100 each) to Baht 2,100 million (21 million ordinary shares with a par value of Baht 100 each) by reducing the deficit by Baht 1,000 million and returning capital of Baht 270 million to shareholders. This subsidiary registered the capital reduction with the Ministry of Commerce on December 17, 2018.
- On November 29, 2018, the Annual General Meeting of shareholders of The Samart Engineering Company Limited, a subsidiary company, passed a resolution to approve an increase in the share capital from Baht 250 million (2,500,000 ordinary shares of Baht 100 each) to Baht 550 million (5,500,000 ordinary shares of Baht 100 each) through an issuance of additional 3,000,000 ordinary shares of Baht 100 each. The subsidiary company registered the increase in the share capital with the Ministry of Commerce on January 15, 2019. The company paid up the share capital in full in January 2019.

2017

- The Board of Directors of Samart Digital Media Co., Ltd., a subsidiary company, in its meeting on January 12, 2017 has passed a resolution approving the disposal of all investment in Phoinikas Co., Ltd. to a former shareholder. Subsequently on January 16, 2017, the subsidiary company sold all of the 30,000 ordinary shares which held in Phoinikas Co., Ltd. to a former shareholder at a total price of Baht 5.6 million.
- The Board of Directors of SDC, a subsidiary company, formerly known as Samart I-Mobile Public Company Limited (“SIM”), in its meeting on February 21, 2017 has passed a resolution approving the purchase of 100,000 ordinary shares with a par value of Baht 100 each of Thai Base Station Co., Ltd. (“TBS”) from the existing shareholders, representing a 100 percent interest in that company, for an amount not exceeding Baht 50 million. TBS provides space rental and other services and distributes telecommunication equipment and system.
- The Board of Directors of SAMTEL, a subsidiary company, in its meeting on February 21, 2017 has passed a resolution to approve the establishment a new company name **“Secureinfo Co., Ltd.”** by Samart Comtech Co., Ltd. (“SCT”), another subsidiary company, which engages in cyber security services and has registered share capital of 50,000 ordinary shares of Baht 100 each, totaling Baht 5 million. The shares are 100 percent held by SCT and 25 percent of which have been called up. The establishment of the new company was registered with the Ministry of Commerce on June 22, 2017.
- The Company has notified the adjustment of the Exercise Price and Exercise Ratio warrants to purchase ordinary shares of Samart Corporation Public Company Limited No.1 (SAMART-W) as follows :

Exercise Price prior to the adjustment	: Baht 45 per share
New Exercise Price after the adjustment	: Baht 44.566 per share
Exercise Ratio prior to the adjustment	: 1 unit of Warrants to 1 ordinary share
New Exercise Ratio prior to the adjustment	: 1 unit of Warrants to 1.010 ordinary share
Effective Date	: The first date on which the Stock Exchange of Thailand posts XD sign, March 17, 2017.

- On March 10, 2017, SDC, a subsidiary company, entered into an agreement to enter into a consortium with Samart Communication Services Co, Ltd., another subsidiary company, named SISC Consortium, for the purpose of entering into an alliance service agreement for Digital Trunked Radio System with CAT Telecom Public Co., Ltd. (CAT). SDC was appointed as the lead company of SISC Consortium and is authorized to act on behalf of SISC Consortium. The agreement is effective from the date that the agreement is signed and will terminate when SISC Consortium has fully discharged its responsibilities under the agreement. SDC is obliged to comply with duties, certain conditions and to pay expenses of the project on the basis as stated in the agreement.

Subsequently, on August 24 2017, SISC Consortium entered into a business alliance agreement with CAT in order to increase its capability to provide Digital Trunked Radio System (DTRS) services. The agreement terminates on July 31, 2025. In October 2, 2017, SDC entered into a three-year agreement with CAT for wholesale and resale of digital trunked radio system services. SDC is obliged to comply with terms and conditions and make payments as stated in the agreement.

- The Board of Directors of the Company in its meeting on August 15, 2017 has passed a resolution to approve, the establishment of a new subsidiary under the name **“SAMART Transolutions Co., Ltd.” (“STR”)** by Samart U-Trans Co., Ltd., (“SUT”) a subsidiary company, to provide traffic control services and operate business related to all types of transportation, with a registered share capital consisting of 100,000 ordinary shares of Baht 10 each, totaling Baht 1 million, in which, SUT holds 99.99 percent interest. The subsidiary company registered the establishment of the new company with the Ministry of Commerce on August 22, 2017. The share capital is fully called-up, and the subsidiary company received payment on September 27, 2017.
- The Extraordinary General Meeting of Shareholders of Samart I-Mobile Public Company Limited, on September 27, 2017 has passed a resolution approving the change of its name from **“Samart I-Mobile Public Company Limited.”** to **“Samart Digital Public Company Limited”**. The subsidiary company registered the change of its name with the Ministry of Commerce on October 6, 2017.
- The Extraordinary General Meeting of Shareholders of SDC on September 27, 2017 has passed a resolution approving the following :
 - Approved the issue of up to 1,100,062,500 units of warrants no. 1 to be allocated at an offering price of Baht 0 per unit to existing shareholders of the subsidiary company who subscribe to and were allocated newly issued shares offered to them in proportion to their shareholdings (rights offering) at the ratio of 4 newly issued shares to 1 warrant. The warrants have an exercise ratio of 1 warrant: 1 share, an exercise price of Baht 0.9 per 1 ordinary share and a term of five years. The first exercise date is 2 years after the issue date, and the warrants can then be exercised, on the last business day of each June and December throughout the term of the warrants.
 - Approved the increase in its registered share capital from Baht 440 million (4,400,250,000 ordinary shares of Baht 0.1 per share) to Baht 990 million (9,900,562,500 ordinary shares of Baht 0.1 per share) through the issuance of additional 5,500,312,500 ordinary shares of Baht 0.1 each for the allocation of not more than 4,400,250,000 newly-issued ordinary shares with a par value of Baht 0.1 per share, to be offered to the existing shareholders at a price of Baht 0.5 per share in proportion to their respective shareholdings (rights offering), with an allocation ratio of 1 existing ordinary share to 1 newly-issued ordinary share, and the allocation of not more than 1,100,062,500 shares, with a par value of Baht 0.1 per share, to accommodate the exercise of the warrants as described above.

On October 6, 2017, the subsidiary company registered the increase of share capital with the Ministry of Commerce.

- The Extraordinary General Meeting of Shareholders of STR, a subsidiary company held on October 12, 2017 has passed a resolution to increase the registered share capital from Baht 1 million to Baht 50 million through the issuance of additional 4.9 million ordinary shares of Baht 10 each.
- Cambodia Air Traffic Services Co., Ltd. (“CATS”), a wholly own subsidiary of the Company’s which 100% stakeholding held by STR, (which provides air traffic control services in Cambodia with concession granted by the government of Cambodia for 32 years, from 2001-2033) has signed the amendment of such concession agreement with the government of Cambodia to extend the concession period for another 7 years, from 2033 to 2040.

2016

- SW2P, a subsidiary with 99.99% indirect holding by SUT, had set up Chiang Mai Waste2Power Co., Ltd. (“CW2P”), a joint venture company with Ferrum Energy Co., Ltd. under shareholder structure at 50% and 50% respectively to provide solid waste management by Refused Derived Fuel (RDF) and sell electricity to Provincial Electricity Authority (PEA). CW2P has registered on May 6, 2015. For the efficient management of CW2P, Ferrum Energy Co., Ltd. has offered to buy SW2P’s ordinary shares in CW2P. The Board of Directors of the Company in its meeting No. 5/2016 on May 11, 2016 has approved SW2P to dispose total of SW2P’s ordinary shares in CW2P at the amount of 99,998 shares or 50% of CW2P registered capital to Ferrum Energy Co., Ltd. at Baht 130 per share or approximately Baht 13 million.
- The Board of Directors of SDC formerly known as SIM No. 1/2016, held on February 5, 2016, approved the Company to joint invest with People Media Group Co., Ltd. (PMG) with registered capital of Bath 60 million under shareholder structure at 51%:49%. The joint investment company will operate E-Commerce business by launching E-Marketplace under the name “Thailandmall.com” of which its dominate point is selling distinctive identity Thai products throughout the world via online and offline integrated channel. It also creates the image and boost up sales of Thai products to foreigners as well.
- The Board of Directors of SDC formerly known as SIM No. 3/2016, held on March 29, 2016, approved Samart Multimedia Co., Ltd., a subsidiary with 99.99% holding, to acquire 30,000 ordinary shares with par value of Bath 100 per share, representing 100% of the issued and paid-up shares of Phoinikas Co., Ltd. from 3 individual persons, who had no conflict of interests, at the amount of not exceeding Bath 20 million.

Phoinikas Co., Ltd. Provides integrated services of Digital Marketing to cover all of the client marketing needs as well as services in other areas, from Data Analysis - Insight and strategic Planning & Development up to creative of digital & online media and production to achieve business goals. This investment will enhance the potential of the Company’s Multimedia Business and also create new business opportunities to this line of business. In addition, it can create opportunities to expand the Company’s customer base and acquire new business as well as cross-selling.

- On September 29, 2016, SDC formerly known as SIM had inform the dissolution of 3 inactive subsidiaries namely I-Mobile International Co., Ltd., a subsidiary with 99.99% directly held by the Company, Samart Interactive Media Co., Ltd. and The Nest Bangkok Co., Ltd., subsidiaries with 99.99% and 99.98% indirectly held by the Company’s subsidiary which does not affect the operation of the Company in any manner as they have no longer operated any business.
- The Board of Directors of SDC formerly known as SIM in its meeting No. 9/2016 on December 15, 2016 has approved the disposal of all investment in Mall (Thailand) Co., Ltd. (MT), a subsidiary with 51% shareholding, to People Media Group Co., Ltd., another shareholder of MT with 49% shareholding, at the investment cost of which approximate to net book value of MT at the transaction date of Bath 15.3 million in order to focus on SDC’s core business. After disposal of this investment, MT will cease to be SDC’s subsidiary.
- On December 28, 2016, SDC formerly known as SIM had inform the dissolution of 2 inactive subsidiaries namely Brain Source Co., Ltd. and I-Mobile Direct Co., Ltd. subsidiaries with 99.88% directly and indirectly held by SDC, according to the resolution of the Extraordinary General Meeting of Shareholders of both subsidiaries on December 28, 2016. These 2 subsidiaries are now under legal and liquidation process which does not affect the operation of the Company in any manner as they no longer operated any business.

Shareholding Structure

As of December 31, 2018, the Company has Baht 1,342,005,213 registered capital, with paid-up capital of Baht 1,006,503,910. Shareholding structure in subsidiaries is classified by “Business Structure (by shareholding)” and “Business Structure (by to management)”. More details are in topic of **“Business Structure”**, in page 059 - 060.

Moreover, since nature of business of the Company is the ‘Holding Company’ which mainly invests in its subsidiaries and such investment in all subsidiaries is regarded as core business and size of business that undertakes core business must be pursuant to criteria of the Notification of the Office of the Securities and Exchange Commission No. SorChor 20/2555 Re: Consideration on Size of Company Related to Approval for Company that Undertakes Business By Holding Shares in Other Companies (Holding Company) to offer for Sale of Newly Issued Shares, which can be summarized as follows:

1. Size of subsidiaries which undertake core business must be 99.84% of size of the listed company. The Company complies with such notification which specified that it must not less than 25% of size of the listed company.
2. Ratio of total size of all companies which undertakes core business when compared with size of the listed company must be 99.84% of the size of the listed company. Such notification specified that it must not less than 75% of size of the listed company.

However, such main company has different sizes. When considering from significance of business, there are 4 subsidiaries which its revenue represent over 10% of Group revenue are Samart Telcoms Pcl., Samart Comtech Co., Ltd., Cambodia Air Traffic Services Co., Ltd. and Teda Co.,Ltd. However, Samart Digital Pcl., a Listed Subsidiary. The Company has disclosed the additional information of such company. More details on nature of business, shareholding proportion and income structure of such companies are in topic of **“Shareholding of Samart Corporation Pcl. in Subsidiaries and Affiliated Companies”**, **“Business Structure”** and **“Revenue Structure”**, respectively.

Nature of Business

Samart Corporation Public Company Limited has been established since March 7, 1989, formerly known as Samart Comtech Co., Ltd., with registered capital of Baht 5 million by Vilailuck Group for design, implement and install of telecommunication system business. The Company has converted into a Public Company and listed in the Stock Exchange of Thailand since 1993.

The business of Samart Group is divided into 5 groups as follows:

No.	Group of Business	Nature of Business ^(*)	Percentage of income ^(**) 2018
1	ICT Solution and Service	Provide solutions and services in information and communication technology including Network Solutions, Enhanced Technology in ICT and Business Application ranging from consulting, system design, installation and implementation, operation and maintenance as Total Solutions and Services for clients in government and private sectors.	59.5%
2	Digital	Provide integrated businesses in digital network, solution and content.	5.3%
3	Call Center	Provide outsourced contact center and customer management services, and turnkey total solutions in Thailand and Cambodia and also provide digital service innovation, debt collection and training institute.	5.7%
4	Utilities and Transportations	Provide air traffic control services and electricity supply in Cambodia, and also provide construction design and installation services of electrical power transmission systems.	27.8%
5	Technology Related Services	Manufacture and distribution of television and radio antennas and satellite dishes, distribution, installation and maintenance of communication and security systems.	1.7%

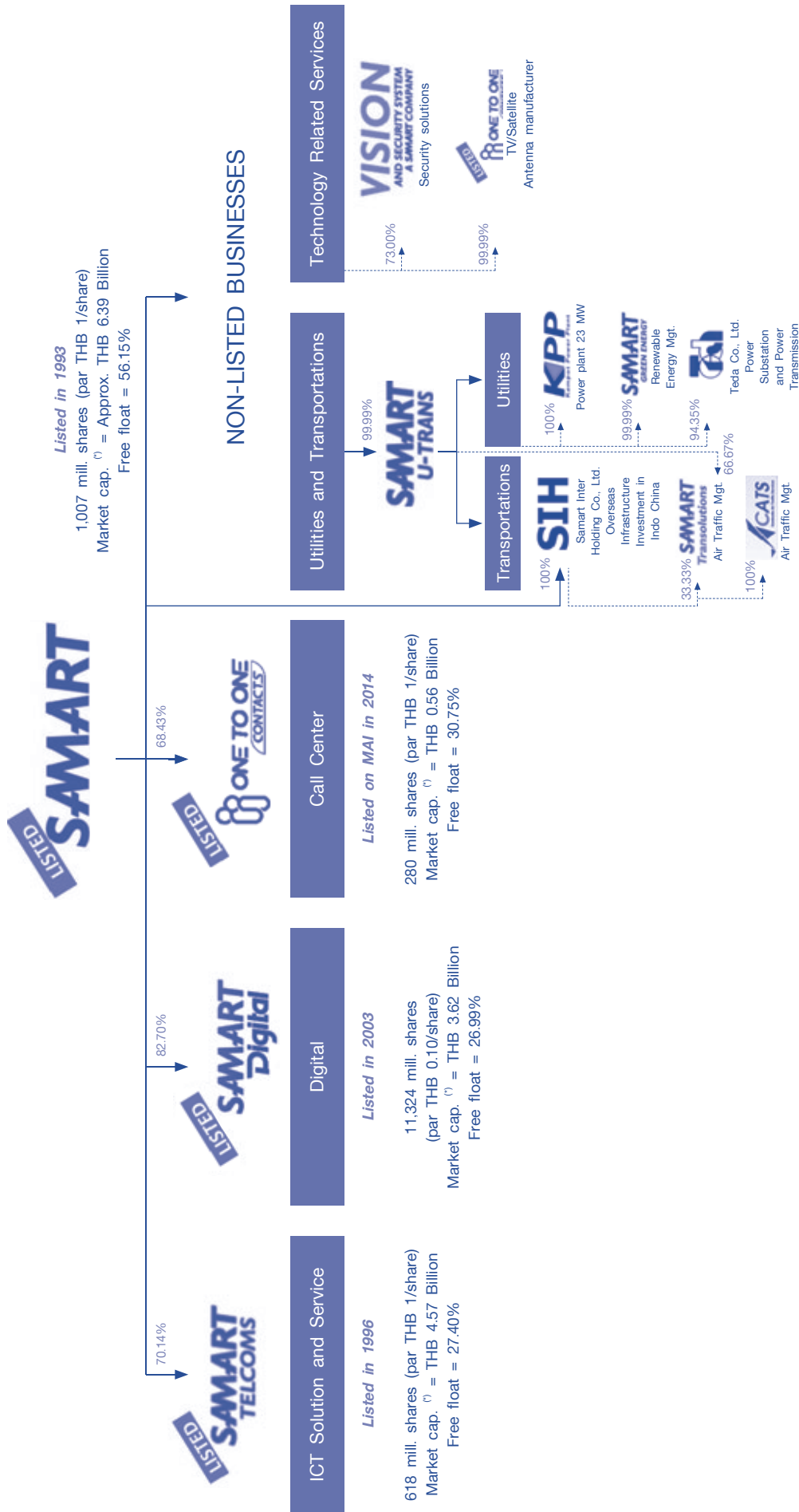
Remarks : ^() More information have been disclosed on Company's website (www.samartcorp.com) via Annual Information Disclosure of the Company (56-1 Form) and SEC's website (www.sec.or.th)*

*^(**) Percentage of 2018 consolidated revenue from sales, contract work and service.*

The Company and subsidiaries have revenue from sales, contract work and service in 2018 was Baht 12,185 million with gross profit of Baht 2,451 million equivalent to 20.11% of total sales. Selling, distribution and administrative and others expenses were Baht 2,824 million or 22.97% of total revenue, finance cost was Baht 548 million and income tax expense of Baht 450 million of which resulted to the loss for the year 2018 (loss attributable to equity holders of the Company) of Baht 1,076 million.

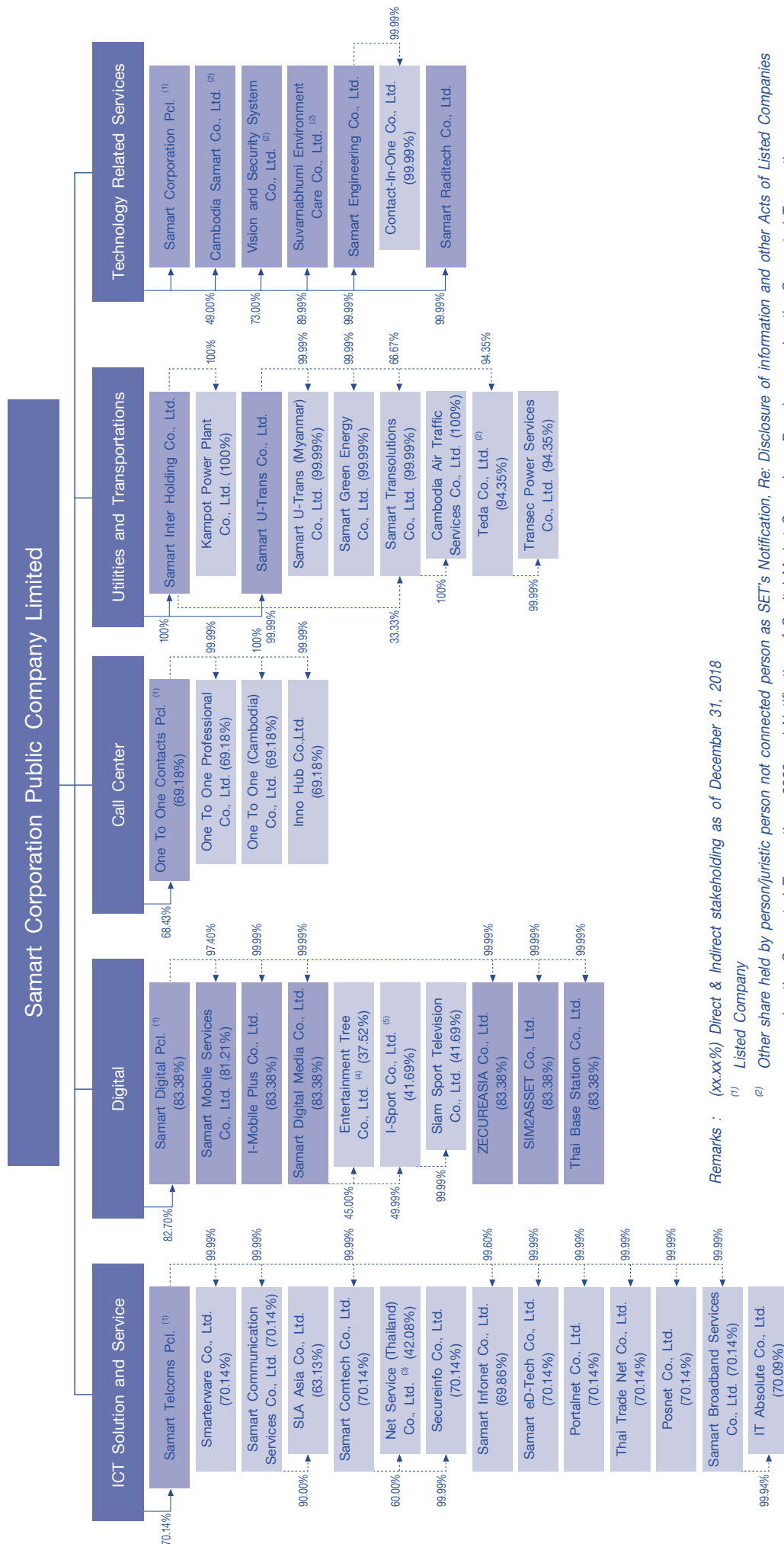
In terms of revenue contribution by lines of business (LOB), ICT Solution and Service generated 59.5% of the Group revenue while Digital was 5.3%, Call Center was 5.7%, Utilities and Transportations was 27.8% and Technology Related Services was 1.7%.

Business Structure (by Management)



Remark : ⁽¹⁾ Market cap based on price of stocks as of December 28, 2018

Business Structure (by Shareholding)



Remarks : (xx.xx%) Direct & Indirect stakeholding as of December 31, 2018

⁽¹⁾ Listed Company

⁽²⁾ Other share held by person/juristic person not connected person as SET's Notification, Re: Disclosure of information and other Acts of Listed Companies concerning the Connected Transactions, 2003 and Notification of Capital Market Supervisory Board concerning the Connected Transactions.

⁽³⁾ The remaining 40% of shares held by persons who have no conflict of interest.

⁽⁴⁾ The other 55% remaining portion held by 2 ordinary persons who have business expertise in such company.

⁽⁵⁾ The other 37.50% and 12.51% remaining portion held by Siam Sport Syndicate Plc. and 9 ordinary persons respectively.

Revenue Structure

(Unit : Million Baht)

Business Group	Operation by Company	% of Holding 2018 ⁽¹⁾	2016		2017		2018	
			Revenue ⁽²⁾	%	Revenue ⁽²⁾	%	Revenue ⁽²⁾	%
1) ICT Solution and Service	Samart Comtech Co., Ltd.	70.14	2,470.7	18.1	2,677.8	20.6	3,364.9	27.6
	Samart Telcoms Pcl.	70.14	891.5	6.5	1,302.1	10.0	1,533.4	12.6
	Samart Communication Services Co., Ltd.	70.14	802.5	5.9	1,405.4	10.8	1,163.3	9.6
	Other subsidiaries	-	1,418.5	10.3	1,264.2	9.7	1,191.7	9.7
Sub Total			5,583.2	40.8	6,649.5	51.1	7,253.3	59.5
2) Digital	Samart Digital Pcl.	83.38	2,474.2	18.1	701.3	5.4	162.5	1.3
	Other subsidiaries	-	883.1	6.5	607.2	4.6	488.8	4.0
Sub Total			3,357.3	24.6	1,308.5	10.0	651.3	5.3
3) Call Center	One To One Contacts Pcl.	69.18	916.2	6.7	781.2	6.0	683.5	5.6
	Other subsidiaries	-	7.3	0.0	7.2	0.1	6.3	0.1
Sub Total			923.5	6.7	788.4	6.1	689.8	5.7
4) Utilities and Transportations	Cambodia Air Traffic Services Co., Ltd.	100	1,770.3	12.9	1,844.9	14.2	1,931.0	15.8
	Teda Co., Ltd.	94.35	1,073.5	7.9	1,280.4	9.8	1,234.6	10.2
	Other subsidiaries	-	338.9	2.5	315.0	2.4	218.8	1.8
Sub Total			3,182.7	23.3	3,440.3	26.4	3,384.4	27.8
5) Technology Related Services	Samart Engineering Co., Ltd.	99.99	322.7	2.4	126.5	1.0	107.4	0.9
	Company and Other subsidiaries	-	306.1	2.2	709.6	5.4	98.6	0.8
Sub Total			628.8	4.6	836.1	6.4	206.0	1.7
Total Sales and Services income			13,675.5	100.0	13,022.8	100.0	12,184.8	100.0

 Remarks : ⁽¹⁾ Direct & Indirect stake holding on December 31, 2018

⁽²⁾ Sales and Services income after connected transactions.

Changes during the year

In 2018, Samart Corporation Public Company Limited's total revenue was Baht 12,293 million. The total loss was Baht 1,076 million. The Company runs under 5 main businesses:

- ICT Solution and Service
- Digital
- Call Center
- Utilities and Transportations
- Technology Related Services

ICT Solution and Service Business

The ICT Solution and Service business, under Samart Telcoms Public Company Limited, is one of the country's biggest ICT Solution service providers. In 2018, Samart Telcoms Public Company Limited signed new project contracts of Baht 6,960 million in total. Examples are Baht 2,768 million on the development of the Land Information System (Phase 2) from Department of Lands, Baht 972 million for the maintenance services of meters and accessories in Automatic Meter Reading (AMR) Phase 1 & 2 Project from Provincial Electricity Authority of Thailand and Baht 994 million for the employment of efficiency improvement for real time charging system and the bandwidth expansion of Network connecting border and submarine cable station from CAT Telecom Public Company Limited. At the end of the year, there were still Baht 7,693 million worth of backlog of which the revenue has not been realized.

Moreover, the Company still maintained its service standards and capabilities in both knowledge and expertise in technologies and human resource development, making the system and operations more reliable and it could be strengths for long-term competition and also resulted in success in acquiring several important projects.

Digital Business

The Company underwent a major business transformation to complete digital services. The Company provides digital communication services by signing a contract for Digital Trunked Radio System ("DTRS") installation project with CAT Telecom Public Company Limited ("CAT") to expand its capability in DTRS services and sufficiently serve the consumer needs in necessary areas. The main target group is public organizations that need secure telecommunication. In addition, there is another project to install Co-Tower in National Park areas. Both projects are expected to generate consistent income to the Company in the future. In 2018, the Company installed the network equipment as planned.

For the Digital Content business, it has changed towards digital platform that offers eat, drink and travel content and comprehensive travel planner services. Meanwhile the sports business is aiming towards complete digital sports business that serves the digital trend and the upcoming age of sports and healthy lifestyle. This is to enhance the livelihood by providing quality products and services derived from technology advancement and excellent innovations of the digital age.

Call Center Business

In 2018, One To One Contacts Public Company Limited has equally provide services to customers from both private sectors and government agencies. Private sectors under our services still mainly consists of airlines, banks, insurances, and retail groups. Our company still continuously develop new innovations in order to satisfy our customer's needs. Last year, we established a new subsidiary named Inno Hub Co., Ltd., which is devoted to development of new digital service innovations. Inno Hub Co., Ltd. helps us develop many digital products and services. Moreover, the Company also expand our business by forming an alliance, which could support our business further. Our two main alliances are:

- **LINE Company (Thailand) limited**, which is our official partner in the development of LINE customer connect. We manage the system, which allows more interaction between customers and various companies. Utilizing Line Customer Connect's functions, our customers can use LINE to contact the staff anywhere anytime, free of charge. The staff can also send pictures, videos, and locations immediately during the conversation.
- **HANKOOK Corporation** - Our Company is a strategic partner with HANKOOK Corporation, the leading Business Process Outsourcing and Contact Center in South Korea. This partnership will help in expanding new services to new customer bases. There will also be an exchange of business ideas, new service technologies, and a collaboration to introduce new service into the contact center business.

The Company, in 2018, also received "2018 Thailand Outsourced Contact Center Service Provider of the Year" from Frost & Sullivan as a private organization which operate a leading contact center business in Thailand for 6 consecutive years. We also received "Asia's Most Trusted Contact Center and Customer Management Services Company" award as the most trusted contact center and customer service in ASIA, which is held by International Brand Consulting Corporation, USA.

Utilities and Transportations Business

Samart U-Trans Company Limited ("SUT")

To comply with the Company's policy in enhance the recurring revenue, Samart U-Trans Company Limited considers the feasibility of various types of power plants in Thailand and neighboring countries, including coal power plant, hydroelectricity plant, along with power cable and transportation infrastructure to prepare for Utilities and Transportations business expansion in the future.

Cambodia Air Traffic Services Company Limited ("CATS")

Cambodia Air Traffic Services Company Limited, or "CATS", offers air traffic control system installation and services in Cambodia. CATS is the Company's major business that consistently generates income. In 2018, CATS served a total of 123,820 flights, which increased from the previous year by 13.53%. The Company expects to see an increase in flights every year.

Teda Company Limited ("TEDA")

Teda Company Limited is under Samart U-Trans Company Limited, the leader in electrical substation and cable design and construction. The main customers include 3 electricity authorities - the Metropolitan Electricity Authority, the Provincial Electricity Authority, and the Electricity Generating Authority of Thailand. In 2018, the Company signed new project contracts value over Baht 2,000 million in total, including the conversion of Overhead Line to Underground System on Charansanitwong Road (Blue-line MRT) Project and the construction of Klong Dan Terminal Station from Metropolitan Electricity Authority (MEA) and the construction of Lam Poo Ra Substation Transmission System from Electricity Generating Authority of Thailand.

Technology Related Service Business

Samart Engineering Company Limited ("SE")

Samart Engineering Company Limited produces and distributes digital television antenna and receivers. The Company also expanded its business to digital head-end services.

Industry and Competition

In 2018, Thai economy expanded by 4.1%, increasing from 4.0% in 2017 and considered the highest expansion in 6 years, mainly supported by export value growing by 7.7% while private consumption increasing at 4.6% and total investment up by 3.8% which was from private investment expansion rate at 3.9% and public investment growing by 3.3%. Furthermore, the total number of foreign tourists in 2018 was at 38.28 million persons increasing by 7.5% and total tourism receipts were at Baht 3.075 trillion growing by 9.0%. Headline inflation averaged at 1.1% increased by 0.7% from 2017 due to higher domestic consumption and average oil price in global market rising by 29.7% compared to that in 2018.

For Information Technology (IT) market in 2018, International Data Corporation (IDC) estimated IT spending at Baht 424 billion increasing from spending in 2017 at Baht 414 billion with the expansion rate of 2.4% due mainly to increase of IT service, IT infrastructure and software. Telecommunication providers and industry sector has invested and spent in IT continuously.

According to Telecommunications Market Report, for the telecommunication market, at the end of 3rd quarter 2018 by Office of The National Broadcast and Telecommunications Commission, the overall expansion is higher with slowdown growth rate due to intense competition in the market. The report indicated the slowdown of revenue from fixed line services of telecommunication providers and the growth of mobile phone services at 4.9% based on year-on-year (YoY) comparison. Average revenue per user (ARPU) was at Baht 240 per month increasing from Baht 237 per month compared to that at the same period in 2017. The competition in mobile phone services market expanded slightly indicated by Herfindahl-Hirschman Index (HHI) that was higher 0.6% (YoY) and 1.6% compared to that in second quarter of 2018 (QoQ). Fixed Internet broadband market grew by 13.2 (YoY) with 9.08 million registered users mainly consisting of xDSL users at 40.52% and Fiber Optic users at 41.12% (Fiber Optics users increased by 31.3% (YoY)). For International Internet Gateway market, the total bandwidth connection was at 2,191 Gbps growing by 7.7% YoY.

In 2019, global economy is expected to grow by 3.8%, gradually slowing down from the 3.9% growth in 2018. Key risks in global economy and financial system are still high causing turbulence and impact to Thai economy. The Thai economy in 2019 is forecasted to expand in the range of 3.5% - 4.5%, supported mainly by public investment expected to grow 6.2% due to progresses of major infrastructure projects, private investment projected to grow 5.1% contributed by increase of capacity utilization and private consumption that will grow by 4.2%. Despite of global economic slowdown especially major trading partners such as United States of America and China resulting in lower growth rate of export value expected to grow by 4.1% compared to that in 2018 at 7.7%, the recovery driver in tourism sector will support the Thai economy in 2019 with revenue only from foreign tourists at Baht 2.24 trillion increasing by 9.2% from Baht 2.05 trillion in 2018 contributed by the number of foreign tourists in 2019 expected at the range of 39.0-39.8 million persons growing by 2.1% - 4.1% from 2018. The headline inflation is forecasted to be in the range of 0.7% - 1.7%. Additionally, total government budget disbursement in the first quarter of fiscal year 2019 (fourth quarter of calendar year 2018) was at Baht 1.03 trillion increased by 1.1% compared to that of the same quarter of fiscal year 2018 however the disbursement was from public investment only Baht 75.23 billion lower by 16.2% compared the that in the previous year.

For Thailand IT market in 2019, IDC forecasted that the spending will be at Baht 452 billion increased by 6.6% from that in 2018 and also expected that from 2017 to 2022, average growth will be 5.4% with IT spending at Baht 489 billion in 2020, Baht 516 billion in 2021 and Baht 540 billion in 2022 due to acceleration of digital transformation. Despite expansion of IT spending at 5.4%, Public Cloud services will grow by 20% and Big Data Analytics will expand at average growth of 18.6% along with spending in Internet of Things (IoT) that will increase 11.4%. Spending in application of Robotics, Cognitive and Artificial Intelligent System, IoT, Augmented Reality (AR) and Virtual Reality (VR) will continuously to grow. Traditional IT investment such as hardware investment will slow down while platform service will rise. In addition, portion of IT spending coming from consumer sector will be close to that from enterprise sector.

Key factors driving ICT market expansion will still be government policies and public investment, for example, Thailand 4.0 enabling technology to create innovation in every industry promoting Digital Economy and Digital Government that encourages investment and spending in infrastructure for government's e-services, data integration through centralized network and technology and information integrated for analytics to improve performance in labor, agriculture, manufacturing sector, tourism, etc. Such major technologies applied to develop Digital Government are AR/VR, Big Data Analytics, Open Any Data, Smart Machine/AI, IoT, Cloud Computing, Cyber Security and more application in Block Chain / Distributed Ledger Technology will be deployed for validation of transaction. Moreover, government will encourage development of smart cities for major provinces continuously and also promote Eastern Economic Corridor (EEC) resulting in vast investment in transportation and logistics infrastructure including related ICT infrastructure. Business enterprises will emphasize ICT investment to increase competitiveness and more enterprises will embrace digital transformation (DX). IDC estimated that over 30% of enterprises would turn their organization into Digital Native and would adopt technologies to efficiently drive their business. IDC also unveiled its prediction that by 2022 more than 61% of the country's gross domestic product (GDP) will be digitalized.

Competition in ICT market will rise due to rapid changes in technologies and applied innovation from ICT providers and business enterprises transforming in digital era. In addition to more intense competition in price and marketing, technology and innovation will drive ICT providers to compete in creating new products, services, business models including increasing quality and speed in order to provide customers with better experience, to deliver different values, to solve problems and to truly increase customers' operation efficiency and competitiveness resulting in increase of customer satisfactions. Not only ICT providers but also Digital Tech Startups have played major parts in competition. Several Digital Tech Startups will be in collaboration to deliver solutions responding to customer demands continuously. Large enterprises in every sector not in ICT industry have founded and promoted their Digital Tech Startup and brought their successful platform to provide services in the market not only raising competition but also market expansion which support growth of the country's Digital Economy. ICT market may not expand as forecasted if efficiency in government budget disbursement fails the target and rising internal and external risks affect private consumption and investment or have direct impact to the ICT market.

References:

- Office of the National Economic and Social Development Board
- Office of The National Broadcast and Telecommunications Commission.
- Kasikorn Research
- Digital Government Development Agency (Public Organization) (DGA)

Risk Factors

Currently, Samart Corporation Public Company Limited operates in 5 major businesses: 1) ICT Solution and Service, 2) Digital, 3) Call Center, 4) Utilities and Transportations, and 5) Technology Related Services. Operation in all 5 major businesses has risk factors in different management comprising both internal and external factors which can cause impact on the financial position and performance of the Company. For this reason, the Company, therefore, has to have a risk management system. Moreover, it has appointed the risk management committee whose mission is to set the policy, prioritize risks, review and evaluate risks regularly. Risk factors can be classified as follows.

1. Operational Risks

Operational Risk in ICT Solution and Service Business

ICT Solution and Service business operates turnkey ICT system installation and services. The main customers were governmental agencies and state enterprises; hence, if the government has slowed down spending on information technology and communications budgets, it will significantly affect the performance of the Company. However, the Company has tried to reduce the risk by expanding its customer base to cover more ministries and agencies and state enterprises to reduce the risk of policy changes, the delay in bid tendering or the budget cutting of each agency. The Company has also expanded its customer base to more non-governmental organizations to reduce the risk due to too much dependence on government agencies. Besides, the Company plans to create more recurring revenues because the recurring revenues can reduce the risk of reduce revenue volatility of the Company. Moreover, another risk is that the Company must support services with diversified technologies; the employees may not be sufficiently knowledgeable in those technologies and cannot provide the right solution. In this regard, the Company has divided the working teams into specific expertise groups and provides training courses regularly. The Company also seeks business partners who are the leaders in technology to develop employees' knowledge, expertise, in order to success on the job.

Operational Risk in Digital Business

- **Content Business**

Technology affects the lifestyle of consumers. The once-separated market competitions that approached consumers in different ways are combined into one single market full of competitors. However, the market itself has also expanded. The Company has acknowledged the change and therefore offers different content services through various platforms to serve the changing needs of users.

- **Digital Trunked Radio and Co-Tower Business**

The major risks of digital trunked radio and co-tower business include the system installation, network instrument, and the co-tower itself. However, with its expertise and experiences in system installation, the Company believes that network installation will be smooth and punctual. Also the installation cost can be efficiently controlled under the plan.

Operational Risk in Call Center Business

- **Call Center Business**

For the Call Center business, personnel is a key factor in the operation. Therefore, the main risk of this business operation depends upon the personnel. Because the resignation rate of high rank personnel in such business may affect the operations of the Company, the Company has tried to find some guidelines to reduce its employees' resignation rate by providing the appropriate remuneration, welfares provision with training courses to enable them to understand their path of progress in this career. Besides, the Company has also prepared to cope with emergency situations such as fire, flood, etc. The Company has set up a data center and backup operation center for emergency situations. When these emergencies occur, the impact on the Company's operations can be reduced.

Operational Risk in Utilities and Transportations Business

- **Air traffic Business**

The risk in air traffic business are mostly associated with various security operating systems, interactive communication system with pilots or computer systems must be all time maintained and cannot be crashed. The Company has installed equipment of dual backup systems to prevent such risk. Furthermore, we also have technicians who can operate around the clock and have to examine the readiness and completeness of equipment periodically every 3 months.

- **Power Substation and Transmission Line Construction Business**

For Power Substation and Transmission Line Construction Business, our main customers would likely be some government projects. The risk might occur from delays in the bidding process when there is political change; hence, the Company has a policy to secure more private projects which already approved to reduce this risk. Other risk is a highly competitive market from both domestic and international competitors. Some competitors are the material producers themselves. This caused us in disadvantage of pricing. In this regard, the Company reduced the risk by seeking to be alliance with potential producers in order to have a lower cost and stay competitive.

Operational Risk in Technology Related Services Business

- **Business on Production and Distribution of Digital Television Set Top Box**

The risk of business on production and distribution of digital TV set top box is the market competition because the products are slightly different when compared with those of competitors; hence, the Company has focused on improving the quality of the antenna. For instance, the Company plans to develop the antenna to be compact and the Company will focus on manufacturing and distributing the outdoor antennas in order to increase the Company's competitiveness. Moreover, the technology change is another risk factor to the digital TV set top box business.

2. Financial Risk

Foreign Exchange Rate Risk

Some affairs operation of the Company can make money in foreign currency, such as air traffic business in Cambodia that contributes to the Company as the U.S. dollars or some business operations may generate the cost in foreign currency such as ICT Solution and Service which are paid for the equipment in foreign currency. The Company, therefore, realizes of the risk of exchange rate fluctuations in the past years and tried to execute the policy carefully to minimize the risk from such fluctuations. The Company has entered into the foreign exchange trading agreement and closely keeps abreast of the situation for exchange rate movements.

Interest Rate Risk

The Company and its subsidiaries have borrowed loans from many financial institutions, both short term and long term loans. The fluctuations of interest rates may affect the financial cost of capital of the Company, however, most of loans are short term loans where the interest rate will change according to the money market conditions. Hence, the interest rate risk is relatively low. For long-term loans interest, the Company has received the interest rate for long-term loans with an interest rate for good clients (MLR-Minimum Loan Rate) whereby the advance agreeable margin would be deducted. While the loan in US dollars, the Company would receive interest rate at LIBOR plus the agreed margin. All agreed interest rates are floating. The Company, therefore, has closely monitored the interest rates situation. If there are signs of fluctuation, the Company will use financial hedging instruments to limit such risk.

Risks from Doubtful Accounts

The Company experiences the risks of the ability of different types of accounts receivable to repay debt. According to the consolidated financial statement as of 31 December 2018, the Company has a total of 4,016.88 million baht of trade and other receivables. The allowance for doubtful accounts is determined at 934.20 million baht. The Company's management has considered the aforementioned allowance for doubtful accounts an appropriate value. The Company's accounts receivable include public organizations and collaborating private companies or big private companies which are still working with the corporate and consistently paying the debts with no negative record despite long payment approval time. The Company is following up on the debts and believes that eventually all the debts will be paid.

Holding Company Risk

As one of the holding companies, the Company holds shares in other companies whereas the performance of the Company will also depend on the results of subsidiary companies' performance. The dividends of the Company will depend on the performance results and cash flows of those subsidiaries. If the performance of subsidiaries does not meet the target, it will affect to the dividend payment of the Company. The Company administers such risk by having the investment policy emphasizing on investment in businesses with high potential, high growth tendency, certain income, low risk and yield high rate of return to the Company. In addition, a group of subsidiary companies are determined by the Company to prepare business plans and propose the operation plans and annual budget which must be approved by the Board of Directors including the performance following of each business closely to prepare plan to handle risk timely. However, the Company is on the process of transforming the holding to operating company, which the new business will not compete with our subsidiaries.

Risk in Short-Term Investments in Securities

From the financial statements on 31 December 2018, the Company had short-term investments in securities to amount of 17.26 million baht. Such securities are listed on the Stock Exchange of Thailand. The market volatility, political change, and economic effects will affect to the prices of securities held by the Company. The Company has monitored movements that will lead to such risks closely and the Company often holds the meeting to discuss about risks regularly to follow investment information to take action timely when necessary.

3. Social and Environmental Risk

In order to maintain the continuity and sustainability of the Company's operation, the Company is owing to the support from both community and society. The Company's operation which results in negative impacts on society, community, and environment will damage the Company's image following by the poor performance of the Company in long term. The Company is well aware of the importance of social and environmental responsibility, the development of quality of life, and prosperity of the communities; thus, the Company has set the policy and practical guideline regarding strengthen good relationship with the organizations both from public and private sectors, as well as community leaders so that the works for community development can be harmoniously coordinated on sustainable and concrete basis. For instance, the Company hosted Samart Innovation project, and provided Samart Scholarships, Support for improvement of library, playground to upcountry schools, donations of computers to a remote border school, and also training on necessary telecommunication-technology knowledge and work skills to produce the qualified professionals into Thai society. Besides, the Company conducts business by always taking into account the environmental conservation and using resources in the most meaningful way. The Company has a policy to strengthen and provide knowledge and training on environment to the employees in the organization, in order to be aware of environmental responsibility. The Company has promoted environmental care among its employees via both internal communications and energy saving campaign project every year. The Company continuously follows its social and environmental policy in purpose to be with society in harmony and sustain business growth altogether.

Shareholders

1. The Shareholders of the Company

The top ten major shareholders of the Company are :

Name of shareholders	No. of shares held (Shares)	% of Total Shares
1. Vilailuck Group ⁽¹⁾	426,714,595	42.39
- Vilailuck International Holding Co., Ltd. ⁽²⁾	152,432,200	15.14
- Mr. Watchai Vilailuck ⁽³⁾	126,305,535	12.55
- Mr. Charoenrath Vilailuck ⁽³⁾	112,734,960	11.20
- Mr. Thananan Vilailuck ⁽³⁾	27,238,500	2.71
- Mrs. Siripen Vilailuck	5,960,250	0.59
- Mrs. Sukanya Vanichjakvong	2,043,150	0.20
2. Bualuang Long - Term Equity Fund	52,008,400	5.17
3. Mr.Thaveechat Jurangkool	25,053,100	2.49
4. Mr. Apisak Theppadungporn	21,601,500	2.15
5. Bualuang Long - Term Equity Fund 75/25	18,162,900	1.80
6. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	17,362,700	1.73
7. THAI NVDR Co., Ltd.	11,603,139	1.15
8. Bualuang Flexible RMF	10,894,500	1.08
9. Bualuang Equity RMF	10,652,600	1.06
10. Buakaew Open - end Fund	8,556,200	0.85
Total of top ten Major Shareholders	602,609,634	59.87
Total of the Minority shareholders	403,894,276	40.13
Total paid up shares	1,006,503,910	100.00

Remark : Major Shareholders' report as of December 28, 2018 prepared by Thailand Securities Depository Co., Ltd.

⁽¹⁾ Vilailuck International Holding Co., Ltd., Mr. Chareonrath Vilailuck, Mr. Watchai Vilailuck, Mrs. Siripen Vilailuck, and Mrs. Sukanya Vanichjakvong as acting in concert regarding the determination of the relationship or Behavior as an act with another person and comply with Section 246 and 247;

⁽²⁾ A holding company with 5 shareholders and stakeholding as follows :

- Mr. Chareonrath Vilailuck and Mr. Watchai Vilailuck have 24.22% each;
- Ms. Srintip Vilailuck, Mr. Thananan Vilailuck and Mrs. Sukanya Vanichjakvong have 17.19%each;

⁽³⁾ Includes holding by spouse and minor children.

2. The Shareholders of major subsidiaries.

2.1 The top ten major shareholders of Samart Digital Pcl. are :

Name of shareholders	No. of shares held (Shares)	% of Total Shares
1. Vilailuck Group ⁽¹⁾	9,537,956,500	84.22
- Samart Corporation Public Company Limited ⁽²⁾	9,364,737,000	82.70
- Samart Telcoms Public Company Limited	85,861,200	0.76
- Vilailuck International Holding Co., Ltd	30,605,300	0.27
- Mr. Watchai Vilailuck ⁽³⁾	23,343,000	0.21
- Samart U-Trans Co., Ltd.	15,160,000	0.13
- Mrs. Sukanya Vanichjakvong ⁽³⁾	14,900,000	0.13
- One To One Contacts Public Company Limited	3,000,000	0.03
- Ms. Srintip Vilailuck	350,000	0.00
2. Mr. Nuttapol Jurangkool	298,085,100	2.63
3. Mr. Thaveechat Jurangkool	222,544,300	1.97
4. Mr. Rachot Poompanmoung	172,350,000	1.52
5. Ms. Chomkamol Poompanmoung	89,708,100	0.79
6. Mr. Somchai Saeung	72,961,100	0.64
7. Mr. Preeda Attavinijtrakan	27,129,600	0.24
8. Mr. Apisak Theppadungporn	26,826,900	0.24
9. Thai NVDR Co., Ltd.	18,998,150	0.17
10. Mr. Suriya Dejchanchaiyuth	15,621,100	0.14
Total of top ten Major Shareholders	10,482,180,850	92.56
Total of the Minority shareholders	842,242,368	7.44
Total paid up shares	11,324,423,218	100.00

Remark : Major Shareholders' report as of December 28, 2018 prepared by Thailand Securities Depository Co., Ltd.

⁽¹⁾ Samart Corporation Public Company Limited, Vilailuck International Holding Co., Ltd., Samart Telcoms Public Company Limited, Mrs. Sukanya Vanichjakvong, Mr. Watchai Vilailuck, Samart U-Trans Co., Ltd., One To One Contacts Public Company Limited and Ms. Srintip Vilailuck are acting in concert regarding the determination of the relationship or Behavior as an act with another person and comply with Section 246 and 247;

⁽²⁾ A holding company of which Vilailuck International Holding Co., Ltd. and Vilailuck family hold 15.14% and 27.25% of the total shares respectively;

⁽³⁾ Includes holding by spouse and minor children.

2.2 The top ten major shareholders of Samart Telcoms Pcl. are :

Name of shareholders	No. of shares held (Shares)	% of Total Shares
1. Vilailuck Group ⁽¹⁾	446,081,500	72.18
- Samart Corporation Public Company Limited ⁽²⁾	433,464,590	70.140
- Vilailuck International Holding Co., Ltd.	6,862,300	1.110
- Mrs. Sukanya Vanichjakvong ⁽³⁾	1,150,000	0.186
- Mr. Watchai Vilailuck ⁽³⁾	1,650,010	0.267
- Mr. Charoenrath Vilailuck ⁽³⁾	2,854,600	0.462
- Mr. Thananan Vilailuck ⁽³⁾	50,000	0.008
- Lobburi Industrial Estate Co., Ltd.	50,000	0.008
2. Bangkok Bank Public Company Limited	29,966,560	4.85
3. Bualuang Long-Term Equity Funds (LTF)	18,566,500	3.00
4. B Senior Citizen Mixed Fund (B-SENIOR)	6,368,500	1.03
5. Thai NVDR Co., Ltd.	6,129,300	0.99
6. Bualuang Infrastructure Retirement Mutual Funds	5,794,400	0.94
7. Bualuang Flexible Retirement Mutual Funds	5,278,800	0.85
8. Bualuang Equity Retirement Mutual Funds	3,700,500	0.60
9. Bualuang Long-Term Equity Fund 75/25	3,672,100	0.60
10. Ms. Chomkamol Pumpanmuang	3,396,700	0.55
Total of top ten Major Shareholders	528,954,860	85.59
Total of the Minority Shareholders	89,045,140	14.41
Total paid up shares	618,000,000	100.00

Remark : Major Shareholders' report as of December 28, 2018 prepared by Thailand Securities Depository Co., Ltd.

⁽¹⁾ Samart Corporation Public Company Limited, Vilailuck International Holding Co., Ltd., Mrs. Sukanya Vanichjakvong, Mr. Watchai Vilailuck, Mr. Charoenrath Vilailuck, Mr. Thananan Vilailuck and Lobburi Industrial Estate Co., Ltd. as acting in concert according to the determination of the relationship or Behavior as an act with another person and the compliance with Section 246 and Section 247;

⁽²⁾ A holding company of which Vilailuck International Holding Co., Ltd. and Vilailuck family hold 15.14% and 27.25% of the total shares respectively;

⁽³⁾ Includes holding by spouse and minor children.

2.3 The shareholders of Samart Comtech Co., Ltd. are :

Name of shareholders	No. of shares held (Shares)	% of Total Shares
1. Samart Telcoms Public Company Limited ⁽¹⁾	2,249,995	99.9998
2. Mr. Charoenrath Vilailuck	2	0.00008
3. Mr. Watchai Vilailuck	2	0.00008
4. Mr. Thananan Vilailuck	1	0.00004
Total of Shareholders	2,250,000	100.00

Remark : Shareholders' register book as of December 31, 2018.

⁽¹⁾ The Listed Company operating on design, implement and installation of telecommunication system business with its major shareholder as follows:

- Samart Corporation Public Company Limited has 70.14%;
- Bangkok Bank Public Company Limited has 4.85%;
- Bualuang Long - Term Equity Fund has 3.00%.

2.4 The shareholders of Cambodia Air Traffic Services Co., Ltd. is :

Name of shareholders	No. of shares held (Shares)	% of Total Shares
1. Samart Transolutions Co., Ltd. ^(*)	250,000	100.00
Total of Shareholders	250,000	100.00

Remark : Shareholders' register book as of December 31, 2018.

^(*) A Company provides air traffic control services in Cambodia with Samart U-trans Co., Ltd. hold 66.67% as a major shareholder.

2.5 The shareholders of Teda Co., Ltd. are :

Name of shareholders	No. of shares held (Shares)	% of Total Shares
1. Samart U- Trans Co., Ltd.(*)	38,448,707	94.3526
2. Mr. Thongchai Petchyim	2,034,065	4.9916
3. Mr. Kromkrit Trivitayanurak	77,457	0.1901
4. Mr. Aunyarit Niramorn	11,618	0.0285
5. Mr. Kamthorn Kitti-itsaranon	64,548	0.1584
6. Mrs. Sukanya Voraprasit	64,547	0.1584
7. Mr. Pujapong Phisanbut	8,068	0.0198
8. Mrs. Prapin Rujiravong	6,455	0.0158
9. Mr. Bandit Wanichchanan	5,164	0.0127
10. Mr. Pornthep Chansiriwattana	5,164	0.0127
11. Mr. Nop Sompod	5,164	0.0127
12. Mrs. Potchanun Thongwattana	3,228	0.0079
Total of top ten Major Shareholders	40,734,185	99.9612
Total of the Minority Shareholders	15,815	0.0388
Total paid up shares	40,750,000	100.00

Remark : Shareholders' register book as of December 31, 2018.

^(*) A Company provides a Contractor for Engineering, Procurement, Construction and Maintenance services for Power Substation and Power Transmission (both Arial Cable and Underground Cable) with Samart Corporation Public Company Limited hold 99.99% as a major shareholder.

Dividend Policy

The Company has policy to pay dividend to the shareholders of no less than 50% of its net profit in financial statement after deduction of all reserves as stated in the Company's Articles of Association and related laws, subject to the Company's future investment plans and business expansion, including other necessity and suitability.

In addition, payment for dividend will derive from profits from disposal of investments or fixed assets of the Company or its subsidiaries. The management and the Board of Director will decide whether or not to pay dividend or amount to be paid by taking into account the Company's future investment plans and business expansion, including other necessity and suitability.

The subsidiaries' dividend payment policy will be the same as that of the Company.

Details of dividend payment

Financial Ratio	2018 ^(*) (Calculated from Separate financial statements)	2017 (Calculated from Consolidated financial statements)	2016 (Calculated from Consolidated financial statements)
Earning Per Share (Baht)	2.34	(0.94)	0.07
Dividend Per Share (Baht)	0.10	0.10	0.19
Dividend payout ratio (%)	4.27	N/A	268.62

Remark : ^(*)The Company has returned profit to its shareholders by way of dividend payment. Dividend for 2018 has been proposed for consideration of the shareholders at Baht 0.10 per share will be paid on May 2019 of which subject to the approval of the 2019 Annual General Meeting of the Shareholders.

Shareholdings of Samart Corporation Pcl. in Subsidiaries

No.	Company	Type of Business	Registered Capital (Million Baht)	Total of Ordinary Shares	Samart's Holdings	
					Number of Shares	%
1.	Samart Digital Pcl. 99/10 Moo 4, Software Park, 26 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-6900	Provide integrated businesses in digital network, solution and content.	1,540	11,324,423,218	9,364,737,000	82.70
2.	Samart Mobile Services Co., Ltd. 37/1 Moo 2, Phaholyothin Rd., Klong 1, Klongluang, Pathumthanee 12120 Tel. 0-2502-6000 Fax. 0-2502-6496	Provide wholesale and resale 3G mobile services including telecommunication services.	490	49,000,000	47,724,999 ⁽¹⁾	97.40
3.	Samart Digital Media Co., Ltd. 99/10 Moo 4, Software Park, 26 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-8136	Provide content services via fully integrated wire and wireless technologies both voice services via Audiotext and Call Center, and non-voice services including content producer and developer.	200	2,000,000	1,999,997 ⁽¹⁾	99.99
4.	I-Sport Co., Ltd. 99/37 Moo 4, Software Park, 2 nd Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-8136	Provide a full range of sport businesses from sport information services via digital channel, event organizer, e-commerce of sport products, sport education, sport technology and benefit management to sport athletes, sport clubs and associations.	120	12,000,000	5,999,996 ⁽²⁾	49.99
5.	I-Mobile Plus Co., Ltd. 99/10 Moo 4, Software Park, 26 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6200 Fax. 0-2502-8532	Provide wholesale and resale 3G mobile services including telecommunication services.	100	10,000,000	9,999,997 ⁽¹⁾	99.99
6.	ZECUREASIA Co., Ltd. 99/10 Moo 4, Software Park, 26 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6200 Fax. 0-2502-8532	Distribute mobile phones bundling with content services including security products and solution.	1.25	125,000	124,997 ⁽¹⁾	99.99
7.	Entertainment Tree Co., Ltd. 99/10 Moo 4, Software Park, 26 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6103 Fax. 0-2502-6361	Produce, distribute and provide variety of entertainment media through television, telephone, internet, satellite and others including provide installation of equipment, network, facilities and other related services.	5	500,000	225,000 ⁽²⁾	45.00

No.	Company	Type of Business	Registered Capital (Million Baht)	Total of Ordinary Shares	Samart's Holdings	
					Number of Shares	%
8.	Siam Sport Television Co., Ltd. 99/37 Moo 4, Software Park, 2 nd Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-8136	TV Program and sport channel owner on digital TV, Production outsource, Live Broadcast and taped sporting events.	60	6,000,000	5,999,994 ⁽³⁾	99.99
9.	SIM2ASSET Co., Ltd. 99/10 Moo 4, Software Park, 26 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-6491	Provide real estate agent services to match sellers and buyers (Matching), as well as provide consulting services.	5 (Paid-up capital of Baht 2.5 million)	500,000	499,997 ⁽¹⁾	99.99
10.	Thai Base Station Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-6491	Provide space rental and services as well as distributes telecommunication equipment and system.	10	100,000	99,998 ⁽¹⁾	99.99
11.	Samart Telcoms Pcl. 99/7 Moo 4, Software Park, 29 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	1. Providing total solutions and services regarding advanced technologies in telecommunications and data communication networks. 2. Providing advanced solutions and services, which integrate and apply varieties of information technologies, including advanced, specialized technologies. 3. Providing solutions and services regarding advanced software application to enhance capability and operation efficiency through the form of electronic services for customers.	738	618,000,000	433,464,590	70.14
12.	Samart Communication Services Co., Ltd. 99/7 Moo 4, Software Park, 29 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Providing telecommunication and data communication network solutions and services including supplying, implementation and maintenance services including repair of telecommunication equipment, working under certified standard of ISO 9001 and ISO 20000, international standard for IT service management.	500	5,000,000	4,999,994 ⁽⁴⁾	99.99
13.	Samart Comtech Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Providing consulting, design, installation, operation management and maintenance services regarding information technology, communication system including advanced, specialized technologies.	225	2,250,000	2,249,995 ⁽⁴⁾	99.99
14.	Samart Broadband Services Co., Ltd. 99/7 Moo 4, Software Park, 29 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Data communication service over local broadband networks.	55.25	5,525,000	5,524,997 ⁽⁴⁾	99.99

No.	Company	Type of Business	Registered Capital (Million Baht)	Total of Ordinary Shares	Samart's Holdings	
					Number of Shares	%
15.	Thai Trade Net Co., Ltd. 99/27 Moo 4, Software Park, 8 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Providing trading data communication through Electronic Data Interchange (EDI) services, consulting services on workflow designed for customers to reduce business process with their trading partners and Supply Chain Financing System Services.	53	5,300,000	5,299,993 ⁽⁴⁾	99.99
16.	Posnet Co., Ltd. 99/4 Moo 4, Software Park, 32 nd Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Providing total solutions and services for electronic payment system including Electronic Data Capture (EDC), Electronic Signature Capture, E-Receipt Platform and QR-Payment System, being Solution Provider for smart card solutions and development of smart card application for commercial banks in Thailand and for non-bank credit card service providers and providing services for loyalty system.	72	7,200,000	7,199,993 ⁽⁴⁾	99.99
17.	Samart eD-Tech Co., Ltd. 99/29 Moo 4, Software Park, 6 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Providing services and development of Learning Management System including education institute management system and end-to-end education technology as well as courseware development for learning and training. Development of digital content such as e-Magazines and e-Books including mobile application development are also in the scope of services.	20	200,000	199,997 ⁽⁴⁾	99.99
18.	Samart Infonet Co., Ltd. 99/12 Moo 4, Software Park, 24 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Providing high-quality Internet Services for government and corporate organizations with FTTx, G.SHDSL, MPLS, Leased Line, Gigabit Internet and Software-Defined WAN (SD WAN), including Co-Location and Cloud Hosting services.	62	6,200,000	6,175,294 ⁽⁴⁾	99.60
19.	Smarterware Co., Ltd. 99/25 Moo 4, Software Park, 10 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Conducting business in providing consulting services and complete software development, including special services in software engineering.	10	100,000	99,993 ⁽⁴⁾	99.99
20.	IT Absolute Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Distributor of electronic and technology equipments.	225	22,500,001	22,485,593 ⁽⁵⁾	99.94

No.	Company	Type of Business	Registered Capital (Million Baht)	Total of Ordinary Shares	Samart's Holdings	
					Number of Shares	%
21.	Portalnet Co., Ltd. 99/7 Moo 4, Software Park, 29 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Providing design, implementation and outsourcing services for Enterprise Resource Planning (ERP) system including analyzing business requirements and offering suitable services as total solution, including Customer Relationship Management (CRM) System and Human Capital Management (HCM) System for customers in government and private sectors.	2,100	21,000,000	20,999,993 ⁽⁴⁾	99.99
22.	Net Service (Thailand) Co., Ltd. 62 Thaniya Building, 10 th Fl., Silom Road, Suriyawong, Bangrak, Bangkok 10500 Tel. 0-2632-9396-9 Fax. 0-2632-9395	Providing services on development of IT system including software design and development for government and private sectors.	20	2,000,000	1,199,999 ⁽⁶⁾	60.00
23.	SLA Asia Co., Ltd. 99/7 Moo 4, Software Park, 29 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Providing services abroad regarding design and implementation of telecommunication and IT system including trading and maintenance of IT equipment in CLMV countries (Cambodia, Lao, Myanmar and Vietnam) in Southeast Asia.	30	300,000	270,000 ⁽⁷⁾	90.00
24.	Secureinfo Co., Ltd. 99/17 Moo 4, Software Park, 19 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Providing complete Cyber Security Operations Center (CSOC) services ranging from consultation, professional security training, cyber security risk assessment, threat monitoring and analysis services and incident response.	5	50,000	49,997 ⁽⁶⁾	99.99
25.	One To One Contacts Pcl. 99/19 Moo 4, Software Park, 17 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2685-0000 Fax. 0-2685-0050	Fully Outsourced Contact Center and Customer Management Services and Total Turnkey Solution.	280	280,000,000	191,600,000	68.43
26.	One To One (Cambodia) Co., Ltd. 18-E4, 4 th floor, The Icon Professional Building 216, Norodom Blvd., Tonle Bassac, Chamkarmorn, Phnom Penh, Kingdom of Cambodia Tel. (855) 23-932-222 Fax. (855) 23-932-223	Fully Outsourced Contact Center and Customer Management Services, and total turnkey solution in Cambodia.	440,000 (USD)	88,000	88,000 ⁽⁸⁾	100.00
27.	One To One Professional Co., Ltd. 99/19 Moo 4 Software Park, 17 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2685-0000 Fax. 0-2685-0050	Provide Consultancy Service on personal management, recruitment, Contact Center and Customer Management Services, Debt collection and training institute.	2	200,000	199,997 ⁽⁸⁾	99.99
28.	Inno Hub Co., Ltd. 99/19 Moo 4 Software Park, 17 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2685-0000 Fax. 0-2685-0050	Digital Service Innovation.	3	300,000	299,997 ⁽⁸⁾	99.99

No.	Company	Type of Business	Registered Capital (Million Baht)	Total of Ordinary Shares	Samart's Holdings	
					Number of Shares	%
29.	Cambodia Air Traffic Services Co., Ltd. CATS Building, Opposite Phnom Penh International Airport, Russian Federation Blvd., Sangkat Kakab, Khan Posen Chey, Phnom Penh, Kingdom of Cambodia Tel. 855-23-866294 Fax. 855-23-890214	Provide air traffic control services in Cambodia.	2,500,000 (USD)	250,000	250,000 ⁽⁹⁾	100.00
30.	Kampot Power Plant Co., Ltd. CATS Building, Opposite Phnom Penh International Airport, Russian Federation Blvd., Sangkat Kakab, Khan Posen Chey, Phnom Penh, Kingdom of Cambodia Tel. 855-23-866294 Fax. 855-23-890214	Sale the electricity to Bodajju Residence Condominium in Phnom Penh by purchase electricity from Cambodia government.	5,000,000 (USD)	500,000	500,000 ⁽¹⁰⁾	100.00
31.	Cambodia Samart Co., Ltd. CATS Building, Opposite Phnom Penh International Airport, Russian Federation Blvd., Sangkat Kakab, Khan Posen Chey, Phnom Penh, Kingdom of Cambodia Tel. 855-23-866294 Fax. 855-23-890214	Leasing its freehold land to third parties in Cambodia.	50,000,000 (Riel)	100	49	49.00
32.	Samart U-Trans Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-6176	System Integrator for Transportation, Energy and Utilities System.	500	100,000,000	99,999,994	99.99
33.	Suvarnabhumi Environment Care Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6191 Fax. 0-2502-6186	Temporarily ceased its business (2016 : Provision of waste management services in vicinity of Suvarnabhumi Airport)	50	5,000,000	4,499,994	89.99
34.	Vision and Security System Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6999 Fax. 0-2502-6393	System Integration, Distribution and maintenance of Security and Communication Systems.	20	2,000,000	1,460,000	73.00
35.	Samart Engineering Co., Ltd. 59 Moo 2, Phaholyothin Rd., Klong Nuang, Klongluang, Pathumthanee 12120 Tel. 0-2516-1188 Fax. 0-2516-4589	Manufacture and distribution of television and radio antennas, satellite dishes, Broadcast Network Solution as well as produce metal work, metal sheet products and related products.	550 ⁽¹⁾	5,500,000	5,499,994	99.99
36.	Contact-In-One Co., Ltd. 99/3 Moo 4, Software Park, 33 rd Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2516-1188 Fax. 0-2516-4589	Institution for satellite dishes installation training.	1	100,000	99,993 ⁽¹¹⁾	99.99
37.	Samart Inter Holding Co., Ltd. Level 54 Hopewell Centre, 183 Queen's Road East, Hong Kong Tel. 852-2980-1600 Fax. 852-2956-2192	A regional holding company for overseas infrastructure investment in Indo China.	20,000,000 (USD)	17,000,000	17,000,000	100.00

No.	Company	Type of Business	Registered Capital (Million Baht)	Total of Ordinary Shares	Samart's Holdings	
					Number of Shares	%
38.	Samart Raditech Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6278 Fax. 0-2502-6584	Radiation technology business : Trading of radiation measurement equipments, radiation measurement service, and radiation project management.	80	8,000,000	7,999,993	99.99
39.	Teda Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2582-8264	Be a Contractor for Engineering, Procurement, Construction and Maintenance services for Power Substation and Power Transmission (both Arial Cable and Underground Cable).	407.5	40,750,000	38,448,707 ⁽¹²⁾	94.35
40.	Transec Power Services Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2582-8264	Be a Service Provider for Engineering, Construction, Installation & Commissioning and Maintenance services for Power Substation and any High Voltage system.	15	150,000	149,998 ⁽¹³⁾	99.99
41.	Samart Green Energy Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-6176	Operate business relating to renewable energy management.	50	5,000,000	4,999,800 ⁽¹²⁾	99.99
42.	Samart U-Trans (Myanmar) Co., Ltd. No.40, Baho Street, Sanchaung Township, Yangon, Myanmar Tel. (951) 657-792, 650-740 Fax. (951) 650-466	Provide services and consultations regarding trades in Myanmar including all related general proceedings.	50,000 (USD)	50,000	49,999 ⁽¹²⁾	99.99
43.	Samart Transolutions Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6302 Fax. 0-2502-6176	Provide air traffic control services in Cambodia.	270	27,000,000	8,999,900 ⁽¹⁰⁾ 18,000,000 ⁽¹²⁾	33.33 67.67

Remarks : ⁽¹⁾ Held by Samart Digital Pcl.
⁽²⁾ Held by Samart Digital Media Co., Ltd.
⁽³⁾ Held by I-Sport Co., Ltd.
⁽⁴⁾ Held by Samart Telcoms Pcl.
⁽⁵⁾ Held by Samart Broadband Services Co., Ltd.
⁽⁶⁾ Held by Samart Comtech Co., Ltd.
⁽⁷⁾ Held by Samart Communication Services Co., Ltd.
⁽⁸⁾ Held by One To One Contacts Pcl.
⁽⁹⁾ Held by Samart Transolutions Co., Ltd.
⁽¹⁰⁾ Held by Samart Inter Holding Co., Ltd.
⁽¹¹⁾ Held by Samart Engineering Co., Ltd.
⁽¹²⁾ Held by Samart U-Trans Co., Ltd.
⁽¹³⁾ Held by Teda Co., Ltd.

^(*) Samart Engineering Co., Ltd. ("SE") increased Company's registered capital of Baht 300,000,000 from the existing registered capital of Baht 250,000,000 to the new registered capital of Baht 550,000,000 on January 15, 2019

Management Structure

Board of Directors as of December 31, 2018

1. Dr. Tongchat Hongladaromp	Chairman / Independent Director / Audit Committee Member / Chairman of the Nominating & Compensation Committee
2. Mr. Pradang Prichayangkun	Independent Director / Chairman of the Audit Committee / Vice Chairman / Corporate Governance Committee Member / Nominating & Compensation Committee Member
3. Mr. Seri Suksathaporn	Independent Director / Audit Committee Member / Chairman of the Corporate Governance Committee / Nominating & Compensation Committee Member
4. Mr. Prinya Waiwatana	Independent Director / Corporate Governance Committee Member
5. Mrs. Siripen Vilailuck ⁽¹⁾	Director
6. Mr. Sirichai Rasameechan	Director / Corporate Governance Committee Member
7. Mr. Charoenrath Vilailuck	Executive Chairman / Executive Director / CEO / Chairman of the Risk Management Committee
8. Mr. Watchai Vilailuck	Executive Director / President / Chairman of the Sustainable Development Committee / Chief Operating Member of the Risk Management Committee
9. Mr. Thananan Vilailuck	Executive Director / Executive Vice Chairman - Corporate Strategy / Sustainable Development Committee Member / Risk Management Committee Member
10. Mr. Teerachai Phongpanangam ⁽²⁾	Executive Director / Sustainable Development Committee Member

Remark : ⁽¹⁾ Representative director from Vilailuck International Holding Co., Ltd., a major shareholder with 15.14% stake holding from total number of voting rights of the Company (as of December 31, 2018).

⁽²⁾ Has been appointed as Director on November 13, 2018.

The number of directors is in line with the Company's Articles of Associations that the Board of Directors should have at least 7 members, but not exceeding 15 members in total. No less than one half of such members shall have residence within the Kingdom and the directors of the Company shall have qualification as specified by law. Audit Committee members comprise of no less than 3 members, all of them have sufficient experience to review the Company's financial statement. Details of the Curriculum Vitae, Roles and Responsibilities of Audit Committee are provided under **"Directors, Managements, Controlling Person, The Person Taking The Highest Responsibility in Accounting & Finance, The Person Supervising Accounting and Company Secretary"** and **"Corporate Governance"**.

Restriction of Power of the Directors

"Mr. Charoenrath Vilailuck jointly sign with Mr. Watchai Vilailuck, totaling two persons and affix the Company's seal either Mr. Charoenrath Vilailuck or Mr. Watchai Vilailuck jointly sign with Mr. Teerachai Phongpanangam or Mr. Thananan Vilailuck totaling two persons and affix the Company's seal."

Qualifications of Director

1. Has qualifications which comply to Public Company Act B.E. 2535, regulations of the Stock Exchange of Thailand ("SET"), Securities and Exchange Commission ("SEC"), and Company's Articles of Association and any other related laws;
2. Does not run any business, which is competed with the Company, and not being a shareholder of any legal entities whose business is the Company's competitors except obtained approval from the shareholders;
3. Should have leadership, vision, and independent consideration for best benefit of the Company and the shareholders;
4. Has various knowledge, experience, and specific skill that suitable for the Company business;
5. Should have responsibility, due care, careful, loyalty and business integrity;
6. Having sufficient time for fully participated as a Director of the Company.

Qualifications of Independent Director

1. Holding not **more than 0.5 percent** of the total number of voting rights of the Company, parent company, subsidiaries, affiliates or juristic person which may have conflicts of interest, including the shares held by related persons of the independent director;
2. Neither being nor having been Executive director, employee, staff or an adviser who receives a regular salary; or a controlling person of the Company, subsidiaries, affiliates, same-level subsidiaries, major shareholder or controlling person of the Company or juristic person who may have conflicts of interest unless the foregoing status has ended no less than two years prior to the date of application filing with the office;
3. Not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, executives, major shareholders, controlling persons, or persons to be nominated as executives or controlling persons of the Company or its subsidiaries;
4. Neither being nor having a business relationship with the Company, its parent company, subsidiary, associate, major shareholder or controlling person, in a manner that may interfere with his/her independent judgment, and neither is nor has ever been a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary, associate, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of appointment;
5. Neither being nor used to be an auditor of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of appointment;
6. Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million Baht per year from the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of appointment;
7. Not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholder who is related to the Company's major shareholder;
8. Not undertaking any business in the same nature and in significant competition to the business of the Company or subsidiaries or not being a partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding 1 percent of the total number of shares with voting rights of other company which undertakes business in the same nature and in significant competition to the business of the Company or subsidiaries;
9. Not having any characteristic which make him incapable of expressing independent opinions with regard to the Company's business affairs.

Terms of positions

Pursuant to the Public Company Act B.E. 2535, at the first Annual General Meeting of Shareholders after the registration of the Company and at the first Annual General Meeting of Shareholders in every subsequent year one-third of the directors, who have been longest in office, shall retire. The retired directors are eligible to be re-elected for another term by obtaining majority vote from the Nominating & Compensation Committee. However, the independent directors shall be in post no longer than 3 terms except getting a unanimous approval from the Nominating & Compensation Committee due to his/her contribution to the Company and the Committee ensures that the extra term will not cause or impact to the independent of such director as well as obtain an approval from Board of Directors and/or the Company's shareholders.

Roles and Responsibilities of the Board of Directors

1. Conduct business with responsibility, due care, and integrity uphold the duties according to the law, and Company's objectives, Articles of Association, resolutions of the Board of Directors and shareholders' meeting as well as disclosure sufficient information to the Shareholders;
2. Formulate policies and directions for the Company's operations. The Board must also supervise managerial and administrative departments to deliver all policies and strategies with effectiveness and efficiency;
3. Set and review Company's vision, mission, strategies and ensure company-wide communication to drive business in the same direction;
4. Approve annual budget and investment of the Company and ensure proper resource allocation and effective Systems and Controls as well as monitor the implementation of the Company's strategies and plans;
5. Appoint directors and Committee members to replace of those who will retire by rotation as well as consider the remuneration package for such directors and committee members, which are proposed by Nominating & Compensation Committee, prior to propose for further consideration of the shareholders;
6. Appoint committees to oversee administrative process and internal system to coincide with Company's policies, i.e. Executive Board, Risk Management Committee, Corporate Governance Committee, Nominating & Compensation Committee and Sustainable Development Committee etc. For the appointment of Audit Committee members, the Nominating & Compensation Committee will nominate appropriated candidates propose to the Board of Directors prior to propose for further consideration of the shareholders;
7. Appoint and consider remuneration package, proposed from the Nominating & Compensation Committee, for top executives of the Company, and Company Secretary;
8. Summarize Profit & Loss Statement and Statement of Financial Position of the Company for every fiscal year's ended period. Authorize the statements and present them during the Annual General Meeting of Shareholders for further consideration;
9. Nominate appropriated persons with remuneration for further consideration and approval of shareholders for the appointment of the Company's auditors;
10. Ensure the Company's to have written Corporate Governance Policy and Business Ethic as well as to ensure that there will be no conflicts of interest at the same time to establish systematic plans for internal control and risk management;
11. Ensure that good corporate governance is implemented to demonstrate Company's commitment to operate the business with ethics and to bring fair treatment to all stakeholders;
12. In case of entering into any direct or indirect transaction with the Company and subsidiaries, such director has to immediately inform his/her or related parties' personal interest to the Company;
13. Supervise to ensure that development and succession plans for Chief Executive Officer and key executives are in place;
14. Support and promote innovation to meet social and environmental responsibilities.

The Company determines to make its directors and executives express their intentions on performing the Company's business operations with transparently and morality as well as perform their duties pursuant to the ethical standards on integrity, with carefulness and cautiously for benefits of all shareholders and the stakeholders. Hence, the ethics which shall be used as practical guidelines for the directors and the executives have been specified. The Company discloses the **ethics of the directors and the executives** in the Company's website (www.samartcorp.com).

Delegation of Authorities between the Board of Directors and the Management

The Company has specified the delegation of authorities clearly which have been firstly applied since 1995 by specifying approval authority on credit line of the Board of Directors and the Management pursuant to the transaction types, such as finance/accounting/budget, human resources, procurement, general management/administration, marketing

and public relations. However, the Company is now improving such policies and operating guidelines to make them more appropriated with the current situation. Therefore, the latest policies and operating guidelines on delegation of authorizes has been approved from the Executive Meeting No.12/2016 on December 22, 2016 effective on January 1, 2017 onwards.

Delegation of Authorities of the Board of Directors

1. Approve the annual budget and business plan of the Company;
2. Approve the undertaking of financial obligations of the Company, i.e. execution of loan agreement, loan guarantee;
3. Approve the investment project in large business;
4. Approve the establishment of new company;
5. Approve the purchase and disposal of the Company's assets pursuant to the Capital Market Supervisory Board;
6. Approve the undertaking the related transaction of the Company pursuant to the Capital Market Supervisory Board;
7. Approve the policy on increase of annual remuneration and bonus;
8. Approve financial statement of the Company;
9. Approve the opening or closing accounts with the banks;
10. Approve the appointment of the Committee;
11. Approve the appointment of new director to replace the director who is retired by rotation.

The Board of Director also has duties to approve other transactions pursuant to the notification of the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand and other related laws.

In addition, since nature of the Company is a Holding Company, therefore, it has to disclose information of the directors of its subsidiaries as of December 31, 2018 for 5 companies as follows:

1) Board of Directors of Samart Digital Pcl. ("SDC")

- | | |
|--|--|
| 1. Mr. Piyapan Champasut | Chairman of the Board of Directors / Independent Director / Audit Committee Member |
| 2. Dr. Chotivid Chayavadhanangkur | Independent Director / Chairman of the Audit Committee / Chairman of the Corporate Governance Committee / Nominating and Compensation Committee Member |
| 3. Mr. Kunthit Arunyananda | Independent Director / Audit Committee Member / Chairman of the Nominating and Compensation Committee / Corporate Governance Committee Member |
| 4. Mr. Charoenrath Vilailuck ⁽¹⁾ | Director / Risk Management Committee Member |
| 5. Mr. Watchai Vilailuck ⁽¹⁾ | Authorized Director / Chief Executive Officer / Executive Chairman / Chairman of the Risk Management Committee |
| 6. Mrs. Sukanya Vanichjakvong ⁽¹⁾ | Authorized Director / Chairman of the Sustainable Development Committee / Executive Committee Member / Risk Management Committee Member / Corporate Governance Committee Member / Nominating and Compensation Committee Member |
| 7. Mr. Teerachai Phongpanangam ⁽¹⁾⁽²⁾ | Director |

Remark : ⁽¹⁾ Representative directors from Samart Corporation Pcl., a major shareholder with 82.70 % stake holding.

⁽²⁾ Has been appointed as Director on November 13, 2018

2) Board of Directors of Samart Telcoms Pcl. ("SAMTEL")

- | | |
|---|---|
| 1. General Sumpun Boonyanun | Chairman / Independent Director / Audit Committee Member / Chairman of the Nominating & Compensation Committee |
| 2. Mr. Vichai Pokasamrit | Independent Director / Chairman of Audit Committee / Nominating & Compensation Committee Member / Chairman of the Corporate Governance Committee |
| 3. Ms. Rapeepan Luangaramrut | Independent Director / Audit Committee Member / Nominating & Compensation Committee Member / Corporate Governance Committee Member |
| 4. Mr. Kajornvut Tayanukorn ⁽¹⁾ | Director / Corporate Governance Committee Member |
| 5. Mr. Sirichai Rasameechan | Director / Corporate Governance Committee Member |
| 6. Mr. Charoenrath Vilailuck ⁽²⁾ | Executive Director / Risk Management Committee Member |
| 7. Mr. Watchai Vilailuck ⁽²⁾ | Executive Director / Executive Chairman & Chief Executive Officer / Chairman of the Risk Management Committee |
| 8. Mr. Thananan Vilailuck ⁽²⁾ | Executive Director / Risk Management Committee Member |
| 9. Mr. Jong Diloksombat ⁽²⁾ | Executive Director / President / Risk Management Committee Member / Corporate Governance Committee Member / Chairman of the Sustainable Development Committee |

Remark : ⁽¹⁾ Representative director from Bangkok Bank Pcl., a major shareholder with 4.85%;

⁽²⁾ Representative director from Samart Corporation Pcl., a major shareholder with 70.14%.

3) Board of Directors of Samart Comtech Co., Ltd. ("SCT")

- | | |
|--------------------------------|----------|
| 1. Mr. Charoenrath Vilailuck | Chairman |
| 2. Mr. Watchai Vilailuck | Director |
| 3. Mr. Jong Diloksombat | Director |
| 4. Mr. Pornchai Krivichian | Director |
| 5. Ms. Chotika Kamloonwesaruch | Director |
| 6. Mr. Suchart Duangthawee | Director |

4) Board of Directors of Cambodia Air Traffic Services Co., Ltd. ("CATS")

- | | |
|---------------------------------|----------|
| 1. Mr. Charoenrath Vilailuck | Chairman |
| 2. Mr. Watchai Vilailuck | Director |
| 3. Mr. Teerachai Phongpanangam | Director |
| 4. Mr. Theeraphat Kulkijkamjorn | Director |

5) Board of Directors of Teda Co., Ltd. ("TEDA")

- | | |
|--------------------------------------|----------|
| 1. Mr. Thananan Vilailuck | Chairman |
| 2. Mr. Teerachai Phongpanangam | Director |
| 3. Mr. Thongchai Petchyim | Director |
| 4. Mr. Krongkiat Udomratanachaiyakul | Director |

Report of Directors attendance of the Company and Core business Subsidiaries in 2018

Directors	Number of Attendance/Total Number of Meeting					
	Samart Corporation Pcl. (SAMART)	Samart Digital Pcl. (SDC)	Samart Telcoms Pcl. (SAMTEL)	Samart Comtech Co., Ltd. (SCT)	Cambodia Air Traffic Services Co., Ltd. (CATS)	Teda Co.,Ltd. (TEDA)
1. Dr. Tongchat Hongladaromp	8/8	-	-	-	-	-
2. Mr. Pradang Prichayangkun	8/8	-	-	-	-	-
3. Mr. Seri Suksathaporn	8/8	-	-	-	-	-
4. Mr. Prinya Waiwatana	7/8 ⁽¹⁾	-	-	-	-	-
5. Mrs. Siripen Vilailuck	8/8	-	-	-	-	-
6. Mr. Sirichai Rasameechan	8/8	-	7/7	-	-	-
7. Mr. Charoenrath Vilailuck	8/8	7/7	7/7	7/8 ⁽²⁾	4/4	-
8. Mr. Watchai Vilailuck	8/8	7/7	7/7	8/8	4/4	-
9. Mr. Piyapan Champasut	-	7/7	-	-	-	-
10. Dr. Chotivid Chayavadhanangkur	-	7/7	-	-	-	-
11. Mr. Kunthit Arunyanakonda	-	7/7	-	-	-	-
12. Mr. Thananan Vilailuck	6/8 ⁽²⁾	-	6/6 ⁽²⁾	-	-	8/8
13. Mr. Jong Diloksombat	-	-	7/7	7/8 ⁽²⁾	-	-
14. Mrs. Sukanya Vanichjakvong	-	7/7	-	-	-	-
15. General Sumpun Boonyanun	-	-	7/7	-	-	-
16. Mr. Vichai Pokasamrit	-	-	7/7	-	-	-
17. Ms. Rapeepan Luangaramrut	-	-	6/6 ⁽²⁾	-	-	-
18. Mr. Kajornvut Tayanukorn	-	-	5/5 ⁽¹⁾	-	-	-
19. Mr. Pornchai Krivichian	-	-	-	7/8 ⁽²⁾	-	-
20. Ms. Chotika Kamloonwesaruch	-	-	-	8/8	-	-
21. Mr. Suchart Duangthawee	-	-	-	6/8 ⁽²⁾	-	-
22. Mr. Teerachai Phongpanangam	1/1 ⁽³⁾	1/1 ⁽³⁾	-	-	4/4	8/8
23. Mr. Theeraphat Kulkijkamjorn	-	-	-	-	4/4	-
24. Mr. Thongchai Petchyim	-	-	-	-	-	8/8
25. Mr. Krongkiat Udomratanachaiyakul	-	-	-	-	-	8/8

Remark : ⁽¹⁾ The Company business engagement;

⁽²⁾ The Company overseas business engagement;

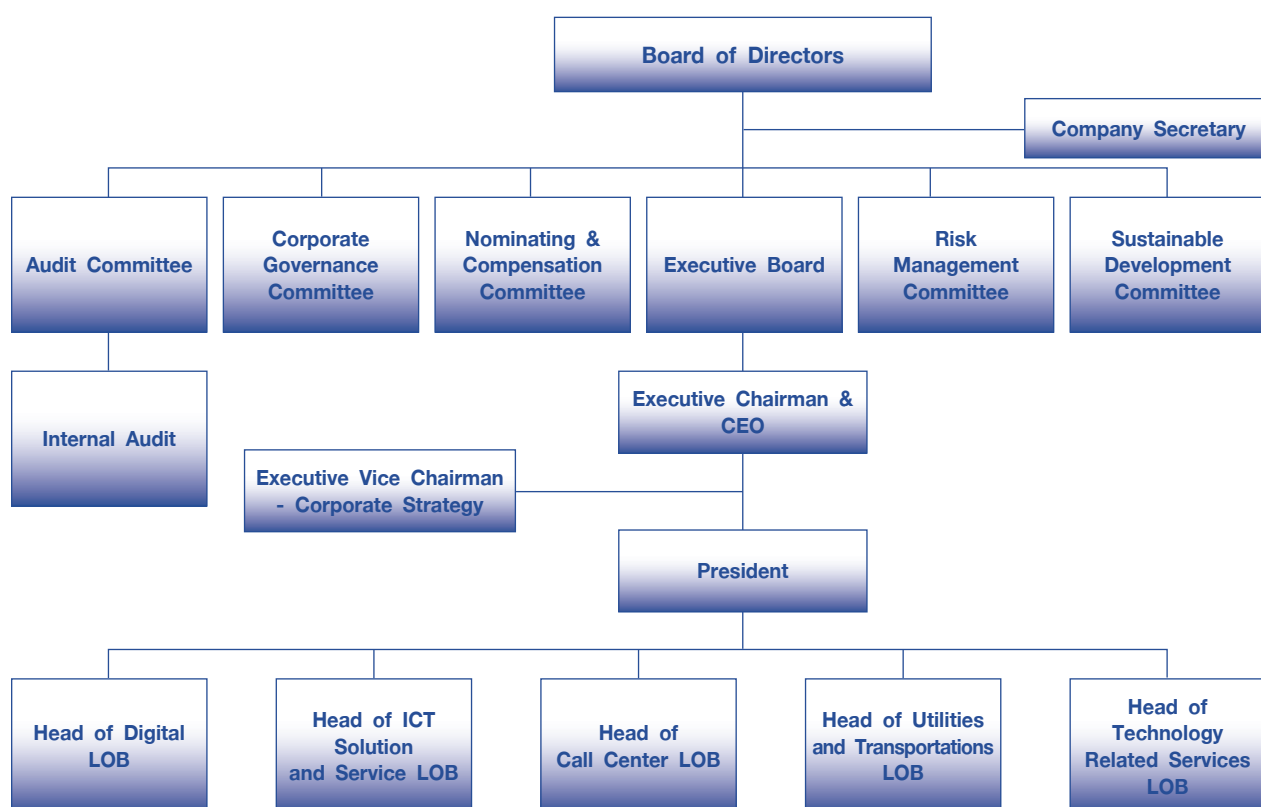
⁽³⁾ Has been appointed as Director, effective on November 13, 2018.

Detail of the Curriculum Vitae of Directors are provided under “The Board of Directors, Managements, Controlling Person, The Person Taking The Highest Responsibility in Accounting & Finance, The Person Supervising Accounting and Company Secretary” and “Director, Management, and Company Secretary of Core business subsidiaries” in page 258.

Management

The Company's management structure comprised of 7 Committees; Board of Directors, Audit Committee, Corporate Governance Committee, Nominating & Compensation Committee, Executive Board, Risk Management Committee and Sustainable Development Committee. Corporate Structure and the Management of the Company and major subsidiaries as of December 31, 2018 were as follows

The Company's Corporate Structure



Remark : Vice President Finance & Vice President Accounting are under the President.

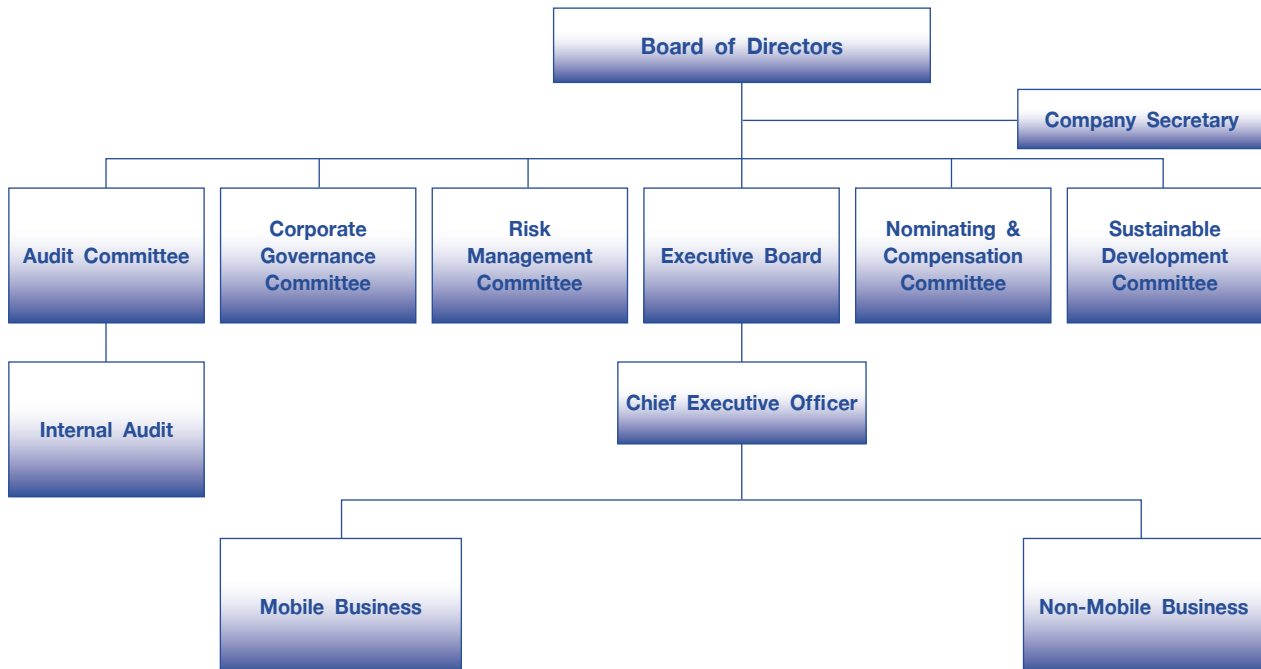
Management of the Company

- | | |
|--------------------------------|---|
| 1. Mr. Charoenrath Vilailuck | Executive Chairman & CEO |
| 2. Mr. Watchai Vilailuck | President / Head of Digital LOB / Acting Chief Operating Officer of Call Center LOB / Acting Chief Operating Officer of Utilities and Transportations LOB / Acting Chief Operating Officer of Technology Related Services LOB |
| 3. Mr. Jong Diloksombat | Executive Director / President of ICT Solution and Service LOB |
| 4. Mr. Thananan Vilailuck | Executive Vice Chairman - Corporate Strategy |
| 5. Mr. Wongkrit Jiamsripong | Vice President - Finance |
| 6. Ms. Namthip Burapapongsanon | Vice President - Accounting |

Corporate Structure and the Management of the Company and Core business subsidiaries total of 5 companies were as follows:

1) Samart Digital Pcl.

Corporate Structure of Samart Digital Pcl.



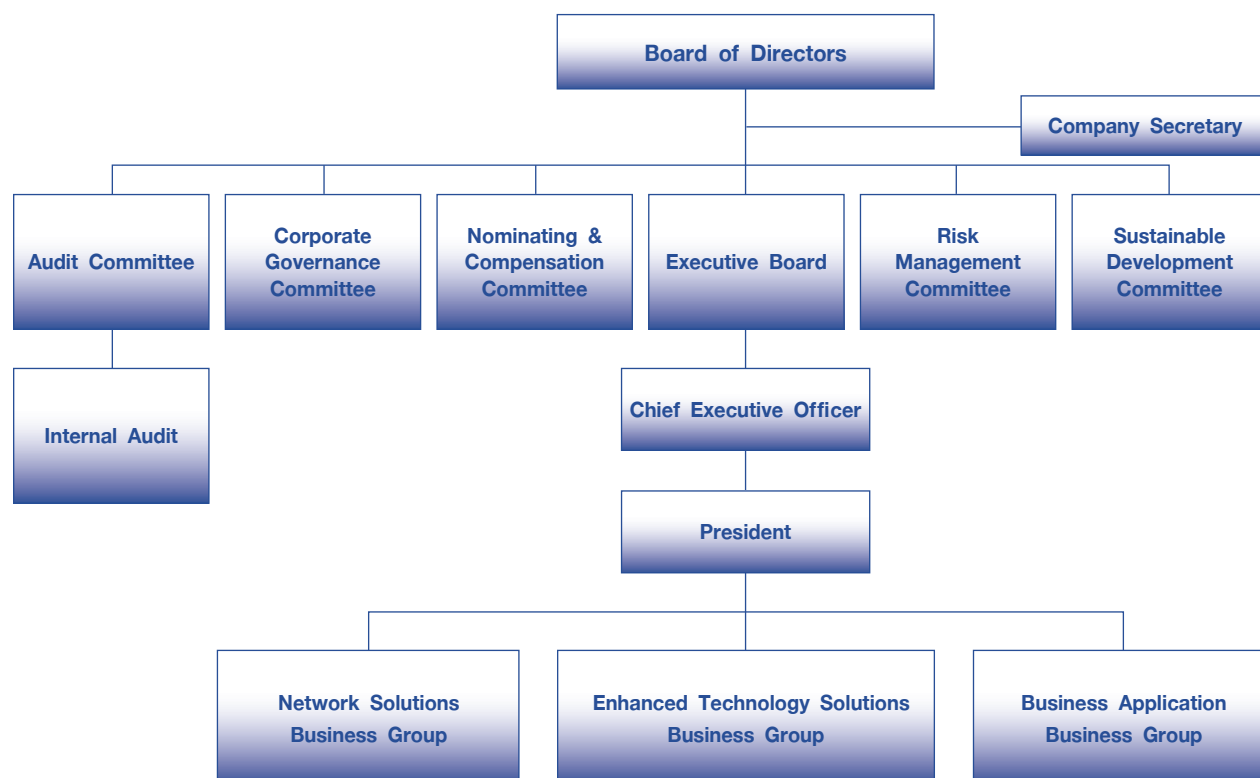
Remark : Head of Accounting and Finance are under Chief Executive Officer.

Management of Samart Digital Pcl.

- | | |
|-------------------------------|--|
| 1. Mr. Watchai Vilailuck | Chief Executive Officer and Acting Head of Mobile Business |
| 2. Mrs. Sukanya Vanichjakvong | President and Acting Head of Non-Mobile Business |
| 3. Mr. Suchat Satprasert | Vice President - Network Communication |
| 4. Ms. Sirintra Saipavun | Vice President - Digital Network |
| 5. Mrs. Sumonthip Srimek | Vice President - Account |
| 6. Mr. Hiran Phanbanlaem | Assistant Vice President -Finance |

2) Samart Telcoms Pcl.

Corporate Structure of Samart Telcoms Pcl.



Remark : Corporate Accounting and Corporate Treasury are under the President.

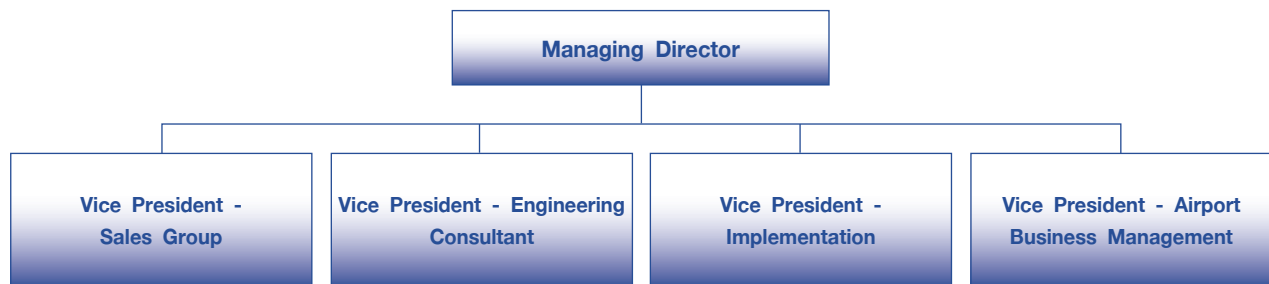
Management of Samart Telcoms Pcl.

- | | |
|--|---|
| 1. Mr. Watchai Vilailuck | Executive Chairman & Chief Executive Officer |
| 2. Mr. Jong Diloksombat | President |
| 3. Mr. Pornchai Krivichian | Executive Vice President Network Solutions Business Group |
| 4. Ms. Chotika Kamloonwesaruch | Executive Vice President Enhanced Technology Solutions Business Group |
| 5. Mr. Suchart Duangthavee | Executive Vice President Business Application Business Group |
| 6. Mr. Dhillokpat Nisamaneevong ^(*) | Senior Vice President - Finance & Investor Relations |
| 7. Mrs. Aroonluck Dilokwanich | Vice President - Corporate Accounting |

Remark : ^() Has been appointed as Senior Vice President - Finance & Investor Relations effective on May 1, 2018;*

3) Samart Comtech Co., Ltd.

Corporate Structure of Samart Comtech Co., Ltd.



Management of Samart Comtech Co., Ltd.

- | | |
|--------------------------------|--|
| 1. Ms. Chotika Kamloonwesaruch | Managing Director and Vice President - Sales Group |
| 2. Mr. Danaisak Khonsue | Vice President - Engineering Consultant |
| 3. Korn Vajanapoom, Ph.D. | Vice President - Implementation |
| 4. Mr. Suchart Duangthavee | Vice President - Airport Business Management (ABM) |

4) Cambodia Air Traffic Services Co., Ltd.

Corporate Structure of Cambodia Air Traffic Services Co., Ltd.

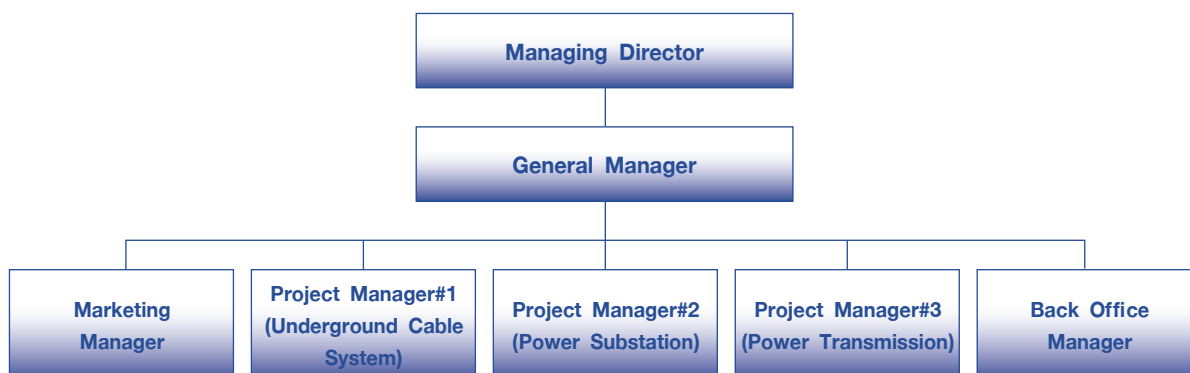


Management of Cambodia Air Traffic Services Co., Ltd.

- | | |
|--------------------------------|---------------------------------|
| 1. Mr. Teeraphat Kulkijkamjorn | Managing Director |
| 2. Mr. Saichon Pinsakul | ATS Operation Director |
| 3. Mr. Krirkchai Thanon | Engineering Director |
| 4. Ms. Siriporn Jamnuch | Accounting and Finance Director |
| 5. Ms. Kamonrat Chanmee | Human Resource Director |
| 6. Mr. Kamon Kongsang | Administrative Director |

5) Teda Co.,Ltd.

Corporate Structure of Teda Co.,Ltd.



Management of Teda Co.,Ltd.

- | | |
|--------------------------------------|--|
| 1. Mr. Thongchai Petchyim | Managing Director |
| 2. Mr. Krongkiat Udomratanachaiyakul | General Manager |
| 3. Mr. Charnchai Tiptanasap | Marketing Manager |
| 4. Mr. Chaitawat Ratanawimon | Project Manager #1 (Power Substation Projects) |
| 5. Mr. Wichai Assavapoositkul | Project Manager #2 (Power Substation Projects) |
| 6. Mr. Kittikun Chuerkitkumchorn | Project Manager #3 (Power Transmission Projects) |
| 7. Ms. Wannarat Chanpiriyakul | Back Office Manager |

See details of the Company's management and subsidiaries in the topic of the "Directors, Managements, Controlling Person, The Person Taking The Highest Responsibility in Accounting & Finance, The Person Supervising Accounting and Company Secretary".

The Person Taking The Highest Responsibility in Accounting and Finance, The Person Supervising Accounting and Company Secretary

1) The Person Taking The Highest Responsibility in Accounting and Finance

Mr. Wongkrit Jiamsripong, Vice President - Finance, is the qualified person and suitable to be appointed as the person taking the highest responsibility in accounting and finance.

2) The Person Supervising Accounting

Ms. Namthip Burapapongsanon, Vice President - Accounting, is the book keeper who has the qualifications and conditions of being a book keeper in accordance with the rule of Department of Business Department.

3) Company Secretary

The Nominating & Compensation Committee considered and appointed a potential and experienced person as the Company Secretary proposed for further approval of the Board of Directors to comply with the new Securities and Exchange Act. B.E. 2551 ("The Securities Act 4."). The Board of Directors' meeting of the Company No.9/2014 held on December 19, 2014 has appointed Mrs. Jirawan Rujisonthi as the Company Secretary, effective on December 19, 2014 onwards.

Details of The Person Taking the Highest Responsibility in Accounting & Finance, The Person Supervising Accounting and Company Secretary are provided under “Directors, Managements, Controlling Person, The Person Taking The Highest Responsibility in Accounting & Finance, The Person Supervising Accounting and Company Secretary” and under “Company Secretary’s Role and Responsibilities.” in pages 271-272

Remuneration of Directors and Management

- **Directors’ Remuneration**

Policy of Directors’ Remuneration has been clearly and transparently set to be comparable to the general practice in same industry which is in accordance with the Company’s strategies and goals, and be appealing enough to attract and retain qualified directors. The directors who also be appointed to be the member of any Committees will be paid appropriately more in accordance with the extra work. The Nominating & Compensation Committee will consider the remuneration and propose for consideration of the Board of Directors prior to further approval from the shareholders.

- **Non-Executive Director’s Remuneration**

The remuneration for the directors comprises meeting allowance and bonus without other benefits. Meeting allowance shall be approved by the Shareholders’ Meeting and it shall be paid to the directors who attended the meeting only. Members of the Board of Directors and the Audit Committee shall receive the meeting allowance at the same amount, however, the Chairman shall receive 2 times higher than other directors. The Chairman of the Nominating & Compensation Committee and the Chairman of the Corporate Governance Committee shall receive 33.33 percent higher than other members. The Executive Committee, the Risk Management Committee and the Sustainable Development Committee shall not receive any meeting allowance because they are the Company’s executives. The provision of bonus to the directors shall be considered based on appropriateness in various aspects and by compared with other organizations in the same industry which have the same or similar size of business including business operations of the Company, performance and responsibility of the directors and overall business conditions.

The Shareholders in the Annual General Meeting 2018 approved remuneration for directors of the Company and Committees’ members at the amount of not exceeding Bath 7.0 million. Details of remuneration are as follows:

Board of Directors and Audit Committee

- Chairman	Baht	30,000 per meeting
- Director	Baht	15,000 per meeting

Nominating & Compensation Committee and Corporate Governance Committee

- Chairman	Baht	20,000 per meeting
- Director	Baht	15,000 per meeting

- **Management’s Remuneration Policy**

Remuneration of the top managements shall be in accordance with principles and policies specified by the Nominating & Compensation Committee. Such remuneration is in the appropriated level and can be comparable with the rate of the same industry by taking into consideration duties, responsibilities and performance of the Company as well as performance of each top management. In addition, it must be able to motivate and retain the qualified and capable personnel.

Annual remuneration and bonus of the top managements shall have the fixed consideration criteria by based on performance of the Company, overall economic conditions and performance of each top managements. These criteria shall be explained in advance before they can be used for the assessment at the end of the year. The Nominating and Compensation Committee shall consider prior propose to the Board of Directors for approval.

• **Chief Executive Officer's Remuneration Policy (CEO)**

Remuneration of the CEO is not only consideration in accordance with Management's Remuneration Policy, but the Board of Directors also set the performance evaluation of Chief Executive Officer, annually by the Directors in order to be a reference for remuneration consideration. The policy of remuneration are as follows;

Category		The purpose & link to the principle of remuneration
Fixed Pay	Salary & other benefits, such as, Provident fund	To motivate and retain the competent Chief Executive Officer.
Short Term Incentive	Annual bonus	To reward the success of achieving the goals as defined for each year.
Long Term Incentive	Compensation according to Stock Option* & provident fund in the part that the Company contributes and increases according to year of work experience	<ul style="list-style-type: none"> To motivate and retain the competent Chief Executive Officer. To ensure alignment between interests of Chief Executive Officer and shareholder. To promote the growth and value to shareholders in long term.

*Remark * The Stock Option will be depend on the Board of Directors' consideration which will be based on the appropriate time and situation.*

In 2018, the Company paid remuneration to directors and managements of the Company and core business subsidiaries as follows:

1. **Cash & Non-Cash remuneration paid to directors and management in 2018 was as follows:**

1.1) **Cash & Non-Cash Remuneration for Directors and Committees' Members**

- **Remuneration for existing Directors and Committees' members of Samart Corporation Pcl.**

Directors	Cash Remuneration						Non-Cash Remuneration
	Meeting Allowance ⁽¹⁾ (Baht)				Performance Bonus (Baht)	Total Amount (Baht)	
	Board of Directors ⁽²⁾	Audit Committee	Corporate Governance Committee	Nominating & Compensation Committee			
1. Dr. Tongchat Hongladaromp Chairman / Independent Director	240,000	75,000	-	80,000	-	395,000	-
2. Mr. Pradang Prichayangkun Vice Chairman / Independent Director	120,000	150,000	45,000	60,000	-	375,000	-
3. Mr. Seri Suksathaporn Director / Independent Director	120,000	75,000	60,000	60,000	-	315,000	-
4. Mrs. Siripen Vilailuck Director	120,000	-	-	-	-	120,000	-
5. Mr. Charoenrath Vilailuck Director	120,000	-	-	-	-	120,000	-
6. Mr. Watchai Vilailuck Director	120,000	-	-	-	-	120,000	-

Directors	Cash Remuneration						Non-Cash Remuneration
	Meeting Allowance ⁽¹⁾ (Baht)				Performance Bonus (Baht)	Total Amount (Baht)	
	Board of Directors ⁽²⁾	Audit Committee	Corporate Governance Committee	Nominating & Compensation Committee			
7. Mr. Sirichai Rasameechan Director	120,000	-	45,000	-	-	165,000	-
8. Mr. Prinya Waiwatana Director / Independent Director	105,000	-	45,000	-	-	150,000	-
9. Mr. Thananan Vilailuck Director	90,000 ⁽³⁾	-	-	-	-	90,000	-
10. Mr. Pracha Phathayakorn Director	90,000 ⁽⁴⁾	-	-	-	-	90,000	-
11. Mr. Teerachai Phongpanangam Director	15,000 ⁽⁵⁾	-	-	-	-	15,000	-
Total	1,260,000	300,000	195,000	200,000	-	1,955,000	-

Remark : ⁽¹⁾ Meeting allowance shall not be paid to the Executive Committee, Risk Management Committee and Sustainable Development Committee because all members of such Committees are the executives who have remuneration as the executives already;

⁽²⁾ The 2018 meeting allowance is for 8 meetings of the Board of Directors meeting;

⁽³⁾ Different amount of meeting allowance for each director depended on number of participated meetings;

⁽⁴⁾ Resigned from Director on October 1, 2018;

⁽⁵⁾ Has been appointed as Director on November 13, 2018

1.2) Cash & Non-Cash Remuneration of the Executive Board and Management

Remuneration	Number of Persons	Total Amount (Baht)
Salary ⁽¹⁾	9	23,516,000
Bonus ⁽¹⁾	9	2,312,500
Provident Fund ^{(1) (2)}	9	2,126,600

Remark : ⁽¹⁾ The figures presented Salary, Bonus and Provident Fund for executives board and management paid by the Company only. There were total of 4 executives board and management in 2018 including Mr. Pracha Phathayakorn who resigned from management on October 1, 2018 received payment paid by the Company while other 3 executives board and managements received from the Company and other listed subsidiaries. For the 2 of the executives board and management received the payment from the Company and its subsidiaries as detail below;

- Mr.Charoenrath Vilailuck received partial payment from the Company and Samart U-Trans Co., Ltd.
- Mr. Watchai Vilailuck received partial payment from the Company and Samart Telcoms Pcl.

⁽²⁾ Provident fund to executive directors and managements have been provided by the Company at the rate of 3 - 10 percent of salary related to year of services;

2. Total Remuneration of core business subsidiaries in 2018 :

2.1) Cash & Non-Cash Remuneration for Directors and Committees' Members of Samart Digital Pcl.

- Remuneration for existing Directors and Committees' members of Samart Digital Pcl.

Directors	Cash Remuneration						Non-Cash Remuneration
	Meeting Allowance (Baht)				Performance Bonus (Baht)	Total Amount (Baht)	
	Board of Directors	Audit Committee	Corporate Governance Committee	Nominating & Compensation Committee			
1. Mr. Piyapan Champasut Chairman / Independent Director	210,000	75,000	-	-	-	285,000	-
2. Dr. Chotivid Chayavadhanangkur Independent Director	105,000	150,000	60,000	60,000	-	375,000	-
3. Mr. Kunthit Arunyananda Independent Director	105,000	75,000	45,000	80,000	-	305,000	-
4. Mr. Charoenrath Vilailuck Director	105,000	-	-	-	-	105,000	-
5. Mr. Watchai Vilailuck Director	105,000	-	-	-	-	105,000	-
6. Mrs. Sukanya Vanichjakvong Director	105,000	-	45,000	60,000	-	210,000	-
7. Mr. Pracha Phathayakorn Director	75,000 ⁽¹⁾	-	-	-	-	75,000	-
8. Mr. Teerachai Phongpanangam Director	15,000 ⁽²⁾	-	-	-	-	15,000	-
Total	825,000	300,000	150,000	200,000	-	1,475,000	-

Remark : ⁽¹⁾ Resigned from Director on October 1, 2018. There were 5 meetings during his directorship.

⁽²⁾ Has been appointed as Director on November 13, 2018.

- Cash & Non-Cash Remuneration of the Management of Samart Digital Pcl.

Remuneration	Number of Persons	Total Amount (Baht)
Salary	6	11,599,000
Bonus	6	556,380
Provident Fund ^(*)	6	888,400

Remark : ^(*) Provident fund to managements have been provided by SDC at the rate of 3 - 10 percent of salary related to year of services.

2.2) Cash & Non-Cash Remuneration for Directors and Committees' Members of Samart Telcoms Pcl.

- Remuneration for existing Directors and Committees' members of Samart Telcoms Pcl.

Directors	Cash Remuneration						Other Remuneration
	Meeting Allowance ^(*) (Baht)				Performance Bonus (Baht)	Total Amount (Baht)	
	Board of Directors	Audit Committee	Corporate Governance Committee	Nominating & Compensation Committee			
1. General Sumpun Boonyanun Chairman / Independent Director	210,000	75,000	-	60,000	75,000	420,000	-
2. Mr. Vichai Pokasamrit Director / Independent Director	105,000	150,000	60,000	45,000	50,000	410,000	-
3. Ms. Rapeepan Luangaramrut Director / Independent Director	90,000	60,000	45,000	45,000	50,000	290,000	-
4. Mr. Kajornvut Tayanukorn Director	75,000	-	45,000	-	50,000	170,000	-
5. Mr. Sirichai Rasameechan Director	105,000	-	45,000	-	50,000	200,000	-
6. Mr. Charoenrath Vilailuck Director	105,000	-	-	-	50,000	155,000	-
7. Mr. Watchai Vilailuck Director	105,000	-	-	-	50,000	155,000	-
8. Mr. Thananan Vilailuck Director	90,000	-	-	-	50,000	140,000	-
9. Mr. Jong Diloksombat Director	105,000	-	45,000	-	50,000	200,000	-
Total	990,000	285,000	240,000	150,000	475,000	2,140,000	-

Remark : ^(*) Meeting allowance shall not be paid to the Executive Committee, Risk Management Committee and Sustainable Development Committee because all members of such Committees are the executives who have remuneration as the executives already.

- Cash & Non-Cash Remuneration of the Executive Board and Management of Samart Telcoms Pcl.

Remuneration	Number of Persons	Total Amount (Baht)
Salary	5	23,316,000
Bonus	5	3,387,250
Provident Fund ^(*)	5	1,971,600

Remark : ^(*) Provident fund to executive directors and management have been provided by SAMTEL at the rate of 3 - 10 percent of salary related to year of services.

2.3) Cash & Non-Cash Remuneration for Directors of Samart Comtech Co., Ltd. ("SCT")

- Meeting allowance shall not be paid to the Directors because all members are the executives who have remuneration as the executives already.
- Cash & Non-Cash Remuneration of the Management of SCT

Remuneration	Number of Persons	Total Amount (Baht)
Salary ⁽¹⁾	4	9,207,600
Bonus ⁽¹⁾	4	1,534,600
Provident Fund ^{(1) (2)}	4	794,760

Remark : ⁽¹⁾ The figure presented Salary, Bonus and Provident Fund of the executive directors and managements received from Samart Comtech Co., Ltd. only. During 2018 they were 3 executive directors and managements received the remuneration from Samart Comtech Co., Ltd. and Mr. Suchart Duangthavee, an executive director and management, has received the remuneration from Samart Telcoms Pcl.;

⁽²⁾ Provident fund to executive directors and management have been provided by SCT at the rate of 3 – 10 percent of salary related to year of services.

2.4) Cash & Non-Cash Remuneration for Directors of Cambodia Air Traffic Services Co., Ltd. ("CATS")

- Meeting allowance shall not be paid to the Directors because all members are the executives who have remuneration as the executives already.
- Cash & Non-Cash Remuneration of the Management of CATS

Remuneration	Number of Persons	Total Amount (Baht)
Salary ⁽¹⁾	6	11,719,872
Bonus ⁽¹⁾	6	2,930,122

Remark : ⁽¹⁾ The figure presented Salary and Bonus of managements paid by CATS in U.S. dollar, total of USD 366,264 and USD 91,566 respectively or approximately Baht 11,719,872 and Baht 2,930,122 respectively;

2.5) Cash & Non-Cash Remuneration for Directors of Teda Co., Ltd. ("TEDA")

- Meeting allowance shall not be paid to the Directors because all members are the executives who have remuneration as the executives already.
- Cash & Non-Cash Remuneration of the Management of TEDA

Remuneration	Number of Persons	Total Amount (Baht)
Salary	7	14,244,000
Bonus	7	2,530,000
Provident Fund ⁽¹⁾	7	352,000

Remark : ⁽¹⁾ Provident fund to executive directors and managements have been provided by TEDA at the rate of 3 - 10 percent of salary related to year of services.

Human Resource

Number of employees of the Company and its subsidiaries classified by line of business for the past 3 years are as follow:

Line of business	Number of Employees (persons)		
	2016	2017	2018
1. Digital	1,027	698 ^(*)	593 ^(*)
2. ICT Solution and Service	1,277	1,311	1,298
3. Call Center	2,343	1,861	1,954
4. Utilities and Transportations	537	579	618
5. Technology Related Services	322	379	251
Total	5,506	4,828	4,714

Remark : ^() The number of employees decrease due to business restructuring and business operation of Digital LOB.*

The remuneration of employees of the Company and the subsidiaries which comprises of salary, bonus, contribution to provident fund and other compensation during the past 3 years are as follows:

(Unit : Million Bath)

Remuneration	Total Amount		
	2016	2017	2018
1. Salary ^(*)	1,560.79	1,519.41	1,400.18
2. Bonus ^(*)	120.94	119.76	116.12
3. Provident Fund ^(*)	57.81	60.35	58.8
4. Other remuneration (over time, special subsidy and commission)	108.00	112.29	101.92

Remark : ^() The remuneration were excluded the managements of the Company and core business subsidiaries i.e. SDC, SAMTEL, SCT, CATS and TEDA the remuneration were disclosed in the remuneration for Directors and Managements of such companies.*

Human Resources Management and Development Policy

The company always regards that our employees are the most valuable and crucial fundamental for the company's sustainable success becoming a leading Telecommunication Technology and Digital Technology company in the competitive industry. SAMART group practically initiated corporate HRM & HRD policy emphasizing on analyzing proper manpower planning, increasing performance efficiency and improving working procedure to cope with business working environmental and digital technology change as well as performance management and potential assessment, developing individual capabilities at all levels progressively to prepare for business extension and competition, new company business and any changes. Indeed, these have to be compatible to SAMART group's business vision, missions, operation, and corporate culture simultaneously.

1. Human Resources Management Policy

For responding to Corporate HR Policy, Human Resources Management Policy has mainly been concentrated on:

- **Manpower Planning Policy**

To support all lines of business in SAMART group, The Company has applied a variety of HR indicators and tools in optimizing manpower planning also balancing among functional workloads to increase HRM & HRD policy more efficiencies. These would enhance organizational design and restructuring as well as enable HR manpower policy and costing most effective to company leading to success in new company business meet company's vision and mission sustainably.

- **Recruitment & Selection Policy**

Proactive recruitment approaches have been applied in acquiring capable people at all levels including of sourcing and attracting all levels of candidates by launching Campus Tour and Activities Programs in leading universities, coordinating with business recruitment agency and allied business network to build SAMART group's branding to all external candidates. In Selection Policy, the Company places importance on the selection process, focusing on the most appropriate knowledge, ability and attribute by which their virtues recruitment & selection combines cooperation among original affiliation, expertise in various careers and human resources department to ensure the process of recruitment & selection the most equitable and best efficiency. Furthermore, the company has relevantly applied new digital technology connection and social media to support this process. These would be capable people at all levels and lead them to success their owned career at SAMART leading to be the company's sustainable success.

- **Performance Management and Development Policy:**

SAMART ensures an equitable and appropriate performance management system through applying KPIs approach cascading organization objectives through division to individual goals and corporate competencies methodologies aligning to business strategic planning at all levels throughout SAMART. In 2018, the Company has applied new global standard technology SAP success factor to support Goal/KPIs and Performance Management i.e. closed monitoring, solution consulting and organizing arrange their owned and subordinators' Goal/KPIs, etc. at individual through top management level leading to be the company's sustainable success efficiently and effectively in organizational strategic management.

- **Human Resources Management and Development Technology Policy:**

The Company conducts information technology developed by Human Resources Information Systems to support both HRM & HRD functions by increasing speed of work, data accuracy, and decreasing operation cost by applying digital technology to HR Portal services including of employee recruitment and selection such candidate application online, E-Document Workflow application, and payroll services with E-Payslip systems. By the way, the Company has also applied for human resource development, such as knowledge management systems including of managing competency assessment systems and individual development plan (IDP) system. Furthermore, the company would fully utilize hris data to support in HRM & HRD Policy decision making for sustainable organization achievement and preparing to leading digital company in the future.

- **Compensation & Benefit Policy:**

The company wisely formulates compensation, benefit and welfare scheme by job analyzing and evaluating all positions, responsibilities and their performances at all levels throughout SAMART to determine corporate compensation, benefit and welfare policy being compatible to organizational position including of skill, accountability, knowledge, and competence related to business operation and economic situation with comparative analysis among related businesses as well as strictly complying to labor law and compliance. These might ensure that our employees would be in the appropriate and equitable compensation, benefit and welfare package being competitive in labor market or among leading companies in the industry.

- **Employee Relation & Engagement Policy:**

The Company places strong emphasis on employee relationship among top executives and employees as well as two-way communication as a mean to communicate top management direction to all employees closely and directly percept employee's innovative, improvement and other open-mind ideas to enhance SAMART business operations and other processes known as "Lunch & Learn Project" and "CEO suggestion box".

Furthermore, the Company concentrates on the employee relation and engagement at all levels of employees throughout SAMART and also implants them into corporate value along with corporate culture by building synergy professional working-style (Team of Professionals). Hence, these initiate the best cooperation among individual level through corporate level. In 2018, there were a various ER&EE programs and activities to build synergy among employees, executives and organization i.e., SAMART Management Meeting twice a year, Team Building activities at all levels, and D-Club (CSR programs) etc.

2. **Human Resources Development Policy**

The Company has a consolidated HRD policy to continuously develop the knowledge and ability of employees being appropriate to their owned position at all levels for leading them to success their owned career at SAMART and also achieving business's needs and preparing staff for domestic and oversea digital business expansion. Therefore, the Company aspires to develop employees in all careers at all levels by harmonizing a wide range of development tools for increasing their owned skill, knowledge, capability through corporate culture and code of conduct according with SAMART strategy and operation not only for present day but the future business as well.

- **Career Development Policy:**

The Company defines career development policy by which the Company further supports employees in all careers to be continuously developed in their qualifications, knowledge and abilities. Particularly, competency approach has been applied to categorize required business capabilities to Generic competency, Managerial Competency and Functional Competency for analyzing, planning, and leading to individual competency development with diversified development tools for all employee levels. Thus, our employees might be developed to create their high potential specified by both corporate and Line of business (LOB) levels to support sustainable growth and prepare for business expansion throughout SAMART.

- **Employee Training & Development Policy:**

The Company regards the employees as a key success factor and fundamental to success as "Learning & Growth Aspect" in order to achieve business strategies and goals, resulting in corporate sustainable growth and business competitive advantage. Hence, the Company has HRD policy to continuously develop all employees among qualifications, knowledge and ability in parallel with the human resources development system at all levels as summarized below;

In-house Training

To encourages and develop the employees to facilitate the organization's strategies and goals most effectively and efficiently. The Company therefore conducts training courses deem necessary, as follows:

For top and management executives:

The managerial competency program, courses have been designed for management level in order to develop in managerial competency to strengthen leadership and management skills for executives as well as prepare promotion qualification in the future for pre-executive or talent employees. Moreover, this program would elaborately lead executives to support organization's business growth and prepare SAMART to become business leader in the industry existed. These courses provide innovated and practical knowledge to be applied to arrange managerial work such as Creating & Strategic Implementation Plan, Modern Supervisory, etc.

For operational staffs:

The functional competency program, courses have been designed for developing and enhancing functional knowledge and functional capability related to operational responsibilities and increasing skill of employees for each career and division concerned such as Risk Management course, Project Management courses, Compliance and Law course, Financial and Accounting Standard courses, Computer skill and Technology related course, Marketing and Sales Management course, Information Technology & ISO standard courses, Administrative Management and Training and Assessments for Building Electricians, etc.

For all employees:

The Generic Competency Program, courses have been designed to ensure that the employees could perform their work in accordance with the corporate culture at the most efficiency such as Orientation course for new employees, Effective communication, Courses for corporate culture, etc.

Furthermore, to accommodate business expansion, develop employee in English communication skill and achieve their competence continuously, the Company thus developed English communication skills both Classroom Training and E-Learning being used to support a large group of learner both new and current employees. This has enabled employee at all levels developing for this skill more conveniently at anywhere and anytime.

External Training

In addition to In-house Training, SAMART supports all executives and employees to acquire external standard knowledge and skill from training certified courses conducted or instructed by external reputable institutes both local and international in order to enhance their expertise, knowledge, ability and also updating and exchanging new aspect with other organizations to apply some appropriate approach to organization relevantly.

- Knowledge Management :

For human resources developing in long term and adding business value, the Company thus considers information technology as an important tool for improving staff management efficiency, Project "SAMART knowledge sharing" has been implemented, this promotes knowledge management throughout organization and responds to business' mission continuously and sustainably

- Talent Management Policy and Succession Planning :

The Company designed special HRM & HRD programs and tools to prepare excellent performance and high potential employee (talent) for their succession planning including of Job rotation, Job Enlargement & Enrichment, Job assignment, Talent monitoring, and fast-track program preparation. By encouraging them through employee engagement programs as well, these would motivate talent to full utilize their owned skill, knowledge, competence and potential to dedicate performing all missions to achieve SAMART's goals most efficiently.

Furthermore, the Company always recognizes the importance of having a succession plan, especially at the top management level, to ensure continuity when there is a vacancy or to support expansion of business.

Summary of Training to management and employees of the Company and its subsidiaries in 2018

Training	Frequency (Times)	Number of Participants (Persons)
In-House Training		
Managements	114	665
Employees	181	1,512
Sub-Total	295	2,177
External Training		
Managements	59	158
Employees	136	152
Sub-Total	195	310
Total	490	2,487

Training Expenses in 2018

In 2018, total expenses concerning the employees' participation in the trainings domestically and abroad of the Company and its subsidiaries were Baht 7.94 million. Total employees' training hours were 21,204 hours per year or averagely 8.52 hours/person/year which is more than the standard hours specified by the Department of Skill Development which equaled to 6 hours/person/year. Example of training courses internally, externally and abroad were as follows:

Internal Training Courses

- English for Business Communication Speaking and Listening. (30 hours)
- Project Modern New Manager.
- SHIFT Your Presentation.
- Risk Management.
- Cyber Security Operation Center.
- Big Data Technical and Application Session.
- Performance Management SAP Success Factor.
- Microsoft Project 2010/2013.
- TFRS 15 Revenue from Contract with Customers and TFRS 16 Leases.
- Government Procurement and Supplies Management.
- Technical precautions for contracting labor contract and hire a service contractor.
- Personality and Communication.
- Effective Communication Skill.
- Safety Officer for Supervisor Level.
- Safety Officer for Management Level.
- Safety Driving Techniques Prevent accident.
- First Aid & CPR.
- Orientation Samart Group
- Applications Document Management Alfresco.
- Applications for SAP Inventory Management.
- Applications for SAP Control Budgeting.
- Applications Windows 10 and My Account.
- Applications Contract Alert System.
- Applications Open Office.
- Application for PR. Workflow.
- Application for Project Start up
- Application for Alfresco User & Admin.
- Application for ISMS Awareness.
- CMMI Appraisal Method for Process Improvement

External and international Courses

- Top Executive Program in Commerce and Trade:TEPCoT. (Batch 11)
- Advance Master Management Program | AMM Batch 2
- DAP - Directors Accreditation Program.
- Update Taxation and Accounting.
- Management Innovations in the Modern Globalized Economy for Top Executives. (Batch 1)
- Administration of maintaining Public order of the Private Sector Society. (Batch 5)
- Technology Crime Prosecution Process (Cyber)
- Administrative Law and Administrative Procedure.(Batch 9)
- Skills for trainers, process. (Batch 6)
- Senior Budget Executive (Batch 5)
- The Story 2 The Ultimate Leadership Tool.
- Super Entrepreneur Program for Society.
- The 4 Disciplines of Execution.
- Understanding Bitcoin, Blockchain and Crypto Economy.
- Big Data in Action for Senior Management Business Trip to China Information Technology Expo (CITE)
- Parcels and Administrative Contracts.
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives Batch 22
- Application of Digitalization Disruptive Technologies in Power and Energy Business.
- TFRS 2018, sub-course 105: TFRS about Assets.
- Top management in the city development administration (Greater Class 6).
- Digital Transformation in Action.
- Asia Pacific CACS 2018 Conference
- SEC Conference 2018: Capital Market for All
- The Disclosure of the new CG Code.
- Enhance Efficiency and Growth through Process Innovation
- Workshop for Professional Development
- Enhancing Good Corporate Governance based on CGR Scorecard
- Corporate Governance Conference 2018: Building Trust in Transforming Economy
- Update Labour Protection Law.
- Grounding and Equipotential Bonding System for Electric Power System, Communication and Telecommunication System, Computer and Data Centers: Design, Installation Testing and Solutions

Corporate Governance

The Board of Directors of the Company realized on the importance of the good Corporate Governance which will be the fundamental factor for improving standard of business operation to create more transparency, competitiveness and strengthen the confidence of all shareholders, investors and other related parties. **The Company has the Corporate Secretary Division which is the Compliance Unit to supervise and oversee the operations of the Company, the directors and the executives to ensure that they have been correctly complied with the regulations of SET, SEC and the Public Company Limited Act including other relevant laws** as follows:

1. Corporate Governance Policy & Business Ethics

1.1 Corporate Governance Policy

The Board of Directors is aware of the importance of good Corporate Governance. Therefore, the written Policy of Corporate Governance both in Thai and English have been set and approved by the Board since 2005 to create more transparency, competitiveness and strengthen the confidence of all shareholders, investors and other related parties. The Corporate Governance Policy had also been posted on the Company's website for information of the Company's employees and for public. Internal audit and internal control system have been emphasized to monitor the management to follow the Company's policy with more efficiency in order to increase long-term benefit to the shareholder under the law and Business Ethics. The Corporate Governance Committee will monitor and have the employees to strictly comply with such policy. The CG Policy will be annually reviewed and revised to comply with new regulations. The latest revision which complied with the Principles of Good Corporate Governance for Listed Companies 2017 (CG Code) of SEC and perform according to Corporate Governance Report of Thai Listed Companies 2018 (CGR) of Thai Institute of Directors (IOD) and Quality on Arrangement of Annual Meeting of shareholders (AGM Checklist) of Thai Investors Association (TIA) which has been resolved by the Board of Directors of the Company on February 26, 2019 that the main point of this version of Corporate Governance Policy covers the following:

- Amend the Corporate Governance Policy, Item 4: Disclosure and Transparency with regards to information disclosure policy and accountability to the financial statements;
- Amend the Corporate Governance Policy, Item 5: Roles and Responsibilities of the Board of Directors, with regards to Directors' Qualifications, Roles and Responsibilities of the Board of Directors, Chairman, Chief Executive Officer, Nomination of Directors, Nomination of Management, Executive Succession Plan, Directors' Remuneration, Set Policy and Business Direction, Scope of Power and Duties of the Audit Committee, the Executive Board, the Nominating & Compensation Committee, Board of Directors' Meeting, Risk Management, Development of Directors and the Management and supervision on operations of the subsidiaries and the associated company;
- Prepare the Board of Directors' Charter.

1. Rights of Shareholders

The Company emphasizes and recognizes the importance of the rights of all shareholders equitably; no matter such shareholder is a minority shareholder, a major shareholder, an institute investor or a foreigner. All rights that the Company's shareholders obtained in 2018 were as follows:

- **Rights to get share certificate, sell, purchase or transfer the Company's shares**
Thailand Securities Depository Co., Ltd. ("TSD") has been appointed as the Company's registrar to provide all services for all transactions related to registration of the Company's shares.
- **Rights to propose agenda and enquiries for the Shareholders' Meeting**
The Company is aware of the shareholders' rights and equitable treatment to the shareholders under the good corporate governance and to comply with laws. It's the Company policy to allow the shareholders to propose matter(s) for consideration of the Board of Directors as agenda of the shareholders'

meeting starting from 2009 Annual General Meeting of shareholders. The shareholders have been granted an opportunity to submit the enquiries for consideration prior the meeting since 2011 provided that they must comply with criteria on proposing of meeting agenda for shareholders' meeting as per specified by the Company's Board of Directors. In 2019 Annual General Meeting of Shareholders, the Company shall allow the minority shareholders to propose the matter for consideration as agenda and submit the enquiries at least 3 months in advance prior the ending date of the fiscal year since September 28, 2018 onward. For the meeting agenda proposal ended on January 31, 2019 and enquiries proposal ended prior to the meeting date of 2019 Annual General Meeting of the Shareholders. And explain the detailed procedures on proposing the matter for consideration as agenda including an advance submission of the enquiries in the Company's website (www.samartcorp.com) in the section of the **"Investor Relations"** under the title of **"Enquiries submission prior to the Annual General Meeting of Shareholders 2019"**.

- **Participation in the Shareholders' Meeting**

The Company is aware of the shareholders' rights and equitable treatment to participate in the shareholders' meeting, be informed conditions and procedures of meeting as well as having proxy to vote and comment in the meeting on behalf of the shareholder. With realize on convenience to shareholders and to encourage them to attend the shareholders' meeting, the Company is prior to notify and specify date, time and place that comfort the shareholders to participate in the meeting. There was one meeting in 2018, the 2018 Annual General Meeting of Shareholders which held on April 27, 2018 at Miracle Grand Convention Hotel, Vibhavadee-Rangsit Road, Laksi, Donmuang, Bangkok where is convenience for transportation and capability to cover with number of shareholders.

Before the Meeting Date

In the 2018 Annual General Meeting of Shareholders, the shareholders have been informed on the date and agenda of the meeting via SET's communication system 58 days prior to the meeting date. At the same time, the Company also disclosed the invitation letter as well as related documents in both languages, Thai and English, on the Company's website (www.samartcorp.com) in the section "Investor Relations" under the title of "the Annual General Meeting of Shareholders" 35 days before meeting date for the shareholders to have sufficient time for consideration. Same documents will be directly delivered to the shareholders by TSD, the Company's registrar, within 22 days before the meeting date of which better than what has been required by law. The invitation letter contained fact, rationale, and opinions from the Board of Directors for each agenda, conditions and procedures of meeting, annual report, proxy form and any other related document with sufficient information for shareholders' consideration. Moreover, the invitation letter has also been 3 days continually published on the newspaper 24 days prior to the meeting date to be in line with law.

For convenience on registration for attending the shareholders' meeting of the institutional investors, the Company shall coordinate on preparation of proxy for them prior the meeting date.

On the Meeting Date

Meeting procedures has been set to conform to regulations and considering on shareholders' convenience. The Company is aware of the equitable of shareholders' right and their comfort to participate in the shareholders' meeting. Appropriated technology and equipments are sufficient for registration reviewed on required documents more than one hour prior to commencement of the meeting by using barcode system to counting the vote for a prompt voting result. In the 2018 Annual General Meeting of Shareholders there were 10 directors attended. The Chairman of all Committees including the Chairman of the Audit Committee, the Company's Management, the Executive Vice President (Finance and Accounting), External Auditors as well as the Investor Relation also presented in the meeting. Chairman of the Board of Directors who was Chairman of the meeting introduced all

Board members to the shareholders and declared to the meeting that there were 213 shareholders and proxies with voting rights attended for the 2018 Annual General Meeting of Shareholders. Moreover, for transparency on counting the vote in the meeting, the Company has invited representatives from Bangkok Bank Public Company Limited to be the vote inspector as well as requested for additional volunteers from the shareholders to be inspector. The Chairman had declared to the shareholders how to exercise their right and vote before commencement conducted the meeting to be in line with the agenda. Voting cards were provided for significant agenda. Voting result in term of approval, disapproval or abstain including voided ballot for each agenda were transparently presented to the meeting. The shareholders were encouraged to express their opinions and raise any questions, either in the agenda or any other questions related to the Company's business, at the meeting. All questions had been answered and taken in the minutes of meeting as well as the opinions from the shareholders. Moreover, after the completion of the meeting, the Chairman has announced to the shareholders to return the voting card to the Company's staffs for keeping as the evidence.

After the Shareholders' Meeting

Resolutions of the meeting were disclosed to SET with voting details, approved, disapproved and abstain including voided ballot, of each agenda on the next day after the meeting date. Full minutes of meeting of which contained the attendance record of the directors, summary of questions and answers during the meeting in both Thai and English had been sent to SET and related parties within 14 days after the meeting date as well as posted on the Company's website (www.samartcorp.com) for verification.

- **Appointment / Dismission of Directors of the Company and Approve their Remuneration**

According to the Company's Articles of Association, at the Annual General Meeting of Shareholders, one third (1/3) of the Directors has to be retired by rotation. Election for replacement is required. The retired directors are eligible to be re-elected for another term.

The election of the Board of Directors shall be in accordance with the rules and procedures as follows:

- (1) Each shareholder shall have one vote on each share;
- (2) In voting, a shareholder shall vote in accordance with the number of votes each shareholder has under (1) for one or several directors. The said shareholder may not allot any number of his votes to any person;
- (3) The person obtaining the highest and higher votes respectively shall be elected as directors equal to the number of directors required or ought to be elected at such a meeting. In the event that persons receiving votes in respective orders receive equal votes and the number of directors exceeds the positions required or ought to be, the chairman of the meeting shall have a casting vote.

Apart from the appointment of Directors, the shareholders also have rights to remove any director from the office before the expiration of his term of office by having votes of no less than three quarters (3/4) of the number of shareholders attending the meeting and having the rights to vote and the aggregate number of shares shall be no less than one half (1/2) of the shares held by all the shareholders attending the meeting and having the rights to vote.

In every Annual General Meeting of Shareholders, the shareholders have the rights to consider and approve the remuneration for all directors and members of sub-committees. Adequate Information of all candidates for being considered and appointed as directors or members of committees was also delivered for shareholders' consideration.

- **Appointment of Auditors and approval of their remuneration**

In every Annual General Meeting of Shareholders, one of the agenda is the appointment of Company's auditors and consideration of their remuneration. The Company will propose name of the auditors with sufficient details and remuneration for consideration of the shareholders.

- **Regularly and timely obtained adequate information, business performance and management policy**

The Company concerns on Shareholders' rights and not only disclosed Company's information via SET's communication system but also posted all significant and updated information on the Company's website (www.samartcorp.com).

- **Getting profit**

The Company will return profit to its shareholders by way of dividend payment. (Details are provided under **"Dividend Policy"**)

In addition, apart from such shareholders' rights, the Company does not prevent or obstruct any opportunities to allow the shareholders to communicate with each other.

2. **Equitable Treatment of Shareholders**

The Company realizes to protect and due care for the interests of all major and minor shareholders as fairly basis. In addition, the Company sets policy for equitably treatment to all shareholders for attending and vote in the shareholders' meeting, sharing in profits, regularly and timely obtained adequate information, business performance and management policy. **In the shareholders' meeting, each shareholder shall have one vote on each share. All the Company's shares are the ordinary shares.** Proxy form requiring documents were delivered together with the invitation letter for shareholders who would like to appoint a proxy. Proxy form, which contains detail of voting as approve, disapprove or abstain, as well as details of 4 independent directors also are attached for shareholders consideration as alternative proxy including identify the document, evidence and proxy method in the meeting invitation which has been prepared in Thai and English for convenience of the shareholders. The 2018 Annual General Meeting of Shareholders held on April 27, 2018, were 146 proxies respectively to the Company's independent directors. In addition, voting cards were provided for each agenda, especially, the agenda of appointment of directors of which been appointed by individual. In every shareholders' meeting, the meetings were conducted to be in line with the. Moreover, the Company will inspect to insure no inside information of which is material, undisclosed and confidential leak to public or be used from unauthorized for personal benefit. (Details are provided under **"5. Inside Information"**)

3. **Roles of Stakeholders**

The Company is aware of the support from each stakeholder should increase the competitiveness and ability to generate more benefit for long-term succession and realized the importance of all stakeholders i.e. shareholders, employees of the Company and its subsidiaries, customers, competitors, lenders, societies and environment. Thus, general rules and practices have been set for directors, management and employees in the Company's Business Ethics for directors, managements, and employees to perform and disclosed on the Company's website (www.samartcorp.com) as well as providing more channels for the stakeholders to contact directly to the Company in order to provide either comments or recommendations which will be benefit to the Company. (Details are provided under **"1.2 Ethic Business"**)

4. **Disclosure and Transparency**

The Company has strong determination to reveal accurate complete, consistent and updated information, both financial and general information that related to Company's business. The Complete, consistent and updated information will truly reflect Company's financial performance and future business direction. The Company has a disclosure policy to disclose information of any significant and future business operation directions, so that the shareholders and the stakeholders to access information conveniently and speedily for

- To submit the financial report and the Management Discussion and Analysis (MD&A) to the Stock Exchange of Thailand (“SET”) and the Securities and Exchange Commission Thailand (“SEC”) within the specified timeframe. The financial report did not have any transactions where the auditor opined with qualified, the financial statement has also never been revised under the order of the SET and SEC. In order to make the investors are more well informed and understand the changes occurred to the financial position and operating results of the Company in each quarter, **MD&A has been quarterly provided via SET online and the Company website.**
- Criteria on provision of remuneration to the directors and the executives have been clearly disclosed. (Details are provided under **“Management Structure” in the topic of “the Remuneration of Directors and Managements”**)
- Shareholding information of the directors and the executives has been disclosed in the Annual Report and the Annual Disclosure information. In addition, the Company has a policy requiring the directors and the executives to report a change in their securities holding within 3 business days from the date the securities have been purchased, sold, transfered or accepted transfer. The Company Secretary’s unit shall coordinate on submission of such report to SET and SEC. Moreover, it is also specified that any change of such securities holding of the directors and the executives shall be reported to the Board of Directors’ meeting every time.

The 2018 securities holding information of the directors and the executives

Number of shares held in Company (shares)

Directors / Executives	Before acquisition / disposition	Acquisition in 2018 Buy via SET	Disposition in 2018	31 Dec. 2018	Variance
1. Dr. Tongchat Hongladaromp <i>Spouse and minor children</i>	- -	- -	- -	- -	- -
2. Mr. Pradang Prichayangkun <i>Spouse and minor children</i>	500,000 -	- -	- -	500,000 -	- -
3. Mr. Seri Suksathaporn <i>Spouse and minor children</i>	927,750 -	- -	- -	927,750 -	- -
4. Mrs. Siripen Vilailuck <i>Spouse and minor children</i>	5,960,250 -	- -	- -	5,960,250 -	- -
5. Mr. Charoenrath Vilailuck <i>Spouse and minor children</i>	112,704,960 30,000	- -	- -	112,704,960 30,000	- -
6. Mr. Watchai Vilailuck <i>Spouse and minor children</i>	125,977,160 28,375	300,000 -	- -	126,277,160 28,375	300,000 -
7. Mr. Sirichai Rasameechan <i>Spouse and minor children</i>	- -	- -	- -	- -	- -
8. Mr. Prinya Waiwatana <i>Spouse and minor children</i>	- -	- -	- -	- -	- -
9. Mr. Thananan Vilailuck <i>Spouse and minor children</i>	26,028,500 1,210,000	- -	- -	26,028,500 1,210,000	- -
10. Mr. Jong Diloksombat <i>Spouse and minor children</i>	- -	- -	- -	- -	- -
11. Mr. Teerachai Phongpanangam <i>Spouse and minor children</i>	20,000 1,000,000	- -	- -	20,000 1,000,000	- -
12. Mr. Wongkrit Jiamsripong <i>Spouse and minor children</i>	- -	- -	- -	- -	- -
13. Ms. Numthip Burapapongsanon <i>Spouse and minor children</i>	- -	- -	- -	- -	- -

- Details on connected transactions have been clearly disclosed to prevent a conflict of interest. (Details are provided under **“Connected Transactions”**)

Furthermore, the Company also has a policy on the report of transaction which has conflict of interest of the directors and the executives as follows:

- 1) The director and the executive shall submit the first report on transaction with interest within 30 days from the date he/she is appointed to be the director or the executive pursuant to the specified report form.
- 2) The Director and the executive shall report a change of transaction with interest within 30 days from the date of such change pursuant to the specified report form.
- 3) Report on transaction with interest shall be kept at the Company Secretary and the Company secretary shall arrange to submit a copy of such report to the Chairman of the Board and the Chairman of the Audit Committee within 7 business days from the date the Company received such report.

The Company were disclosed to shareholders, investors and any related parties via SET's Communication system, Company's website (www.samartcorp.com), press release and Company's Annual Report and Form 56-1 as well as participated in the “Opportunity Day” which arranged by SET.

The Board of Directors has to ensure that there are concerned persons perform the information preparation and disclosure, fully with skills, suitable and enough experience with their responsibility and strictly control to be complied by laws, Company's regulations and any related disclosure and transparency policy. The Company has never been notified any offense by SEC/SET on such matter. The Board has Major concerned on transparency and disclosure in the following area:

- **Information Disclosure Policy**

The Company appreciates on management and business operations in accordance with the principles of good corporate governance. In order to ensure that the information disclosure is accurate, complete transparency and equal, complied with laws and the relevant regulations. Therefore, the Company has established information disclosure policy to be a guideline for directors and employees as follows:

1. Information disclosure in both financial and non-financial should be accurate, complete, sufficient, reliable and on time to ensure that shareholders and stakeholders of the Company receive the information equally.
2. Information disclosure of the Company must be prepared carefully, clearly, accurately and transparently.
3. Be careful to disclose important information that affects the price or value of the Company's securities and complying with the regulations and announcement of the SET.
4. Clearly appoint a responsible person to disclose the Company's information to public.

The persons who have the right to disclose important information not yet disclosed to the public are as follows:

1. Executive Chairman
2. Chief Executive Officer (CEO) or President
3. Manager of Investor Relation of the Company
4. Authorized person from Executive Chairman or Chief Executive Officer or President

Those who do not relevant or assigned duties cannot provide information or interview to the media or public about the Company's business.

- **Provide multi channels for disclosure of information apart from SET's Communication system**

Annual Report and Form 56-1

The Board of Directors has to ensure that Annual Report / Form 56-1 contained adequate information with accuracy, clarity and could create understanding to the shareholders and related parties on the Company's operation and its performance for the previous year as well as the management structure, performance of the Board of Directors and all Committees.

Company's website

The Board of Directors is aware of the efficiency of website disclosure to the shareholders and related persons as well as equitably and easily of getting information. The Board of Directors therefore ensures the Company not only provides all significant information of the Company in the Company's Annual Report but also on the Company's website (www.samartcorp.com) in both languages, Thai and English. The disclosed information comprised of Corporate Governance Policy, Business Ethics, General News, Financial Statement as well as Annual Report and the Annual Disclosure Information form (Form 56-1), etc.

Investor Relations

The Company has also set up an Investors Relations section to provide Company's information and activities for investors, shareholders, analysts and general public via Company's website, Road Shows, analysts meetings and conference calls etc. The Company's Investor Relations could be contacted at phone number 0-2502-6583 or via www.samartcorp.com or the e-mail address at Pongthep.V@samartcorp.com. The investor relations ethics prescribed by the Company are as follows:

The investor relations ethics

1. Conduct duties with integrity;
2. Disclose necessary information completely and fairly to all relevant groups equally;
3. Allow all relevant groups to access and enquire the information;
4. Perform duties by mainly adhering to benefits of the shareholders and the stakeholders;
5. Preserve confidential information of the Company and must not use inside information for personal gain;
6. Perform duties at his/her best and professionally;
7. Keep on studying to develop efficiency of the work;
8. Observe the principle on not accepting the appointment during the period close to financial statement announcement and the practical guidelines on securities trading specified by the Company.

In addition to above, the announcements on the Company's financial performance have been arranged for public, investors and analysts by quarterly basis with participation of the executives.

Meetings with investors and analysts in 2018 were summarized as follows:

- One on One Meeting with Analyst, Investors and Road Show 12 Times
- Announcement of SAMART Group of Company's Performance 6 Times

- **Disclosure of Information of the Board of Directors and Committees**

- Structure, Roles and Responsibilities of the Board as well as performance of the Board and each Committee;
- Directors and Management's Remunerations: Policy of Directors' Remuneration has been clearly and transparently set to be comparable to the general practice in same industry, accordance with the Company's strategies and goals, and be appealing enough to attract

and retain qualified directors. The directors who also be appointed to be the member of any Committees will be paid appropriately more in accordance with the extra work. The Nominating & Compensation Committee will consider the remuneration and propose for consideration of the Board of Directors prior to further approval from the shareholders. The remuneration of the Board of Directors has been disclosed in the Company's Annual Report and the Annual Information Disclosure form (Form 56-1). (Details are provided under **"Management Structure" in the topic of "the Remuneration of Directors and Managements")**).

- **Accountability to the Financial Statements**

The Board of Directors is responsible for the Company's consolidated financial statements and any financial information which been disclosed in the Company's Annual Report by taking into account to accordance with the Company's strategies and policies. Such financial statements were prepared in accordance with the general acceptance-accounting standard in Thailand with appropriated financial policy. The reports were carefully considered and prepared with sufficient information in the notes to the financial statements. The financial statements have been audited and commented independently by the authorized auditors of SEC.

The Board of Directors also set out and maintained for the efficiency of the Company's internal control system to ensure that the financial information had been correctly and accurately booked and sufficient to maintain the Company's assets and be aware of weak point in order to prevent whether from any dishonesty or significant error. The Board of Directors had appointed the Audit Committee of which comprised independent directors to be responsible for the quality of the financial statements and the internal control system and disclosed such opinion in the Annual Report under the Report of the Audit Committee. The opinion of the Audit Committee has already been disclosed in the Annual Report. Moreover, Report of the Board of Directors' responsibility on the Company's Financial Statements was also attached in the Company's Annual Report.

5. Roles and Responsibilities of the Board of Directors

For best benefit of the strike a balance of power within the Company, the Company has a policy to put emphasis on responsibilities of the Committee members with regards to their components, qualifications including roles & duties as the following:

5.1) Directors' Qualifications

The Company's Board of Directors comprises of the members who are knowledgeable, skillful and have transparent work experiences, good moral, and responsibility. The Board must comprise of members of various professions and experiences which are beneficial to business operations of the Company, i.e. accounting/finance, management, strategic planning, legal and corporate governance without having any gender discrimination and achieve its objectives. The Company has 10 directors who complied with the qualification that been described in the Company's **"Management Structure"**. All of the Directors have contributed their best to the Company which may concern from their participation in the meeting. (Details are provided under **"5.5.4 Board of Directors and Committees' Meeting"**).

5.2) The Independent of the Board of Directors

- **Separation of CEO and Chairman**

For best benefit of the shareholders and to strike a balance of power within the Company, the positions of Chairman of the Board of Directors and CEO must not be attained by the same person. The Company's Chairman of the Board of Directors is an independent director who has the qualifications of independent director in accordance with SET's notification and has no business relation with any management of the Company. Chairman of the Board and CEO have Roles and Responsibilities as follows:

Roles, duties and responsibilities of the Chairman of the Board

1. Oversee, monitor, and ensure that the Board of Directors efficiently carries out its duties to achieve the Company's objectives.
2. Ensure that all directors contribute to the Company's ethical culture and good corporate governance.
3. Set the board meeting agenda by discussing with the Chief Executive Officer, which important matters should be included.
4. Allocate sufficient time for management to propose topics and for the board of directors to debate important matters thoroughly. Encourage the board of directors to exercise independent judgment in the best interest of the Company.
5. Promote a culture of openness and debate through ensuring constructive relations between executive and non-executive directors, and between the board of directors and management.

Roles and Responsibilities of Chief Executive Officer

1. General operation management and control in business of the Company to comply with its objectives, policy and the Articles of Association;
2. Consideration in business investment plans prior to propose for the Executive Board and the Board of Directors for further approval;
3. Consider the criteria and procedures for nomination and recruiting person to be top management together with the Nomination and Compensation Committee;
4. Entering into any transaction binding the Company conforming to the Company's Delegation of Authorities;
5. Carry out any assignment from the Board of Directors and/or the shareholders of the Company.

The delegation authorities of the Chief Executive Officer should not be delegated or further assigned that authorize the CEO or its attorney to approve any connected transactions between themselves or any persons who may have conflict of interest (according to the concept of conflict of interest of the SEC's notification) with the Company or subsidiaries except such transactions are handled in line with the connected transaction procedure or policy which been approved by the Board of Directors of the Company and/or shareholders' meeting to be complied to regulations of SET/SEC or any related laws and regulations.

• **Balance of Power**

More than half of the members of the Board of Directors are not a part of management team. Within this half, one-third of the directors and at least 3 members are independent and has no business relations or personal with the Company's Management. Free from executives' influences, they oversee the Company's direction with neutrality and pay careful attention to the rights of shareholder and stakeholder. To strike a balance of power within the Company, the positions of Chairman of Board of Directors and CEO must not be attained by the same person. The Chairman of Board of Directors should be an independent member.

The Board of Directors of the Company comprised of 10 members with various qualifications, skills, experience and expertise. Composition of the members is as follow:

- 4 Independent Directors (40.00% of the Board of Directors)
- 4 Executive Directors
- 2 Non-Executive Directors (1 Representative from major shareholders)

The 2 Independent Directors namely Dr. Tongchat Hongladaromp and Mr. Pradang Prichayangkul have working experience relating to the Company's business.

The shareholders could have confidence that the directors as representatives of the shareholders could perform their duty without any influence or control by management of the Company by the above structure.

- **Separate Roles and Responsibilities of the Board of Directors and CEO**

The Company has clearly set the separate roles and responsibilities of the Board of Directors and CEO. The Board of Directors will focus and ensure that the Company's business will achieve its target and in the direction that create value and best benefit to the shareholders as well as all stakeholders. Any conflict of interest with the Company and its subsidiaries will be prohibited. The Board will also comply with the Company's Ethics to ensure all Company's businesses are run under Company's objectives, Articles of Association, laws and regulations of SEC/SET and other related laws. At the same time, CEO who is the management's leader will focus on general management of the Company.

5.3) Being Director in other Listed Companies

- **Policy for directors on being director in other listed companies**

For efficiency of being the director, the Board of Directors of the Company has set the "Policy" for all directors to be the director in any listed companies not exceeding 5 companies. However, 10 Directors, there are not any of the existing directors of the Company is being the director in listed companies over than 5 companies and also could participate and contribute to the Company with efficiency.

- **Policy for executives management on being director in other listed companies**

Moreover, the management of the Company will also be obtained approval from the Executive Board prior to be a director in any companies of which are not have either similar business or being the Company's competitors.

5.4) Transparency of Nomination

The Board ensures the Company to provide transparency process of nomination of directors and management of the Company of which the details are provided under the topic of **"3. Nomination and appointment of the Directors and Management"**.

5.5) Board of Directors' Activities in 2018

5.5.1) Set Policy and Business Direction

The Board of Directors has clearly established the Company's Vision & Mission are which details are provided under **"Policy and Overview on business Operation"** in the topic of **"Corporate Vision, Mission, Corporate Culture, Goals and Strategies"**.

Monitoring on Business Ethics

The Company conveyed business ethics practices via various channels and the Company also specified that all directors, executives and employees have responsibility to acknowledge and comply with the Company's policies and regulations. The supervisors or the superior officers at all level have to monitor the compliance with the business ethics as well as to give recommendation and advise in case there is a problem on making decision or performing the works concerning the business ethics which have not been specified elsewhere. However, such recommendation must be based on the legal rules and it must not against the policy or business ethics of the Company, must not have negative impact to the Company's image including must not cause negative effect to the Company's stakeholders. The Company shall revise and improve its business ethics policy continually to make it always appropriate and up-to-date.

In the event that it is found that there is a violation of the business ethics, the supervisor shall undertake the necessary measures to solve or make good of such action or may issue a warning notice, as the case may be. The wrongdoer shall be subject to disciplinary penalty and may also be faced with legal penalty, if such action is against the law.

Moreover, the Company also has one more channel to receive the misconduct information or complaint or opinion on violation of law or ethics including on the behavior which may lead to the corruption or inequality treatment, the details on procedures and methods on informing such information, as well as the protection of the informant can be found in **“1.2 Business Ethics”** in the Subject of **Procedures and methods on “Notifying the information on misconduct and the protection of the informant”**.

Moreover, to comply with the principle of the sufficient internal control assessment and accordance with good corporate governance of Samart group of companies. The Company issued the business ethic assessment for executive’s self-assessment to follow the business ethic of Samart group which has already been stated. The assessment covers the following area:

1. Conflict of interest
2. Accountability to shareholders
3. Employee policies
4. Employee ethics
5. Customer policies
6. Trade partner policies
7. Creditors policies
8. Counterpart/Competitor policies
9. Anti-Corruption policy
10. Money Laundering policy
11. Tax policy
12. Sustainable Development policy
13. Responsibility to societies
14. Responsibility to communities
15. Responsibility to environment
16. Non-violation of human rights policy
17. Copyright and intellectual property policy

From the above assessment covering 17 areas have an **excellent** evaluation obtaining average score **99.87%**

5.5.2) Leadership and Vision

The Board of Directors set, reviewed and agreed the Company’s vision, mission, strategies, business plan and budget as well as to govern the management to follow such business plan and budget with efficiency and profitability for economic value to the Company and the best stability to the shareholders. In addition to the above, the Board of Directors has not only ensure the Company and its management to oversee the value of all stakeholders, neither derive personal benefit nor create any rivalry with the Company and its subsidiaries, but also conducted the business with great awareness in ethical, moral and compliance to the Company’s Articles of Associations, Notifications of SEC/SET and other related laws and regulations.

Internal Control system, internal audit as well as efficiency risk management had been set by the Board of Directors. Monitoring and evaluation were made by the Audit Committee and regularly reported to the Board of Directors.

Moreover, the Company has published a vision, mission, business goals including Corporate Governance Policy, Risk Management Policy and business ethics on the Company's website www.samartcorp.com and has been disclosed in the annual report by assigning the Corporate Governance Committee to supervise the directors, executives and employees to strictly observe.

In addition, the Company has communicated the vision, mission, business goals to all employees in the organization to acknowledge and understand, driving business in the same direction by providing the Management meeting at the manager level up 2 times a year and communicating with all employees in the organization through various media, such as, internal e-mail, computer screen saver, public relations board, elevator and other online media within the Company.

5.5.3) Set up of Committees

For governing the management to comply with the approved policies and having better efficiency, the Board of Directors appointed the following committees to help the Board for consideration in significant matters.

- Audit Committee
- Executive Board
- Corporate Governance Committee
- Nominating & Compensation Committee
- Risk Management Committee
- Sustainable Development Committee

Roles and responsibilities of each committee are provided under “**2. Committees**”. In addition, Committees' Charters have also been set and disclosed on the Company's website (www.samartcorp.com).

5.5.4) Board & Committees' Meeting

1) Board of Directors' Meeting

The Board of Directors' Meeting schedule has been set at least 7 times a year with certain agenda. The annual meeting schedule will be sent to each director by the Company Secretary for preparation and arrangement for meeting participation. However, additional unscheduled Board meetings may be called upon appropriate notice at any time to address specific needs of the Company. The operating results will be regularly reviewed. The invitation letter as well as meeting materials will be delivered by the Company Secretary to all directors at least 5 working days prior to the meeting date for consideration. The average length of the meeting is approximately 2 hours. The Board of Directors meeting shall be attended by at least half of all the directors in order to constitute a quorum. **In addition, the Board of Directors set its quorum of the meeting to be at least 2/3 of all directors attending in the meeting.**

Details of directors' attendance for 2018 with total 8 meetings were as follows:

Directors	Directorship in the Company	Term of Directorship (Year-month)	Number of Attendance /Total Number of Meeting	Summary of consideration
1. Dr. Tongchat Hongladaromp	Apr. 2008	10-8	8/8	<ul style="list-style-type: none"> - Considered the Company Operating Performance and Financial Statements for 2017 as well as quarterly performance of 2018; - Considered the sufficiency of the Company's Internal Control System; - Acknowledged the 2017 Committees' activities; - Acknowledged Assessment Result on Quality on Arrangement of AGM of Shareholders for 2018, Assessment Result on Corporate Governance of Thai Listed Companies for 2018; - Acknowledged the 2017 Board Self-Assessment, CEO and Company Secretary Assessment Result as well as consider the criteria of the Board Self Assessment, CEO, Committees and Company Secretary Assessment Form for 2018; - Considered the dividend payment for year 2017; - Considered matters concerning to 2018 AGM agenda and provide opinions to shareholders for consideration; - Considered the appointment of Committees' members; - Considered Annual Salary increase for 2019, 2018 Bonus and 2019 Bonus Payment Policy; - Considered the Directors & Officer Liabilities and Corporate Reimbursement Insurance; - Reviewed and revised the Company's Corporate Governance Policy, Business Ethics and Committee Charter; - Considered and approved vision, mission and the Company's 2019 business plan; - Considered to allow the minority shareholders to propose matter in the agenda and enquiries prior to the meeting date of AGM; - Acknowledged the securities holding report of the Company's directors and the executives which has been changed from the previous meeting; - Considered and approved the increase registered capital in the subsidiary; - Considered and approved the reduction registered capital of the Company; - Considered and approved the issuance and allocation of warrants to purchase ordinary shares of Samart Corporation Pcl. No. 2 ("SAMART-W2") in the amount of not exceeding 335,501,303 units to the existing shareholders of the Company according to the shareholding ratio (Rights Offering); - Considered and approved the increase registered capital of the Company; - Considered and approved the amendment of the Company's objectives; - Considered and approved the amendment of the authorized directors of the Company; - Considered and approved the amendment of the dividend payment policy of the Company.
2. Mr. Pradang Prichayangkun	Apr. 2008	10-8	8/8	
3. Mr. Seri Suksathaporn	Feb. 1999	19-11	8/8	
4. Mrs. Siripen Vilailuck	Feb. 1993	25-10	8/8	
5. Mr. Charoenrath Vilailuck	Feb. 1993	25-10	8/8	
6. Mr. Watchai Vilailuck	Feb. 1993	25-10	8/8	
7. Mr. Sirichai Rasameechan	Feb. 1996	22-10	8/8	
8. Mr. Prinya Waiwatana	Apr. 2010	8-8	7/8 ⁽¹⁾	
9. Mr. Thananan Vilailuck	Apr. 2016	2-8	6/8 ⁽²⁾	
10. Mr. Teerachai Phongpanangam	Apr. 2018	0-1	1/1 ⁽³⁾	

Remark : ⁽¹⁾ The important business engagement;

⁽²⁾ The Company overseas business engagement;

⁽³⁾ Has been appointed as Director on November 13, 2018.

The minutes for all meetings had been taken, kept and been ready for verification by the directors or any related parties.

2) Audit Committee

In 2018, the committee conducted 5 meetings, were as follows:

Directors	Number of Attendance/ Total Number of Meeting	Summary of consideration
1. Mr. Pradang Prichayangkun 2. Dr. Tongchat Hongladaromp 3. Mr. Seri Suksathaporn	5/5 5/5 5/5	<p>1. Review financial reports</p> <p>The Audit Committee has reviewed accuracy and completeness of the consolidated financial statements of the Company and its subsidiaries for 2018 by reviewing material issues jointly with the auditor, so that the preparation of financial statements and disclosure of information in the note to financial statement of the Company are correct and reliable.</p> <p>2. Review the connected transactions or the transactions which may have conflict of interests</p> <p>The Audit Committee has reviewed transactions which may have conflict of interests with the Company every quarter for transparency, reasonableness and adequate disclosure of information.</p> <p>3. Review compliance with laws and regulations of the relevant agencies</p> <p>The Audit Committee has reviewed and supervised the Company's operations on compliance with the laws and regulations of the Stock Exchange of Thailand (SET) and the laws relevant to the Company's businesses.</p> <p>4. Review adequacy of internal control system</p> <p>The Audit Committee has reviewed adequacy of the internal control systems pursuant to concept of COSO (The Committee of Sponsoring Organizations of the Treadway Commission) to make sure that the Company has suitable and adequate internal control systems.</p> <p>5. Review the internal control operations</p> <p>The Audit Committee has approved internal audit plan every year by put emphasis on risk assessment as well as audit on anti-corruption measures.</p> <p>6. Consider on selection and proposal for appointment of the Company's auditor for 2018</p> <p>The Audit Committee has considered on selection and proposal for appointment of the Company's auditor and the auditing fee for 2018, by taking into account their qualifications, capabilities, professional expertise and appropriateness of auditing fee.</p> <p>7. Assessment on performance of the Audit Committee for 2018</p> <p>The Audit Committee has assessed performance of the Committee every year to ascertain that the Audit Committee has performed works pursuant to duties and responsibilities as per specified in the Audit Committee Charter.</p>

3) Executive Board

In 2018, the committee conducted 12 meetings, were as follows:

Directors	Number of Attendance/ Total Number of Meeting	Summary of consideration
1. Mr. Charoenrath Vilailuck	12/12	<ul style="list-style-type: none"> - Quarterly considered business operation plan and solutions of each LOB; - Monthly reviewed and monitor business operations to be in line with the plan; - Considered the followings prior to submit for further approval from the Board of Directors: <ul style="list-style-type: none"> • Investments/Dispose of investments; • The Company's 2018 Strategic Implementation Plan; - Considered Annual Salary increase for 2019, 2018 Bonus and 2019 Bonus Payment Policy for the employees and the management of the Company proposed for further consideration to the Nominating & Compensation Committee; - Considered new hire and promotion of manpower.
2. Mr. Watchai Vilailuck	9/12 ⁽¹⁾	
3. Mr. Jong Diloksombat	10/12 ⁽¹⁾	
4. Mr. Thananan Vilailuck	9/12 ⁽¹⁾	
5. Mr. Teerachai Phongpanangam	11/12 ⁽¹⁾	
6. Mrs. Phongsri Saluckpetch	7/8 ⁽²⁾	
7. Ms. Kanokwan Chanswangpuvana	8/8 ⁽²⁾	
8. Ms. Chotika Kamloonwesaruch	7/8 ⁽²⁾	

Remark : ⁽¹⁾ The Company overseas business engagement;

⁽²⁾ Has been appointed as Executive Director on May 15, 2018.

4) Corporate Governance Committee

In 2018, the committee conducted 3 meetings, were as follows:

Directors	Number of Attendance/ Total Number of Meeting	Summary of consideration
1. Mr. Seri Suksathaporn	3/3	<ul style="list-style-type: none"> - Acknowledged to allow the minority shareholders to propose matter in the agenda and enquiries prior to the meeting date of AGM 2018; - Acknowledged the Board Self-Assessment, CEO and Company Secretary Assessment Result for 2017; - Acknowledged the submission of securities holdings reports of the directors, executives and auditors (Form 59) electronically. - Acknowledged the amendment of the dividend policy of the Company - Reviewed and revised the amendment of Company's Corporate Governance Policy, Business Ethics and Committee Charter in line with the international corporate governance criteria; - Considered the 2017 Corporate Governance Committees' activities; - Considered Corporate Governance Report to disclosed in the Annual Report 2017; - Considered the criteria of Corporate Governance Evaluation in 2018; - Arranged the meetings between the Company's Non-Executive Directors without the participation of the Company's Management to discuss the management problems of the Company;
2. Mr. Pradang Prichayangkun	3/3	
3. Mr. Sirichai Rasameechan	3/3	
4. Mr. Prinya Waiwattana	3/3	

5) Nominating & Compensation Committee

In 2018, the committee conducted 4 meetings, were as follow:

Directors	Number of Attendance/ Total Number of Meeting	Summary of consideration
1. Dr. Tongchat Hongladaromp	4/4	<ul style="list-style-type: none"> - Selected, and nominated appropriate candidates to be the Directors for replacement; - Selected, and nominated appropriate candidates to be the Committee Member; - Considered to recruit and select nominated candidate to be the Director for replacement of the resigned director; - Considered remuneration of Board members and Committees' members; - Considered Annual Salary increase for 2019, 2018 Bonus and 2019 Bonus Payment Policy; - Considered the 2017 Nominating & Compensation Committees' activities.
2. Mr. Pradang Prichayangkun	4/4	
3. Mr. Seri Suksathaporn	4/4	

6) Risk Management Committee

In 2018, the committee conducted 3 meetings, were as follow:

Directors	Number of Attendance/ Total Number of Meeting	Summary of consideration
1. Mr. Charoenrath Vilailuck	3/3	<ul style="list-style-type: none"> - Considered risk, impacts, risk management measures for 2018 and follow-up progress on risk management of the Group of Companies. - Gave recommendation to eliminate and reduce potential risks as well as instruct the management of each department to report its operating results to the Risk Management Committee continually and regularly. - Reviewed new risks to make them correspond to the current change of businesses in order to reduce material risks of the Company.
2. Mr. Watchai Vilailuck	3/3	
3. Mr. Sirichai Rasameechan	3/3	
4. Mr. Thananan Vilailuck	3/3	

7) Sustainable Development Committee

In 2018, the committee conducted 2 meetings, were as follow:

Directors	Number of Attendance/ Total Number of Meeting	Summary of consideration
1. Mr. Watchai Vilailuck	2/2	<ul style="list-style-type: none"> - Considered and conducted the SD Committee self-evaluation for 2018 and the assessment results including the recommendations shall be used for improving with aims to have sustainable development and increase efficiency of the operations; - Considered and reviewed the Company's sustainability development policy and responsibility of the Company's SD Committee; - Considered and monitored operational results on social responsibility activities of the Company in 2018; - Prepared a report on duties of the SD Committee during the past year to propose to the shareholders as well as to disclose in the annual report.
2. Mr. Jong Diloksombat	2/2	
3. Mr. Thananan Vilailuck	2/2	
4. Mrs. Sukanya Vanichjakvong	2/2	
5. Mr. Teerachai Phongpanangam	2/2	
6. Mrs. Phongsri Saluckpetch	2/2	
7. Ms. Kanokwan Chanswangpuvana	2/2	

All the Committees have regular meetings and reported to the Board of Directors of the Company for consideration.

Meeting among members of Non-Executive Directors

In 2018, the Company has arranged the meeting among only members of the Non-Executive Directors of the Company prior or after to the Board of Directors' Meeting every time without any participation of the management team, in order to have discussion on management issues of the Company freely.

5.6) Conflict of Interest

To prevent conflicts of interest, the Company has drawn out guidelines for directors and employees (Details are provided under **"1.2 Business Ethics"**).

5.7) Internal Control System and Internal Audit

(Details are provided under **"Internal Control System, Risk Management and Anti-Corruption"**)

5.8) Risk Management

(Details are provided under **"Internal Control System, Risk Management and Anti-Corruption"**)

5.9) Board, Committees, CEO and Company Secretary Assessment

5.9.1 Board Self-Assessment

The Corporate Governance Committee has initiated the Self Assessment form for Board members to review and evaluate their performance for 2018 as a whole. The Company has applied SET's assessment form in appropriate to the Company. The assessment form, which has been approved by the Board of Directors in its meeting No.8/2018 on December 18, 2018 was sent to all directors for assessment. The questionnaire covers the following area:

- Board Composition and Qualification
- Role & Responsibilities
- Board Meeting
- Board performance
- Relationship with the executives
- Self-Development and management development

From the assessment which been completed by the Board members, total number of directors (10) agreed that for the above area, the Board of Directors of the Company has an **excellent** evaluation by obtaining average score **95.85%**.

5.9.2 Directors Self-Assessment

For improvement and more efficiency of the meeting Corporate Governance Committee has all directors to evaluate themselves by individual through the Board self Assessment form for 2018. The Company has applied SET's assessment form in appropriate to the Company. The assessment form, which has been approved by the Board of Directors in its meeting No. 8/2018 on December 18, 2018 was sent to all directors for assessment. The questionnaire covers the following area:

- Board Composition & Qualification
- Board Meeting
- Role & Responsibilities
- Self- Development

From the assessment which been completed by the Board members individually, total number of directors (10) agreed that for the above area, the Board of Directors of the Company has an **excellent** evaluation by obtaining average score **98.06%**.

5.9.3 Audit Committee Self-Assessment

In order to make the Audit Committee to be able to evaluate its own performance during the previous year with regards to the compliance with prudent practices and the effectiveness, so the evaluation which covered the following topics has been conducted. The Company has applied SET's assessment form in appropriate to the Company. The assessment form, which has been approved by the Board of Directors in its meeting No. 8/2018 on December 18, 2018 was sent to all Audit Committee Members for assessment. The questionnaire covers the following area:

- Board Composition & Qualification
- Meeting
- Role & Responsibilities
- Training & Development
- Activities of the Audit Committee
- Relationship with the Director of Internal Audit Department, the auditor and the executives

From the assessment which been completed by 3 Audit Committee Members, the members agreed that the Audit Committee has an **excellent** evaluation by obtaining average score **93.71%**.

5.9.4 Committee Self-Assessment

The Corporate Governance Committee has initiated the Self Assessment form for Committee members to review and evaluate their performance for 2018 were as follows: Executive Board Member, Nominating & Compensation Committee, Corporate Governance Committee, Risk Management Committee and Sustainable Development Committee. Results of the self-assessment of each sub-committee will use to develop working performance of them for more efficiency and to be in line with the responsibilities assigned from the Board of Directors. The Company has applied SET's assessment form in appropriate to the Company. The Committee assessment form, which has been approved by the Board of Directors in its meeting No. 8/2018 on December 18, 2018 was sent to all directors for assessment. The questionnaire covers the following area:

- Board Structure & Qualification
- Board Meeting
- Role & Responsibilities
- Training & Development

From the assessment which been completed were as follows:

1. Executive Board Member has an **excellent** evaluation by obtaining average score **96.22%**;
2. Corporate Governance Committee has an **excellent** evaluation by obtaining average score **99.34%**;
3. Nominating & Compensation Committee has an **excellent** evaluation by obtaining average score **98.75%**;
4. Risk Management Committee has an **excellent** evaluation by obtaining average score **99.11%**.
5. Sustainable Development Committee has a **very good** evaluation by obtaining average score **88.99%**.

5.9.5 CEO Assessment

The Corporate Governance Committee has initiated the Assessment for CEO. The form has been approved by the Board of Directors in its meeting No. 8/2018 on December 18, 2018 and sent to all directors for assessment. Assessment result will be considered for remuneration adjustment. The questionnaire covers the following area:

- Leadership
- Formulation and compliance with the strategic plan
- Planning and the financial performance

- Board Relations
- Risk Management and Internal Control
- Administration and relationship with the personnel
- Succession of the position
- Knowledge on products and services
- Good Corporate Governance and Code of Business Conduct

From the assessment which been completed by 9 directors, the directors agreed that the CEO has an **excellent** evaluation by obtaining average score **99.12%**.

5.9.6 Company Secretary Assessment

In order to develop the working efficiency of the Company Secretary, the Company has also been assessed by using the assessment form which has been approved by the Board of Directors in its meeting No. 8/2018 on December 18, 2018 and sent to all directors for assessment. The questionnaire covers the following area:

- Skill, Knowledge and Capacity of Company Secretary
- Compliance
- Contact and Coordination
- Documentation
- Meeting Arrangement
- Corporate Governance

From the assessment which been completed by 10 directors, the directors agreed that the Company Secretary has an **excellent** evaluation by obtaining average score **99.21%**.

5.10) Development of Directors and Management

Development of Directors

The Company specified that whenever there is a change of director, there shall be an orientation for a new director every time so that he/she can adequately acknowledge essential information before performing duties. In addition, director's manual, document and useful information which shall be beneficial to the duty operation of the new director shall be provided, in order that such new director can be ready to conduct his/her duty. The Company Secretary shall be a coordinator for the orientation with following matters:

- Matters that should be known: Nature of business, business structure, directors' structure, scope of power and duty, related laws as well as policies and practical guidelines for supervising the Company's business;
- General knowledge of the business: Business operation guidelines to enhance knowledge and understanding on business and various operations of the Company;
- Arrange to have a meeting with the Chairman and the Executive Chairman /CEO to enquire in-depth information about business operation of the Company.

In 2018, the Company has appointed Mr. Teerachai Phongpanangam as member of the Board of Directors, the Company has arranged the orientation for new director according to the Company policy.

In addition, to support and increase knowledgeable of the directors, the Company encourages all directors to gain skills and knowledge for performing their duties, including understanding of laws, regulations, risk standards, and the environment related to business operations as well as being informed of current information regularly. However, the Directors have attended training in various courses, such as, the Director Accreditation Program (DAP) and Director Certification Program (DCP)

arranged by the Thai Institute of Directors (IOD). Six of the existing directors had joined DCP program, six directors joined DAP program and two directors joined both DCP and DAP program. Each year, the Company shall submit the training courses arranged by various institutes to the Committee members for their consideration on attendance pursuant to their needs. In 2018, the directors have attended the additional training courses as follows:

Directors	Courses
1. Mr. Charoenrath Vilailuck	Certificate in Advance Master Management Program (AMM), (Class 1), Public Administration, NIDA.
2. Mr. Watchai Vilailuck	<ul style="list-style-type: none"> - CMA - GMS International Program Class 2017, Third Batch Jul - Aug 2017, Capital Market Academy; - Investment Training Course, Ultra Wealth Group (Class 4) in Jan - May 2018; - Top Executive Program in Commerce and Trade (TepCot) (Class 11), Commerce Academy, University of the Thai Chamber of Commerce (UTCC) in Mar - Sep 2018; - Advanced Master of Management Program (AMM) (Class 2), National Institute of Development Administration (NIDA) in Aug - Dec 2018.

Development of Management

The managerial competency program, courses have been designed for management level in order to develop in managerial competency to strengthen leadership and management skills for executives as well as prepare promotion qualification in the future for pre-executive or talent employees. Moreover, this program would elaborately lead executives to support organization's business growth and prepare SAMART to become business leader in the industry existed. These courses provide innovated and practical knowledge to be applied to arrange managerial work.

(Detail of the Development of Management are provided in **"Management Structure"** under topic **"Human Resource"**)

1.2 Business Ethics

The Company is conducting the business with great awareness in ethical and moral issues. The handbook concerning business ethics for all members of the Board of Directors, managerial team and our employees has been provided in both Thai and English since 2005 as a guideline to continue his/her duty with honesty, integrity, morality, and, of course, highest quality. It also reminds the Company to bring fair treatment in accordance with legal restrictions, to maximize shareholder value, and to prevent plausible conflicts of interest. The Business Ethics had also been posted on the Company's website for information of the Company's employees and for public acknowledgement. The Business Ethics will be annually revised. The latest revision has been reviewed by the Board of Directors of the Company on February 26, 2019 that the main points, such as, amend the Business Ethics, in the topics of Creditors' Treatment Policy and Acknowledgement of Suggestion and Complaint and prepare the Board of Directors' Charter.

Business Ethics covers the following area:

- Conflicts of Interest

To prevent conflicts of interest, the Company has drawn out guidelines for directors and employees as follows:

1. Avoid all actions that may cause conflicts of interest with the Company;
2. In case that directors or employees commit any transaction related to the Company, the particular director and employee will be treated like an outsider, and will play no part in decision-making process;

3. Refuse to use Company's information obtained in their posts for an opportunity to derive personal benefits by creating rivalry with the Company or involving in related businesses;
4. Refuse to use Company's information for securities purchase for personal benefits or to leak Company's information to outsiders for their benefits;
5. Refuse to reveal Company's classified information (e.g. electronic information, financial situation, work's plans, business information and Company's future plans) during and after their posts.

On any conflict of interest transaction, before entering into the transaction, the Company specified that the Board of directors, Managements, Employees and relevant parties must disclose the transactions with interest to the Audit Committee to consider the appropriateness of such transactions. The Audit Committee will carefully review prior to submit with opinion either on such conflict or connection to the Board of Directors for further review and to ensure that the transaction has to be complied with SET's regulations, information of the transaction i.e. value of transaction, party involved and necessity etc., has been disclosed in the Company's Annual Report, Form 56-1 and the auditor's note in the financial statements. Any consideration of the connected transaction, the directors who may have conflict of interest will neither participate nor vote in such meeting both in the Board of Director's and the Shareholders' Meeting. Details of the transactions which may have any conflict of interest are provided under **"Connected Transactions"**.

- **Accountability to shareholder**

The Company aware of its role to protect and due care for the interests of all major and minor shareholders by granting rights to every shareholders to attend, vote and have comments in the shareholders' meeting, to share in profits, to propose agenda and enquiries for the Shareholder's meeting, regularly and timely obtained adequate information, business performance and management policy. Details of shareholders' rights are provided under **"Rights of Shareholders"**.

- **Employee policies**

The Company highly regards all of the employees as valuable resources and is a major factor to drive the business performance to achieve its goals. As a result, it is the Company's policy to treat employees fairly in all respects, employment opportunity, reasonable remuneration, promotion, welfare i.e. There is always be the nurse(s) stationed in the infirmary everyday at the Company's office building and the doctor shall visit and treat sick employees twice a week. The Company also has the medical treatment welfare for the employees (in case of out-patient) who are treated at the government and private hospitals. The employees shall be entitled to the annual medical treatment fee pursuant to their level. In 2018, total amount of medical treatment fee reimbursed by the employees of the Company and its subsidiaries amounted to Baht 3.63 Million. Moreover, the Company also has group health insurance (in case of in-patient) for the Company's employees which is made with the Allianz Ayudhya Assurance Pcl. as well as group life insurance which covers all kinds of death, annual medical check-up and provident fund to secure their working life security under the name of "The Registered Samart Group Provident Fund". The Company also has the social security fund and provision of loan in case of the accident or sickness to the employees, in case of death of the employee or his/her immediate family member, the funeral allowance shall be provided, in case the employee is sick or gives birth, a visiting in hospital shall be arranged and fitness center and special discount for Company's products, including development programs, both internal and external training courses, are continually provided for all levels of employees. (Details about the employees are provided under **"Management Structure"** in the topic of **"Human Resource"**). In addition, the Company has provided educational support by awarding scholarship to employees with aims to enhance their knowledge and skills.

- **Employee life and health safety policies**

1. The Company is committed to developing and creating safety and health of employees in accordance with the requirements of the law.
2. Company has implemented all kinds of safety operations for the sake of safety of life and health of the employees.
3. Company has issued to control and prevent loss due to accident, fire and occupational illness. Security equipments and fire drill as well as promoting and raising awareness of health care workers.
4. The Company will support adequate and appropriate resources in accordance with the requirements of the law and commit to develop human resources with knowledge and awareness of safety and health of employees.
5. The Company is aware that a safety and health of employees is very important, it was the duties and responsibilities of executive, supervisors at all levels and employee to comply with the rules and the requirements of the law.

Furthermore, the Company also followed such practical guidelines concretely as follows:

1. To appoint the safety officers and the relevant persons in all levels to take responsibility, supervise and monitor the strictly compliance with safety, occupational health and working environmental policy.
2. To fortify the employees at all levels with knowledge, consciousness and joint responsibility, for instance, to arrange for the training and cultivate consciousness on safety, occupational health and working environment for the employees, as well as to arrange for the training on health by arranging the Healthy Week and the Safety Week and etc.
3. To conduct the annual evacuation drill in case of fire as well as to designate the assembly points of all offices.
4. To use the fingerprint scanning system so only the eligible persons can enter and exit the office building for safety of life and properties of the employees and the Company.
5. To provide the medical treatment, modern medicine provision service and basic medical service in all offices.
6. To arrange for the medical checkup every year.
7. To arrange for the fitness center and to encourage for the sport competition, both inside and outside the Company to promote health of the employees.

Record on 2018 accident at work of Samart's Group

Line of Business	Lost Time Accidents in 2018 (Time)
1. ICT Solution and Service	-None-
2. Digital	-None-
3. Call Center	-None-
4. Utilities and Transportations	1
5. Technology Related Services	1

The Company trained and informed the prudent operating guidelines standards with regards to good manner and ethics of the employees via the orientation of the new employees, Employee Manual and HR website (www.samarthre.com). Such ethics have been written in the working regulations of the Company for the employee's adherence. The Company has posted **Ethics of the Employees** on the Company's website (www.samartcorp.com).

- **Customer policies**

The Company has a policy to put emphasis on creation of satisfaction and confidence values to our customer, the Company's benefactor, on continued basis and such practices have been disclosed in the Company's business ethics. The Company's valued customers by determining to procure, develop and manufacture the qualified and modern products and services at the reasonable prices to respond to their needs as well as to procure the products and equipment which have been manufactured from the factories which have been certified by the international standards, new products and services have been developed by the subsidiaries and also having control and inspection of product's quality prior release for satisfaction in goods and services of customers;

- Samart Telcoms Public Company Limited provides services as complete integration for whole supply chain of business in order to serve end customers. The Company established 30 customer service centers nationwide under supervision of Samart Communication Services Co., Ltd. to provide flexibility, convenience and speed for ICT solutions and services to customers, along with services from Network Operation Center (NOC) for receiving calls and diagnosis incidents for customers 24 hours a day. Moreover, the Company maintains CMMI Level 3 standard for development of quality software to customer.
- Samart Communication Services Co., Ltd. has been certified for ISO 20000, the standard for quality and efficiency of IT service management, in order that the system provided could gain more confidence from customers. In addition, the Company has maintained and elevated services compliant to ISO 9001 : 2015 standard for customers to receive quality services leading to satisfaction.
- Samart Comtech Co., Ltd. by Airport Operation Management department has been certified for ISO 20000 for quality IT service management to elevate services quality for services such as Airport Passenger Processing System (APPS) Services for Airport of Thailand PCL and such quality could result in increasing confidence and satisfaction for customers.
- Samart Infonet Co., Ltd has increased customer satisfaction by improvement and development of customer service through CRM system and elevated engineers' skills and expertise through international certification.
- Net Service (Thailand) Co., Ltd has focused more on development and improvement of specialized information system for core products e.g. Human Resource Management and Website Management and the Company also provided training programs to transfer knowledge and information technology to enhance staffs' capabilities in operations support and system quality improvement for core products, system and services delivered to customers.
- Samart Ed Tech Co., Ltd. has developed digital content and media noticeable in multimedia presentation and also developed e-courseware for employee development and training programs for leading enterprises. The Company has enhanced knowledge and capabilities of human resources especially Instructional Designer and therefore the content and e-courseware designed can be more efficient. The Company has also maintained CMMI Level 3, standards for process of quality software development, resulting in quality of work and services satisfying customers. Moreover, the Company has developed digital content and application on mobile devices increasing convenience requested by customers.

- Posnet Co., Ltd. has developed Posnet e-Receipt Platform (PRP), the system supporting usage of Electronic Slip and Electronic Signature allowing users to keep data in electronic format. Banks and merchants can reduce costs of sales slip paper and can search sales transactions easier and faster. The sales report and inventory features can also much increase convenience for merchants.
- Portalnet Co., Ltd. has extended its staffs' knowledge to cover SAP Test Management and Run SAP Like a Factory and also sent staffs to have necessary training programs regularly until they are certified by SAP and certified for project management standard by Project Management Institute (PMI) ensuring ability of employees to provide services compliant to international standards.

Trade partners policies

The Company has the policy to equitably and fairly treat its trade partners by taking into consideration of the Company's interest and on mutual benefits basis and such practices have been disclosed in the Company's Business Ethics. The Company has clearly defined in evaluation and selection of trade partners as well as developing and maintaining good relationship between all partners with trust and confidence. The Company regularly visits partners to exchange opinions and they must trust with each other. It will not take personal benefits from business partner or partner of contract and it will not publicize a false advertisement to mislead business partner including avoid purchasing product and/or service with business partner which violates human rights or intellectual property and monitor the news to check whether any partner violates human rights or intellectual property rights. If it found that any partner has such behavior, the Company shall avoid purchasing the product and/or service from such partner who is deemed to have an illegal behavior.

Moreover, the Company has strictly complied with the business partner treatment policy by selecting the qualified business partner to enter into the Approved Vendor List and prices have been compared before the purchase order has been made. The business partner has been evaluated by using the auditable standard criteria pursuant to the international standards of ISO 9001 and CMMI. The Company also has the policy not to corrupt, extort, embezzle or not tolerate such action. The business partner must not propose or take bribery or any illegal reward from the Company and the business partner must not give the reward or propose personal benefit in whatsoever form to the employee as a result of business undertaking. Such policy has been inspected by the management under the document and the supporting particulars and it also has been audited by the neutral auditor both from the inside and outside the organization.

- Creditor policies

The Company is conforming to its Principle of Business Operation in order to the respect and admission of the Creditors and strictly, transparently and equally complied with terms and conditions agreed upon in the agreements. In case of the contract cannot be fulfilled or tend to be unable to pay the debt or having financial problems, the Company will prior inform to the creditors and seeking mutual accepted solution. The Company formulates a financial solution plan with regard to fairness of stakeholders, including creditors, as well as, monitoring the problem solving by requiring the management to report to the Executive Committee, regularly, consider and resolve the financial problems of the Company carefully and reasonably.

- Counterpart/Competitor policies

The Company has the policy on treatment with business competitor under rules and fair competitions to encourage trading such practice have been disclosure in the Company's Business Ethics without fraudulently or inappropriately seeking confidential information of its competitors, or damage competitor's reputation by abusive accusation. Refuse to violate intellectual property rights of business' counterparts / competitor and not intervene or have a secret transaction that give negative impact to competitor and give benefit to the Company.

- **Anti-Corruption policies**

The Company operates business by adhering to good corporate governance principle. Anti-corruption policy has been specified as fraudulent act might occur from operation and transaction with the stakeholders, where the directors, the executives and the employees of the Company, the subsidiaries and the affiliated companies shall strictly comply with. The Company has disclosed in the Company's code of Business Ethics, so that the employees shall use it as the practical guidelines. In addition, details on anti-corruption policy, practical guidelines on anti-corruption and operating results on compliance with such policy have been disclosed in **"Internal Control, Risk Management and Anti-Corruption"**.

- **Money Laundering Policy**

The Company realizes the importance of and adherence to criteria and laws relating to anti-money laundering. The Company will strictly adhere to the laws and regulations and Anti-Money Laundering Act B.E. 2542 including its amendments.

- **Tax Policy**

The Company's tax practices shall be fully and correctly pursuant to the laws as follows:

1. Tax planning and management by paying tax correctly and completely as per specified by the laws.
2. Remit tax within the period of time specified by the law.
3. Conduct risk assessment which may impact to tax payment correctively.

- **Sustainable Development Policy**

The Company realizes the importance on sustainable development that shall lead to sustainable growth of the business, so it has to be developed together with the social responsibility, environment and corporate governance as well as specified the Sustainable Development Policy as follows:

1. To conduct business based on governance principles and environmental and social responsibility including for sustainable development by taking into consideration the best interests of all stakeholders.
2. To build corporate culture which could cultivate the employees' consciousness on operations and volunteer spirit, devotion of personal time and effort for benefits of the whole community.
3. To promote and educate the employees at all levels on joint guidelines for sustainable development and environmental and social responsibility throughout the organization.
4. To promote the social and environmental projects or activities and works related to sustainable development

Moreover, the Company specified that there should be the corporate social responsibility report in place. At first, this report may be a part of the annual report and after that if the Company has more readiness, then such CSR report may be considered to be separated from the annual report.

- **Responsibility to Societies and Communities**

The Company recognizes that it can survive and grow in a society that is vigorous Communities and prosperous. Therefore to bring about societal progress the Company participated in societal improvements with financial support to all activities that aim to maintain beneficial cultures, customs and rituals. Moreover, the Company will involve in religious activities regularly. The Company also participated in many activities for development of social, education, vocation, athletic ability as well as sanction for outreach people and victims. In addition, the Company has strengthened the closed relationship with the surrounding and nearby communities by building up good relationship with the private and public organizations as well as the community leaders in many levels, so that the cooperation from all parties can be smoothly coordinated for sustainable and concreted development of the communities. In 2018, Samart Group has also specified the guidelines on promoting the "Qualified People and Virtue Society" campaign via many projects and activities which were beneficial to the societies. Details are provided under **"Corporate Social Responsibilities Report"**.

- **Responsibility to environment**

The Company conducts business with recognition of environmental conservation and standard management of safety. It is also the Company's policy to become a responsible corporate citizen to comply with all relevant laws and regulations and be responsible for utilizing natural resources in prudent manners. The Company has a policy to strengthen and provide knowledge and training on environment to the employees in the organization, in order to be aware of environmental responsibility when they perform their work by arranging campaign to cultivate conscious mind on environment and natural resources through employee participation activities as well as disseminating news and information on environment in order to build up good understanding on environmental management of the Company. For motivation of the employees to continually conform to the Company's policy, announcement via Company's PR boards, e-mail and internal radio are provided. In 2018, We develop our products and services with conservation and environmental safety as our priority. We offer environmentally-concerned telecommunication services and encourage energy conservation among public organizations and state enterprises with the same vision. For example, the Provincial Electricity Authority's AMR project, and waste management through separation and fuel-generation. Moreover, the Company creates conscious among the employees to make them care more about the environment and utilize resources with appreciation through internal media and continuous energy-saving campaigns through interesting means that corresponds with the current situation, yielding maximum benefit to the employees every year. In 2018, the following changes were made to the activities:

- **Samart Save** : Promotes resource utilization with staff understanding by collaborating to reduce common charges, including saving electricity and using papers with appreciation.
- **Clean & Clear** : Promotes good workplace environment and creates a good waste-separation habit for garbage, rubbish, and recyclable waste in order to maximize the value of resources and optimize them.
- **Big Cleaning Day** : Promotes hygiene and good workplace environment
- **Grow Back Trees Activity** : Promotes forest conservation with volunteer employees planting trees which will grow into a forest at the Forest Product Research Center in Nakhon Ratchasima.

Details are provided under **"Corporate Social Responsibilities Report"**.

- **Non-violation of human rights policy**

The Company has specified Non-violation of human rights policy by the Company deems that human rights principles are practices that must be jointly observed. All employees are strictly prohibited to perform any acts which shall cause or encourage for violation of human rights. These practical policies have been specified in the Code of Business Ethics Manual of the Company. The Company shall keep all personal information of the employees confidential and shall not disclose or distribute personal information, i.e. personal health record, working experiences and etc. to any unrelated persons. Disclosure or distribution of such information can be done after it has been consent from the employee who is the owner of the information only. Moreover, the Company shall treat all employees equally without any discrimination with regards to race, nationality, language, religion, gender, age and education. The Company shall provide opportunity to the employees to allow them to express their potential at fullest extent. The remuneration shall be provided as appropriated pursuant to regulations of the Company. The employees shall also be provided opportunity to further their education, both at the university level and short-term or long-term training courses. Consideration on work performance shall be made fairly and appropriately and any expression of opinion or others which may lead to conflict shall be avoided.

Furthermore, the Company shall communicate such policies via the Company HR's website (www.samarthre.com) for the employees' acknowledgement and compliance. In case any employee deemed that he/she has not been treated fairly in any matter, such employee is allowed to submit complaint, recommendation on right violation including any other problems to the Company. The Company shall solve such problem by taking into account maximum benefits of all parties and good relationship of team work.

- **Operating policy on non-infringement of intellectual property or copyright**

The Company has an operating policy on non-infringement of intellectual property or copyright. The method employed by the Company regarding this matter is that all employees are required to sign their names in memorandum of understanding to not commit any computer crime and to not infringe any intellectual property. The Company has specified the policy on usage of information technology system of Samart Group of Companies and software program of the employee shall be inspected to prevent any usage of piracy software and software which is unrelated to work.

- **Suggestions and complaints**

The Board of Directors respects the importance of all stakeholders in participation of the Company's success and discloses related important information to stakeholders sufficiently and transparently. The Company provides channels for all stakeholders to send suggestions and complaints that is beneficial to the Company. Those channels consist of direct mail or E-mail as informed at the Company's website (www.samartcorp.com) under **"Contact Us"** with the following details:

Mailing Address : Internal Audit Department
 Samart Corporation Public Company Limited
 99/1 Moo 4, Software Park, 35th Fl., Chaengwattana Rd.,
 Klong Gluar, Park-kred, Nontaburi 11120.
 or E-mail address: Nantana.K@samartcorp.com

The Internal Audit Department will collect the suggestion and complain, then, inspect and analyze the information according to the procedures and methods on **"Notifying the information on misconduct and the protection of the informant"**

- **Procedures and methods on "Notifying the information on misconduct and the protection of the informant"**

The Company adheres to good corporate governance principles and encourages its stakeholders to examine and oversee any action which is against the corporate governance principles, ethics, rules and regulations of the Company, laws, corruption or any action which might cause damages to the Company including rights violation. If such action is found, the stakeholders can notify the clue on misconduct behavior to the Company by sending information and/or document and/or concerned evidence (as the Company's form to notify the information on misconduct) to Internal Audit Department. If the name and surname of the informant is specified, it will be more beneficial to the Company for convenience on enquiry and/or contact for more information.

The process of information inspection and analysis

The Internal Audit Department is responsible for preliminary investigation of offenses, both from documentary witness and witness. If misconduct is happened, they will propose the matter to the Chief Executive Officer (CEO) for consideration and setting up an investigation committee.

The investigation committee consists of supervisor or representative from Internal Audit Department, Legal Department, Human Resources Department, and the original affiliation, responsible for investigating the facts, including collecting all evidences in order to know details of the damage and impact to the Company.

The investigation committee will propose the results of the investigation to the Chief Executive Officer (CEO) to consider and proceed and then the Internal Audit Department will propose the matter to the Audit Committee for acknowledgement, respectively.

The Company shall protect the informant or whistle-blower by not disclosing the name of the informant or whistle-blower to any person.

The Company has publicized Vision, Mission, Corporate Governance Policy and Business Ethics on the Company's website at www.samartcorp.com. Corporate Governance Policy and Business Ethics have been communicated to management and employees via e-mail in the form of weekly corporate governance tips and poster on public relations board of the Company. Moreover, the Company also assigns the Corporate Governance Committee to oversee directors, management and employees to ensure that they strictly adhere to this principle

2. Committees

The Company's management structure comprised of 6 Committees; the Audit Committee, the Executive Board, the Corporate Governance Committee, the Nominating & Compensation Committee, the Risk Management Committee and the Sustainable Development Committee.

1) **Audit Committee members** ^(*) as of December 31, 2018

- | | |
|------------------------------|--|
| 1. Mr. Pradang Prichayangkun | Chairman of the Audit Committee (Independent Director) |
| 2. Dr. Tongchat Hongladaromp | Member (Independent Director) |
| 3. Mr. Seri Suksathaporn | Member (Independent Director) |
| Miss Nantana Khangui | Secretary of the Audit Committee |

Remark : ^() Audit Committee members comprise of no less than 3 members, all of them have sufficient experience to review the Company's financial statement. Curriculum Vitae of Audit Committee are provided on page 258 - 259.*

Qualifications of Audit Committee

- Has been appointed from the Board of Directors and/or the shareholders;
- The Members of the Audit Committee have to be the Independent directors qualification from the SEC;
- Not being a person who has been empowered by the Board of Directors for any decision in the business operation of the Company, Parent Company, Subsidiaries or affiliated Companies, Same-Level of Subsidiaries as well as any juristic person, major shareholder, or controlling person of the Company;
- Not being a director in Parent Company, Subsidiaries and any same-Level of Subsidiaries which is a listed Company;
- Having sufficient knowledge, experience, and time to perform duties as the Audit Committee members;
- At least one member of the Audit Committee should have sufficient knowledge and experience to review the financial statement credibility and the Company has to put his/her name in the filing of 56-1 and 56-2 Form. In addition, such qualification also has to be put in the committee certified letter which will be submitted to SET.

Terms of positions

Term of the Audit Committee members is three years. All members shall be in post no longer than 3 terms except getting a unanimous approval from the Nominating & Compensation Committee and the Committee ensures that the extra term will not cause or impact to the independent of such director as well as obtain an approval from Board of Directors and/or the Company's shareholders.

Roles and Responsibilities of the Audit Committee

1. Review the Company's financial statement to ensure its accuracy and adequacy;
2. Ensure that the Company has an appropriate and efficiency internal control, internal audit system, and consider the independence of the internal audit as well as to propose the appointment, rotation or dismissal chief of internal audit of the Company or any other related function who takes responsibilities to internal audit;
3. Ensure that the Company has complied to the Securities and Exchange Act, regulations of SEC/SET and any other related regulations;
4. Propose for consideration and approval of the Board of Directors and Shareholders on the appointment, termination of the external auditors including propose their remuneration for further consideration;
5. Arrange meeting with auditors without the management of the Company at least once a year;
6. Review, comment and ensure that all connected transactions and any other conflict of interest transactions have been complied to laws, and regulations of SET/SEC as well as to ensure that the transactions are reasonable with best benefit to the Company;
7. Provide the Audit Committee report for disclosure in the annual report of the Company with minimum contents as required by regulations of SET/SEC;
8. Audit and investigate concerned persons including access to the relevant records, information or personnel within the scope of authority;
9. Engage the specialist for competent advice and assistance auditing as considered by the Audit Committee with Company's expenses;
10. Consider any other activities assigned by the Board of Directors.

2) Executive Board members as of December 31, 2018

- | | |
|--|--|
| 1. Mr. Charoenrath Vilailuck | Executive Chairman / Chief Executive Officer |
| 2. Mr. Watchai Vilailuck | Member |
| 3. Mr. Jong Diloksombat | Member |
| 4. Mr. Thananan Vilailuck | Member |
| 5. Mr. Teerachai Phongpanangam | Member |
| 6. Mrs. Phongsri Saluckpetch ^(*) | Member |
| 7. Ms. Kanokwan Chanswangpuvana ^(*) | Member |
| 8. Ms. Chotika Kamloonwesaruch ^(*) | Member |

Remark : () Has been appointed as Executive Board member on May 15, 2018.*

Terms of positions

Term of the Executive Board members is one year. The Nominating & Compensation Committee will annually consider and select appropriate persons from the members of the Board of Directors and the managements proposes for further consideration and approval of the Board of Directors for the appointment in its first meeting after the Annual General Meeting of Shareholders. However, the retired members are eligible to be re-elected for another term. CEO of the Company will be the Chairman of the Committee.

Roles and Responsibilities of the Executive Board

1. Set and review Company's vision, mission, strategies and business plan as well as the Company's management structure and delegation of authorities for further approval of the Board of Directors;
2. Review and monitor the operating performance of the Company and subsidiaries to achieve the goal;
3. Monitor, audit and set the management policies for efficiency and productivities as well as to conform with the instruction of the Board of Directors;

4. Consider and approve the Company's investment and annual budget prior to further approval of the Board of Directors;
5. Consider remuneration policy and salary structure propose to the Nominating & Compensation Committee for consideration prior to further consideration of the Board of Directors;
6. Consider entering into any transactions binding the Company within its authorities under the Company's Delegation of Authorities;
7. Consider any other activities according to the assignment from the Board of Directors.

The delegation authorities of the Executive Board should not be delegated or further assigned that authorize the Executive Board or its attorney to approve any connected transactions between themselves or any persons who may have conflict of interest (according to the concept of conflict of interest of the SEC's notification) with the Company or subsidiaries except such transactions are handled in line with the connected transaction procedure or policy which been approved by the Board of Directors of the Company. The connected transaction has to be considered and approved either by the Company's Board of Directors or shareholders' meeting to be complied with regulations of SET/SEC or any related laws and regulations.

Roles and Responsibilities of Chief Executive Officer

1. General operation management and control in business of the Company to comply with its objectives, policy and the Articles of Association;
2. Consideration in business investment plans prior to propose for the Executive Board and the Board of Directors for further approval;
3. Consider the criteria and procedures for nomination and recruiting person to be top management together with the Nomination and Compensation Committee;
4. Entering into any transaction binding the Company conforming to the Company's Delegation of Authorities;
5. Carry out any assignment from the Board of Directors and/or the shareholders of the Company.

The delegation authorities of the Chief Executive Officer should not be delegated or further assigned that authorize the CEO or its attorney to approve any connected transactions between themselves or any persons who may have conflict of interest (according to the concept of conflict of interest of the SEC's notification) with the Company or subsidiaries except such transactions are handled in line with the connected transaction procedure or policy which been approved by the Board of Directors of the Company and/or the shareholders' meeting to be complied to regulations of SET/SEC or any related laws and regulations.

3) Corporate Governance Committee members as of December 31, 2018

- | | |
|------------------------------|--|
| 1. Mr. Seri Suksathaporn | Chairman of the Corporate Governance Committee
(Independent Director) |
| 2. Mr. Pradang Prichayangkun | Member (Independent Director) |
| 3. Mr. Prinya Waiwatana | Member (Independent Director) |
| 4. Mr. Sirichai Rasameechan | Member (Non-Executive Director) |

Terms of positions

Term of the Corporate Governance Committee members is one year. The Nominating & Compensation Committee will annually consider and select appropriate persons from the members of the Board of Directors and/or any qualified candidates propose for further consideration and approval of the Board of Directors for the appointment in its first meeting after the Annual General Meeting of Shareholders. However, the retired members are eligible to be re-elected for another term. In addition, the Chairman of the Committee has to be nominated from the Company's Independent Director.

Roles and Responsibilities of the Corporate Governance Committee

1. Responsible for governing and monitoring business operation and committees' activities as well as managements and employees of the Company to strictly comply with law and related regulations;
2. Ensure that good corporate governance is being conducted at all level in accordance to legal requirements, Company's policies and other related authorities;
3. Formulate and review the Company's rules concerning good corporate governance;
4. Provide suggestions relevant to ethical practices to the directors, managements and employees of the Company;
5. Yield continuity and appropriate regulations in carry out good corporate governance;
6. Report to the Board the recommendations for improvement on the Corporate Governance of the Company as appropriate.

4) Nominating & Compensation Committee members as of December 31, 2018

- | | |
|------------------------------|---|
| 1. Dr. Tongchat Hongladaromp | Chairman of the Nominating & Compensation Committee
(Independent Director) |
| 2. Mr. Pradang Prichayangkun | Member (Independent Director) |
| 3. Mr. Seri Suksathaporn | Member (Independent Director) |

Terms of positions

In every subsequent year, one-third of the Nominating & Compensation Committee's members, who have been longest in office, shall retire. The retired members are eligible to be re-elected for another term by obtaining majority vote from the Board of Directors. In case of vacancy, the Nominating & Compensation Committee will consider an appropriate person for the replacement and propose to the Board of Directors for further consideration.

Roles and Responsibilities of the Nominating & Compensation Committee

1. Recruit, select, and nominate appropriate candidates for independent directors, Chairman of the Boards and Board members proposed to consideration of Board of Directors and/or further approval of the shareholders when those positions are vacant due to termination of terms or other reasons;
2. Recruit, select, and nominate appropriate candidates for members of the committee, CEO, top management and Company Secretary proposed for consideration of the Board of Directors when such position is vacant as well as propose criteria for selecting candidates for the succession plan;
3. Review the criteria and procedures for nomination of directors and top management of the Company to propose for consideration and approval of the Board of Directors;
4. Propose to the Board of Directors the guidelines and reasonable remuneration packages for all members of the boards, sub-committees, CEO and top management of which must be complimented to their duties and consistent with the Company's strategies and long-term objective as well as conform to the Company's operating performance and market's atmosphere;
5. Evaluate Company's performance for consideration of the annual bonus and merit increase;
6. Review the Company's salary structure and any other remuneration;
7. Screen and verify the list of the candidates proposed to the director with the relevant agencies to ensure that they are not blacklisted or have been revoked from the list of such agencies;
8. In case the director who is retired on rotation is proposed to be re-elected to resume the position, his/her contribution and track record on attendance of the Board of Directors' meeting and the Shareholders' meeting must also be taken into consideration.

5) Risk Management Committee members as of December 31, 2018

- | | |
|------------------------------|---|
| 1. Mr. Charoenrath Vilailuck | Chairman of the Risk Management Committee |
| 2. Mr. Watchai Vilailuck | Chief Operating Member |
| 3. Mr. Thananan Vilailuck | Member |

Risk Management Working Group

- | | |
|-------------------------------|---------------------------|
| 1. Mr. Jong Diloksombat | Head of the working group |
| 2. Mrs. Sukanya Vanichjakvong | Member |
| 3. Mr. Sommai Damnoenkiat | Member |

By determining the scope of working group's authority to be as the Risk Management Committee assignment.

Terms of positions

Term of members of the Risk Management Committee is one year. The Nominating & Compensation Committee will annually consider and select appropriate persons from the members of the Board of Directors propose for further consideration and approval of the Board of Directors for the appointment in its first meeting after the Annual General Meeting of Shareholders. However, the retired members are eligible to be re-elected for another term.

Roles and Responsibilities of the Risk Management Committee

1. Establish clear business objectives, identify, analyze, assess significant risks and formulate risk strategies;
2. Develop risk management standards and practices in the areas for which they are accountable;
3. Ensure that the above standards and practices are fully communicated to and have active support of all employees;
4. Ensure that the management has regularly, continually and systematically identify and analyze risk exposures, which may have, to cover all processes of the business;
5. Support and develop to have the managements and all employees to continually aware of risk management as well as to ensure the Company's Risk Management Policy is complied with the international standard.

6) Sustainable Development Committee members as of December 31, 2018

- | | |
|---------------------------------|---|
| 1. Mr. Watchai Vilailuck | Chairman of the Sustainable Development Committee |
| 2. Mr. Jong Diloksombat | Member |
| 3. Mr. Thananan Vilailuck | Member |
| 4. Mrs. Sukanya Vanichjakvong | Member |
| 5. Mr. Teerachai Phongpanangam | Member |
| 6. Mrs. Phongsri Saluckpetch | Member |
| 7. Ms. Kanokwan Chanswangpuvana | Member |

Terms of positions

Term of members of the Sustainable Development Committee is one year. The Nominating & Compensation Committee will annually consider and select appropriate persons from the members of the Board of Directors and/or any qualified candidates propose for further consideration and approval of the Board of Directors for the appointment in its first meeting after the Annual General Meeting of Shareholders. However, the retired members are eligible to be re-elected for another term.

Roles and Responsibilities of the Sustainable Development Committee

1. Establish policy, strategy including operation plans for sustainable development which is consistent with the Company's business operations with regards to economic, social and environmental aspects.
2. Promote and support the Company's activities in order to make them achieve the targets pursuant to the sustainable development policy.
3. Supervise, review, follow-up progress of operations and evaluate efficiency on performance of the sustainable development policy.
4. Report the operating result to the Board of Directors.

In addition, the Committees have regularly arranged the meetings and the written minutes of meeting have been taken. For more details on summary of essence of the meetings and number of meeting attended during the past year, details are provided under “Board & Committees’ Meeting”.

3. Nomination and appointments of the Directors and Managements

- **Nomination of Independent Directors, Directors and Management**

Nomination of Directors

The Nominating and Compensation Committee has been appointed by the Board of Directors in order to select, and nominate appropriate candidates for positions of Chairman of the Boards, members of the Boards and other committees, CEO, other executives and company secretary as well as consider the appropriate remuneration for such directors and management with the following criteria and procedures:

1. The Nominating and Compensation Committee will select and nominate the appropriate candidate with regard to qualifications, experience, knowledge, ability that will be beneficial to the Company and consider the diversification in the board’s structure, including gender, age, ethnicity and nationality. The Nominating and Compensation Committee will also consider the necessary skills that are still lacking to achieve the Company’s business strategy and using the database of IOD. The appropriate candidates, who have qualifications as specified by the relevant laws, will propose to the Board of Directors’ or the Shareholders’ Meeting for approval in accordance with the Company’s Articles and Association.
2. For election of independent directors, the Nominating and Compensation Committee will nominate any person who is fully complied with the qualifications of Independent Directors under the Company’s policy and requirements of the SEC and the SET to propose to the Board of Directors’ and/or the Shareholders’ Meeting for approval in case of rotation or others.
3. Determining whether to recommend a director for re-election, the Nomination and Compensation Committee will consider relevant factors such as past performance, directors’ dedication, history of attendance and participation in meeting, number of listed companies that each director holds tenure in of not exceeding five listed companies, and other contributions to the activities undertaken by the Board of Directors. In the case of independent directors, their respective independent qualifications shall also be considered.
4. The appointment of the Board members shall comply with the Company’s Articles of Association and all relevant laws. Selection of the directors shall be transparent and clear through initially consider of the Nomination and Corporate Governance Committee with the following criteria and procedures in the shareholders’ meeting:
 - (1) Each shareholder shall have one vote on each share.
 - (2) In voting, a shareholder shall vote in accordance with the number of votes each shareholder has under (1) for one or several directors. The said shareholder may not allot any number of his votes to any person.
 - (3) The person obtaining the highest and higher votes respectively shall be elected as directors equal to the number of directors required or ought to be elected at such a meeting. In the event that persons receiving votes in respective orders receive equal votes and the number of directors exceeds the positions required or ought to be, the chairman of the meeting shall have a casting vote.

The Company proposed shareholders to elect the directors on an individual basis to allow shareholders to elect the desirable directors.

In case a directorship becomes vacant by any reason other than the expiration of the term, the Board of Directors shall elect a person possessing the qualifications and being under no prohibitions under the relevant laws as a replacing director at the Board of Directors’ Meeting, unless the remaining term of such director is less than two months. The replacing director shall hold office only for the remaining

term of the replaced director. The resolution of the Board of Directors' Meeting must be passed by votes of not less than three-fourths of the remaining directors.

5. For nomination of sub-committee, the Nominating and Compensation Committee will consider appropriate knowledge and ability, composition of the entire committees, criteria of directorship and independence of director prior to propose to the Board of Directors for approval.

Nomination of Top Management

The Company has criteria and procedures for nomination of top management with the process start from recruiting internal and external persons who have leadership skills, ability to manage the organization and good understanding of company's products and services and propose to the Nominating and Compensation Committee consider favor of person to be Top Management to propose to the Board of Directors for approval.

- **Executive Succession Plan**

The Company is aware of the importance of executive succession plan when any executive position is vacant. In order to create confidence for investors, shareholders and employees on the continuity operation of the Company, an Executive Succession Plan has been considered. The appropriate and potential candidate will be selected, trained and developed to be ready to accommodate the vacant position in the future and the Executive Succession Plan will be reviewed, annually.

In addition, the Company supports the Chief Executive Officer inviting Top Management to attend the board of director meeting and / or the Executive Directors to provide additional information directly related to the problems and to have the opportunity to know Top Management for consideration of succession plans.

4. Supervision on Operation of the Subsidiaries and Affiliated Companies

Before establishment of any new company, the responsible managing department shall propose such matter to the meeting of the Board of Directors for consideration and approval before the registration of the new company is arranged. The Board of Directors shall consider on appointment of the executives who shall hold positions of director and management of such subsidiaries and affiliated companies including scope of authority and responsibility of the directors and the management who shall be the Company's representatives in such company. The management of the subsidiaries and affiliated companies shall report business performance of the company they are responsible to the Executive Committee every month. Any investments or substantial operations as per specified in the delegation of authorities must be performed pursuant to the specified policies and they must be presented to the meeting of the Executive Committee as well. The management of the subsidiaries and affiliated companies must present the annual business plan to the meeting of Executive Committee and the Board of Directors for consideration and approval every year. If performance of any company has not achieved as per the targeted plan, the management must clarify to the meeting of Executive Committee. In case business operation encountered a lot of problems, the management is required to clarify to the Executive Committee as the watch list so that precaution and corrective measures can be closely monitored and taken.

The subsidiaries and affiliated companies must have the internal control system or measure that the Company's Internal Audit Department can audit and report to the Audit Committee and the Executive Committee. If internal control system of any company is defective which may likely cause risks and damage to the Company, the Executive Committee shall order such company to make good and rectify defects in such internal control system immediately. In addition, if the subsidiary has to conduct any transaction which is required to comply with the regulations of the Company or of the relevant laws and which is required to be approved from the shareholders' meeting of such subsidiary, i.e. capital increase, capital decrease or dissolution of subsidiary and etc., such transaction shall be proposed for the Executive Committee's consideration and approval on voting guideline during the shareholders' meeting of such subsidiary.

When a new company is established or has significant investment in other businesses, such as, having a percentage of shares with voting rights ranging from 20% but not over 50% and the amount of investment or may require significant additional investment to the Company, The Board of Directors will consider to provide shareholders' agreement or other agreements that is obviously about the power of management and participation in making important decisions, performance tracking to be able to used as information in the preparation of the Company's financial statements in accordance with standards and schedules.

In the event where the subsidiary performs any transaction about acquisition or disposal of assets, the Company shall treat the same way as criteria on acquisition and disposal of assets of its own which must be pursuant to criteria on undertaking the significant transaction on asset acquisition or disposal as per specified by the Capital Market Supervisory Board. In case the subsidiary has performed any transaction with its related persons, the Company shall not involve in such matter, except the subsidiary has performed any transaction with the related person of the Company, then the Company shall comply with the criteria on related transaction announced by the Capital Market Supervisory Board.

5. Inside Information

The Company will inspect to ensure no inside information of which is material, undisclosed and confidential leak to public or be used from unauthorized for personal benefit. IT system has been implemented for a secure access for all users inside and outside the firewall in conjunction with the Company's own user authentication and security system. In addition, the Company sets as policy that all employees shall acknowledge and sign the agreement of non-disclosure confidential information, non-violation of concealment of computer related and non-infringement of intellectual property. New employee shall sign this agreement together with employment contract, including directors, managements and employees of the Company to refuse using Company's inside information for personal benefits. It was also set forth in the Company's Corporate Governance Policy to **refuse directors, managements and employees of the Company to use Company's inside information for personal benefits. Any trading of the Company securities within 1 month prior to disclosure of either Company's financial performance or any other information that may affect securities' price is prohibited** and to ensure that such policy has been acknowledged and complied, the Company has prepared the notice informing the securities trading prohibited period for the whole year before disclosing the financial statement to the directors and the management in advance. **The Company shall also send such notice to the directors and the managements for their acknowledgement once again every quarter. However during the past year, the Company did not encounter the case where its directors or executives traded their securities by using inside information.** Such matter has been disseminated to the Company's employees via e-mail in the means of corporate governance tips and poster has also been posted at the public relations board of the Company. Moreover, the Directors and Executive managements of the Company had been informed on their duties and punishment regarding to report on securities and derivatives holdings of themselves, spouse, cohabiting couple and any minor children as well as juristic person holding shares in an amount of exceeding 30% of the total number of voting right of such person, including the securities and derivatives held by spouse or cohabiting couple and minor children to SEC within 3 business days from the transaction date according to the Securities and Exchange Act B.E. 2535. Any change in securities and derivatives holdings, such directors and Executive managements have to report the Company Secretary for coordination and preparing report submit to SEC. In addition, the Company has set as a policy to report on securities and derivatives holdings of directors and Executive managements in every meeting of the Board of Directors. **However, in case there is any mistake and the executive violates such rules, the Company shall issue a warning notice to prevent reoccurrence of such incident.**

In case of conflict of interest, it is the Company's Policy to have the directors, management, employees and related parties to disclose such interests to the Audit Committee for consideration of the transaction to be complied to SET's regulations and any governing laws and regulations prior to further submit for consideration of either the Board of Directors or the shareholders. **The director who has conflict of interests shall not present in the meeting to consider and vote, both in the Board of Directors' meeting and the Shareholders' meeting.** Moreover, any conflict of interest transactions with the connected persons will be disclosed in the Company's Annual Report and the Annual Information Disclosure (56-1) under **"The Connected Transactions"**.

General practices for conflicts of interest protection have been set not only in the Company's Business Ethics but also disclosed in **"1.2 Business Ethics" under the topic of "Conflicts of Interest"**. Such practices have been delivered to all directors, management and employees. The Corporate Governance Committee will monitor and ensure that Company's regulations, Corporate Governance Policy and Business Ethics have been strictly and continually complied.

Moreover, the Corporate Governance Committee has been established to ensure that good corporate governance is being conducted continuity at all levels in accordance to legal requirement and the Company's Articles of Associations.

6. The implementation of corporate governance code for Listed Companies 2017

The Board of Directors has reviewed the corporate governance policy, business ethics, and the committee's charter, annually, at least 1 time per year. In 2018, the Company used the Corporate Governance Code (CG Code) of The Securities and Exchange Commission (SEC) to apply with the Company's business context, appropriately. Moreover, the Company has performed according to Corporate Governance Report of Thai Listed Companies 2018 (CGR) of Thai Institute of Directors (IOD) and Quality on Arrangement of Annual Meeting of shareholders (AGM Checklist) of Thai Investors Association (TIA), accordingly.

The Corporate Governance Committee's meeting No.2/2018, which held on November 9, 2018 and No.1/2019, which held on February 25, 2019 have considered and reviewed the practices of the Corporate Governance Code (CG Code) and founded that the Company has already applied the most of CG Code practices and has proposed this issue to the Board of Directors' meeting for consideration.

The Board of Directors' meeting No.1/2019, which held on February 26, 2019 has considered and reviewed the application of the Corporate Governance Code (CG Code), including amend the Corporate Governance Policy, business ethics and the committee's charter in order to cover CG Code practices. However, the practices that are not suitable for the Company's business operations, the Board of Directors has assigned to the Corporate Governance Committee to consider and propose appropriate replacement measures, respectively.

7. Compliance with other good corporate governance principles

The Company has performed business pursuant to the Principles of Good Corporate Governance for Listed Companies 2017 of SEC and performed according to Corporate Governance Report of Thai Listed Companies 2018 (CGR) of Thai Institute of Directors and Quality on Arrangement of Annual Meeting of shareholders (AGM Checklist) of Thai Investors Association, accordingly. For the operations which have not yet been complied with such principles, the Company has applied such criteria as guidelines then adjusted to make them suitable with the Company's business, with details as follows:

Section II: Equitable Treatment of Shareholders

1. The Company has not yet allowed the minority shareholders to nominate candidates for directorships. However, the Board has appointed the Nomination and Compensation Committee (NC Committee) to nominate and propose the candidate to be the member of the Board by taking into consideration the information in the Director Pool Database of the Thai Institute of Directors. Other duties of the NC Committee are to recruit and select the appropriated candidates for directorships as per specified by the laws and the criteria, by considering from their qualifications, experiences, knowledge and expertise which are useful to the Company as well as necessary skills that the current member of the Board still lacks and then to further propose for the Board's consideration and for the shareholders' approval.
2. The Company has not yet specified the cumulative voting process for the director but the shareholder is entitled to vote on individual nominee where the Company shall nominate director's name and allow the shareholder to vote individually. One share of each shareholder shall have one vote pursuant to the Company's articles of association. By this way the shareholders shall truly select their desired director.
3. The Company has not yet established the procedure which specified that the directors and the top executives shall notify their trading activity of the Company's securities at least 1 day in advance before trading to the Board or the person appointed by the Board. However, even though the Company does not have such policy, the Company has a policy that the directors and the top executives shall report a change of their ownership of the Company's securities during the Board's meeting every time.

Section V: Responsibilities of the Board

1. The Company did not establish a policy to set a limit that an individual executive director can hold director position in not more than 2 others listed companies and outside business group, but the Company has established a policy which specified that an individual director shall not hold director position in more than 5 listed companies. In addition, the Company has established the policy which stated that before any top executive holds the director position in other company, he/she shall notify the Executive Board for consideration and approval. In addition, he/she shall not be the director in the Company which engages in the same business with the Company or the Company which has competitive nature against the Company. The Nomination and Compensation Committee shall consider on appointment of the nominee for the directorship of the Company by taking into account the knowledge, capability and adequate time such person can devote to perform responsibilities for the Company.
2. None of the Company's Independent Director who is a member of the Board is a woman. However, one of the Company's Non-Executive Directors is a woman. Nonetheless, the Company does not have a policy on sexual discrimination in employment at all.
3. Ratio of the Company's Independent Directors who are the members of the Board is 40.0%, which is less than the number of more than 50% as per specified in the Principles of Good Corporate Governance. At the same time, ratio of the Non-Executive Directors who are the members of the Board is 60.0% which is less than the number of 66% as per specified in the Principles of Good Corporate Governance. In 2018, the Company's has appointed 1 additional Executive Director therefore, the Company comprised of 10 members which are 4 Executive Directors, 4 Independent Directors and 2 Non-Executive Director.
4. The Company has not yet participated in Thailand's Private Sector Collective Action Coalition Anti-Corruption Scheme (CAC). However, in 2015, the Company has joined the Partnership Against Corruption for Thailand (PACT) to attend the training courses and gather recommendation on anti-corruption procedures.

Internal Control, Risk Management and Anti-Corruption

1. Internal Control in 2018

1.1 Opinion of the Board of Directors and the Audit Committee about the company's internal control system

The Company's Board of Directors puts emphasis on internal control system on continued, special emphasis is placed on the adequacy and appropriateness of the internal control system on all business operation to improve efficiency and effectiveness. The Board of Directors oversees all the internal control systems of the Company by taking into account of good corporate governance. Therefore, the Audit Committee has been delegated to review the assessment of the sufficiency of internal control system, review the transparency and accuracy of financial statement and also review that all business operation are compliance with applicable law and regulation together with the connected transaction and the key issues shall be reported to the Board for further consideration. The internal audit office is responsible for regular audit of business operation in compliance with policies and guideline and reporting to the Audit Committee, has duty to audit performance of all units, such as, accounting, finance, management and operations of all departments to the annual audit plan which must have been approved by the Audit Committee.

Samart Corporation Public Company Limited has assessed adequacy and appropriateness pursuant to COSO (The Committee of Sponsoring Organizations of the Treadway Commission) standards and Enterprise Risk Management (ERM) framework.

The Board of Directors has considered and deemed that the Company has provided adequate personnel to be able to perform the works effectively pursuant to internal control systems, as per the followings:

1) Internal controls within the organization

The Company has established structure of business groups and lines of works by consideration on basis of efficiency on administration of all departments.

The Company has segregated roles and responsibilities of each department as well as clearly specified delegation of authority which has been regularly revised to make them correspond to the change of businesses.

The Company has ethics requirements for the management and the employees as per specified in the business ethics manual and it has also been disclosed in the Company's website.

2) Objective Setting

The Company is confident that the set objectives are corresponding to strategic targets and risk appetite/ risk tolerance.

The Company has set targets and objectives in the annual plan (Strategic Improvement Plan - SIP) and specified that operations should follow such plan, so that, they can achieve targets specified by the Company

3) Event Identification

The Company identified risks which may impact the achievement of objectives and targets by considering from external and internal factors which will be chosen to be inspected first are risk with highest level followed by risks with lower level.

In 2018, the Company's Risk Management Committee held 3 meetings to specify policy and suggest risk management guidelines to the management of the Group of Companies

4) Risk Assessment

The Company has assessed risks from operating procedures, consequently, risks from operations of all duties in each department could be comprehensively identified.

Risks of the Group of Companies have been presented in the Risk Management Committee's meeting 3 times a year in order to explore risk management measures.

The Company has assessed changes of external factors which may impact the Company's business operations, so that risks in each level could be properly assessed.

5) Risk Response

The Company has processes to manage risks systemically and continually and has specified that risk response shall be made at each level to make sure that the Company will gain maximum benefits. Highest risks will be managed first, followed by risks with lower levels, respectively.

Risks shall be managed and reduced until they are in acceptable levels by means of comparison between operating costs and benefits that the organization will gain.

6) Control Activities

The Company has risk control policy and work instruction procedures which are relevant to duties and work processes, so that the organization can minimize damage from risks the most.

The Company implemented ERP Software (SAP) to support accounting system, procurement, warehouse operations for stability of information. Moreover, the Company also has Central Corporate IT Department to supervise data processing and collection, so that data can be used, instantly.

7) Information and Communication

The Company has established Data Center to be the center for corporate operations and for control on work usage under international standards.

Material document has been completely stored and they could be conveniently searched for. The Company has specified that accounting policy of the Company and its subsidiaries must conform to main business operations of the Group of Companies and they must not against the generally accepted accounting principles.

8) Monitoring

The company has an internal audit unit for monitoring the implementation of the internal control system of the company, as well as to improve on topics with low evaluation.

The company encourages the internal audit unit to perform duties according to international standards professional practice in internal auditing at all operational stages.

In addition, the Company has arranged Executive Committee's meeting every month to follow-up performance of the Company and its subsidiaries to make sure that they adhere to strategy and annual work plans.

Conclusion

In the Board of Directors' Meeting No.1/2019 on February 26, 2019 in which all three Independent Audit Committee members attended, concluded that the Company has a sufficient internal control system. Furthermore, the Company's auditor, Mrs. Sarinda Hirunprasurtwutti, an auditor license no. 4799, audited the Company's financial statement for period ending December 31, 2018 without any comment on the Company's internal control system as significant error.

1.2 Internal Auditing

The Internal Audit Unit can help the Company achieve targets by improving operations of risk management, internal control and corporate governance processes of the Company.

Internal audit works of the Company in 2018 included audit of assets control, accelerating the following-up of the Company's outstanding debts as well as report risk factors incurred to the Company's management in order to find resolution guidelines.

The Board of Directors and the Audit Committee place importance and support independence of the auditor with aims to be able to prevent and reduce business's risks for the Company's growth on sustainable basis.

1.3 Head of Internal Audit Unit and Head of Compliance Unit

The Audit Committee gives opinion that the Head of Internal Audit Unit, Miss Nantana Khangui, has performed knowledge, abilities and experience effectively and during 2018, the Head of Internal Audit has performed the following duties:

1. Propose 2018 audit plan to the Audit Committee for consideration and approval.
2. Supervise operations of the auditor and review on compliance with the standards.
3. Provide guidance and recommendation on compliance with regulations, orders and internal control to the department being audited.
4. Inspect the Group of Companies' projects management as well as control assets and usage of all types of resources for the best interests of the Company.

In addition, the consideration on appointment, dismissal and transfer of the Head of Internal Audit Unit shall always require to have an approval from the Audit Committee. Please see more details on qualifications of the head of internal auditors under topic **"Curriculum Vitae of Head of Internal Audit"** in page 316

In addition, the Company does not have a separate Compliance Unit. Compliance related works of the Company are under supervision of the Corporate Secretary Unit, instead, to ensure that the Company has correctly complied with regulations of the Office of the SEC, the Stock Exchange of Thailand and other relevant laws. For more information on Corporate Secretary, please go to Page 272 - 273.

2. Risk Management

The Board of Directors has been appointed the Risk Management Committee in order to assessed overall business situations and analyzed risks both internally and externally, likelihood of risks which may impact to the Company's main goals and stakeholders in order to specify risk reduction measure to keep such risk in the appropriated level. In addition, risks shall also been assessed by the Internal Audit Unit who will present the results to the Audit Committee and the management to jointly find guidelines to prevent such potential risk as well as to monitor and review the assessment results continually.

The Company has specified risk management policy that can respond to the changes in economic and political situations as well as impacts from the world's financial crisis. Such risk management policy included risk preventive and corrective measures. The Risk Management Committee has supervised and monitored risks pursuant to the plans by cooperating and coordinating with various business units as follows:

1. Preparation of risk management plan by each department to follow the Company's master business plan and business risks that may occur in order that risk management plan can harmonize with Company's objectives, business plan, goals, strategies and the acceptable risks of the business operations.
2. Manage risks pursuant to the above risk management plan. Each responsible unit shall prioritize risks based on their likelihood and impacts towards the organization then specify measures to handle such risks as appropriated. The Internal Audit Unit shall coordinate and participate in risks reviewing pursuant to risk mitigation measures.

3. The above risk management measures shall be monitored and reviewed by the Risk Management Committee which comprise of the management from the relevant business units. The meeting shall be held to monitor and review results from such risk management. The Internal Audit Unit shall monitor and audit the risk management works of each company or business unit in order to make them achieve the objectives specified by the Company.

Apart from risk management mentioned above, the Company has also arranged the training, and seminar including specified that risk management measure shall be a part of employee's assessment criteria, both at operating level and management level, in order to cultivate consciousness. Such training shall emphasize on concept and practices on organizational risk management which shall lead to achievement of the organization's objectives and returns to the shareholders.

In 2018, the Company has specified that each line of business must report its risk management performance 3 times (a year), so that the Company could be well-informed about risk issues and in order to make sure that each line of operations can actually and effectively manage risks.

The Company reviewed risk management plans for business continuity management, for preparation in case of occurrence of uncontrollable events and for handling circumstances, such as, natural disaster, accidents and incidents which may cause interruption to the Company's main operations.

Apart from risk management as per mentioned above, the Company also has personnel development policy to enhance skills of employees and to make them be able to adapt their operating procedures to catch up with technology which always change. Moreover, the Company also regulated that risk management shall be a part of employee's performance assessment, with aims to stimulate all departments on attainment of the Company's common objectives.

3. Anti-Corruption

The Company operates business by placing importance on anti-corruption and adherence to integrity, ethics, transparent and auditable management as well as accountability to all stakeholders. The Company prescribed suitable code of conduct guidelines for the Board of Directors, the executives and the employees with regards to business ethics and employee ethics. Compliance with the policy has been reviewed continually.

Duties and Responsibilities

- The Board of Directors is responsible for specifying the anti-corruption policy.
- The Audit Committee is responsible to audit the accounting and financial report, internal control and internal audit including risk management system to ensure that they are compliance with the international standards, concisely and effectively.
- The management team is responsible for promotion and support the anti-corruption policy and convey such policy to all employees and relevant parties.

Anti-Corruption Policy

The Company operates business by always adherence to good corporate governance and anti-corruption policy which may occur from operation and transaction with the stakeholders. The directors, the executives and the employees of the Company, its subsidiaries and associated companies shall strictly comply with the following principles:

1. Political Impartiality and Political Assistance

The Company has the policy to conduct business with political impartiality and compliance with the laws as well as democratic form of government with the King as Head of State. The directors, the executives and the employees shall have political rights and liberty pursuant to the law, however, they shall not perform any act which can make the Company lose impartiality or damage from involvement in the political activities as well as usage of any resources of the Company for such act.

2. Donation for Charity and Supporting Fund.

The Company supports for community and social development for better quality of life including enhancement of economy of the community and society through business processes or donation for charity of which the proceed shall be used for public charity only as well as supports for the Company's business with clear evidences and in line with the Company's regulations.

3. Receiving and Giving Present, Property or Other Benefits.

Receiving or giving any benefits as tradition and morality to express gratitude or maintaining business relation as usual should be done with appropriateness. The Company will not encourage or expect the receiving person to ignore his/her duty and/or return favor from giving inappropriate present, property or other benefits with the following practices :

1) Receiving and giving property or other benefits that could improperly influence decision making:

- The employees of company shall not receive or give money, property, merchandise or any benefits involving anyone whose intention is to persuade the employees to commit or omit anything contrary to duty.
- Receiving present or property shall be compliance with morals, and shall not be illegal as well as such gift or property shall not be illegal.
- Paying for business expenses, such as, meals and other forms of hospitality that are directly connected to performance of business commitments is acceptable, but such expenses must be reasonable.
- Giving present, property or other benefits to government officer in Thailand and other countries must be sure that it shall not against the law and local tradition.

2) Receiving or giving present and the memento:

- Before receiving or giving present or memento, should make sure that such an action does not violate the law and the Company's regulations. Gifts exchanged in the normal course of business should be inexpensive and appropriate to the occasion.
- Avoid receiving or giving present or memento that could unfairly influence a decision in the performance of one's duties. If it is necessary to receive a gift of unusually high value from someone doing business with the Company, report the matter to the superior.
- Keep records of expenses as evidence of the value of present or memento given, so that can be examined later.
- If the employee has been assigned or permitted by the superior to assist an outside agency, the employee may receive money, item, or present according to the guidelines or standards that agency has set.

3) Transactions with the government sector:

- Conduct properly and honestly when contact with government officials or agencies.
- Always remember that the laws, rules, and customs of each place may have diverse conditions, procedures, or methods of proceeding.
- Comply with the laws of each country or locality in matters pertaining to hiring government employees as consultants or employees of the Company. Such hiring must be transparent and appropriate.

General Operating about Anti-Corruption Guidelines**1. The process of Risk assessment and Risk Management**

The Company has an Internal Audit Department to audit operations which may tend to have risks of all departments of each company, including risks from corruption to ensure that all departments have appropriated internal control system in place, both on preventive control and detective control. If it is found that any department does not have adequate internal control system or there is a corruption case, such matter shall be reported to the Audit Committee and the high level executives. Preventive guidelines must have also been reported in order to improve the internal control system.

2. Prevention

To ensure that the remuneration provided to the employees is adequate, focused on creation of consciousness and it must not be the source for corruption. The Human Resource Department shall compile the survey results report on wage adjustment in each year from the well-known institutes, both domestically and internationally as well as exchange information with the Human Resource Department of other companies in the telecommunication and computer businesses. The information gained shall be used for consideration on provision of remuneration to the employees.

3. Training and communication

To encourage operations pursuant to anti-corruption policies by providing training to the employees to promote honesty, integrity and operating guidelines for standard on good conduct and ethics for the employees including code of business ethics of the Company during the orientation of the new employees. All employees can access to such information via HR Website (www.samarthre.com)

4. Reporting and reporting channels

In order to oversee the implementation of anti-corruption policy, the Company encourages its employees and all stakeholders to report the violation of Company's policies and unfair practices by providing the channels for stakeholders to inform any actions which are against the corporate governance principle, ethics, rules and regulations of the Company, laws or any action which may cause damage to the Company to the Internal Audit Department by direct mail or E-mail as informed at the Company's website (www.samartcorp.com). The Internal Audit Department will inspect and analyze the information according to the procedures and methods on "Notifying the information on misconduct and the protection of the informant". The Company shall protect the informant or whistle-blower by not disclosing the name of the informant or whistle-blower to any person.

5. Governance and monitoring of the policy compliance

The Internal Audit Department shall summarize the audit result only about the corruption issues of each department during the previous year and report to the Audit Committee every year as well as to provide recommendations for solving the problems.

During the past year, the Company did not find any employees' misconducts, only the case where the employee failed to comply with the Company's rules and regulations, and the Company has explained the correct rules and regulations to such employee already.

The Company did not find any directors and executives' misconducts or any resignation due to breach of the corporate governance principles as well as any case which may damage the Company from performing duty within the Company.

Connected Transactions

1. Related transactions which might have conflicts of interest in 2018

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
<p>1. Vilailuck International Holdings Co., Ltd. (VIH) The major shareholder of Samart Corporation PCL. (SC) with 15.14% stake owner.</p> <p><u>Related Directors</u></p> <p>1. Mrs. Siripen Vilailuck 2. Mr. Charoenrath Vilailuck 3. Mr. Watchai Vilailuck</p>	<p>SC rented office space at Software Park Building for 30-year lease agreement for 11,926 sq. meters from VIH : The building owner.</p> <p>- Rental, Services charge for public utilities and property tax.</p> <p>Remark : The rate of service fee will be increased 5% annually in accordance with the service conditions in the Services Agreement</p> <p>(Total outstanding as of December 31, 2018 was Baht 782,644)</p>	38.215	<p>Such transaction was complied with the Rental and Services Agreement dated May 1, 1999 (The lease agreement was approved by the Company's shareholders in the meeting no. 1/1997 on August 24, 1997). The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same price compared with other renters.</p>
	- Rental, service charge for public utilities and property tax (11 th - 12 th floor, area 1,614 sq. meters) for SC	12.042	
	- Rental, service charge for public utilities and property tax (mezzanine floor, area 481.78 sq. meters) for SC	3.595	
	- Rental, service charge for public utilities and property tax (HOF, area 127.98 sq. meters) for SC	0.955	
	- Revenue for telephone preventive maintenance (Total outstanding as of December 31, 2018 was Baht 1,915)	0.005	
	- Miscellaneous expenses paid for entertain, parking lots, electricity, water supply and overtime air condition to VIH by SC.	0.853	
	(Total outstanding as of December 31, 2018 was Baht 119,850)		

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	<p>Rental, service charge for public utilities and actual miscellaneous payments i.e. electricity, water supply, and parking lots for subsidiaries of SC paid to VIH during January - December 2018 were as follows;</p> <ul style="list-style-type: none"> - One To One Contracts PCL. (SC is a major shareholder) 10.336 - Samart Engineering Co., Ltd. (Subsidiary of SC) 0.003 - Vision and Security System Co., Ltd. (Subsidiary of SC) 0.083 - Samart Transolutions Co., Ltd. (Subsidiary of SC) 0.042 - Samart U-Trans Co., Ltd. (Subsidiary of SC) 0.077 - Teda Co., Ltd. (Subsidiary of SC) 0.191 - Transec Power Services Co., Ltd. (Subsidiary of SC) 0.018 - Samart Telcoms PCL. (STC) 5.767 (SC is a major shareholder) - Samart Communication Services Co., Ltd. (Subsidiary of STC) 5.667 - Posnet Co., Ltd. (Subsidiary of STC) 0.963 - Thai Trade Net Co., Ltd. (Subsidiary of STC) 0.046 - Samart Infonet Co., Ltd. (Subsidiary of STC) 0.102 - Samart Comtech Co., Ltd. (Subsidiary of STC) 11.419 - Potalnet Co., Ltd. (Subsidiary of STC) 0.024 - Smarterware Co., Ltd. (Subsidiary of STC) 0.039 - Secureinfo Co., Ltd. (Subsidiary of STC) 9.962 - Samart Ed-Tech Co., Ltd. (Subsidiary of STC) 0.027 - Samart Digital PCL. (SDC) 2.136 (SC is a Major shareholder) - Samart Digital Media Co., Ltd. (Subsidiary of SDC) 0.009 - I-Sport Co., Ltd. (Subsidiary of SDC) 2.577 - Entertainment Tree Co., Ltd. (Subsidiary of SDC) 0.001 - SIM2ASSET Co., Ltd. (Subsidiary of SDC) 0.001 - Thai Base Station Co., Ltd. (Subsidiary of SDC) 0.001 <p>(Total outstanding as of December 31, 2018 was Baht 5,265,169)</p>		<p>The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same price compared with other renters. And it was the actual payment for normal business transaction.</p>

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	- Samart Engineering Co., Ltd. (Subsidiary of SC) sold LED TV to VIH	0.003	It was a normal business transaction for sale and purchase of goods according to the market price and general trade conditions.
2. Vilailuck Property Co., Ltd. (VPP) whose major shareholder of 12.50% is Vilailuck International Holding Co., Ltd. (VIH) and VIH is the major shareholder of SC. <u>Related Director</u> 1. Mrs. Siripen Vilailuck	Samart Corporation PCL. (SC) advance payment for miscellaneous expenses i.e. telephone, copy and training to VPP (Total outstanding as of December 31, 2018 was Baht 384,638) Samart Engineering Co., Ltd. (Subsidiary of SC) sold DTH satellite dish to VPP (Total outstanding as of December 31, 2018 was Baht 24,663) Samart Engineering Co., Ltd. (Subsidiary of SC) advanced payment for officer's salary working to VPP (Total outstanding as of December 31, 2018 was Baht 470,044) Samart Digital PCL. (SDC) (SC is the major shareholder) sold mobile phone to VPP (Total outstanding as of December 31, 2018 was Baht 38,570)	- - - -	Advance payment was the actual expenses for normal business transaction. It was a normal business transaction for sale and purchase of goods according to the market price and general trade conditions. Advance payment was the actual expenses for normal business transaction. It was a normal business transaction for sale and purchase of goods according to the market price and general trade conditions.
3. Vilailuck Development Co., Ltd. (VLX) whose major shareholder of 42.38% is VIH and VIH is the major shareholder of SC. <u>Related Directors</u> 1. Mrs. Siripen Vilailuck 2. Mr. Charoenrath Vilailuck 3. Mr. Watchai Vilailuck 4. Mr. Thananan Vilailuck	Samart Corporation PCL. (SC) advanced payment for telephone expenses and medical fee to VLX (Total outstanding as of December 31, 2018 was Baht 3,263) Samart Corporation PCL. (SC) and its subsidiary paid for miscellaneous expenses i.e. house cleaning and gardening to VLX were as follows : - Samart Corporation PCL. (SC) - Samart Comtech Co., Ltd. (Subsidiary of STC) - Samart Digital PCL. (SDC) (SC is the major shareholder) Smarterware Co., Ltd. (Subsidiary of STC) provided system development service to VLX (Total outstanding as of December 31, 2018 was Baht 100,537) Samart Comtech Co., Ltd. (Subsidiary of STC) bought a recreation residence form VLX Samart Infonet Co., Ltd. (Subsidiary of STC) provided internet services to VLX (Total outstanding as of December 31, 2018 was Baht 68,400)	- 0.071 0.071 0.052 - 16.500 0.752	Advance payment was the actual expenses for normal business transaction. It was a normal business transaction for sale and purchase of service according to the market price and general trade conditions. It was a normal business transaction for sale and purchase of service according to the market price and general trade conditions. It was a normal business transaction for sale and purchase of assets according to the market price and general trade conditions. It was a normal business transaction for sale and purchase of service according to the market price and general trade conditions.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
4. Le Votel Khaoyai Co., Ltd. whose indirect shareholder of 21.19% is Vilailuck International Holding Co., Ltd. (VIH) and VIH is the major shareholder of SC. <u>Related Director</u> 1. Mr. Watchai Vilailuck	Samart Corporation PCL. (SC) paid for accommodation to entertain customers to Le Votel Khaoyai Co., Ltd.	0.024	It was a normal business transaction for sale and purchase of service according to the market price and general trade conditions.
	Samart Infonet Co., Ltd. (Subsidiary of STC) provided internet service to Le Votel Khaoyai Co., Ltd. (Total outstanding as of December 31, 2018 was Baht 73,204)	0.577	It was a normal business transaction for sale and purchase of service according to the market price and general trade conditions.
	Samart Telcoms PCL. (STC) (SC is a major shareholder) paid for accommodation for organize Smart Media Trip to Le Votel Khoayai Co. Ltd.	0.234	It was a normal business transaction for sale and purchase of service according to the market price and general trade conditions.
5. Phupha Tara Co., Ltd. whose indirect shareholder of 42.38% is Vilailuck International Holding Co., Ltd. (VIH) and VIH is the major shareholder of SC. <u>Related Directors</u> 1. Mrs. Siripen Vilailuck 2. Mr. Charoenrath Vilailuck 3. Mr. Watchai Vilailuck 4. Mr. Thananan Vilailuck	Samart Corporation PCL. (SC) paid for accommodation with meal for training, seminar and entertain customer to Pupha Tara Co., Ltd. (Total outstanding as of December 31, 2018 was Baht 868,686)	0.832	It was a normal business transaction for sale and purchase of service according to the market price and general trade conditions.
	Vision and Security System Co. Ltd. (Subsidiary of SC) paid for accommodation with meal for training, seminar and entertain customer to Pupha Tara Co., Ltd.	0.027	It was a normal business transaction for sale and purchase of service according to the market price and general trade conditions.
	Samart Telcoms PCL. (STC) (SC is a major shareholder) paid for accommodation with meal for training, seminar and entertain customer to Pupha Tara Co., Ltd. (Total outstanding as of December 31, 2018 was Baht 40,000)	0.106	It was a normal business transaction for sale and purchase of service according to the market price and general trade conditions.
	Samart Infonet Co., Ltd. (Subsidiary of STC) provided internet service to Phupha Tara Co., Ltd. (Total outstanding as of December 31, 2018 was Baht 328,736)	1.843	It was a normal business transaction for sale and purchase of service according to the market price and general trade conditions.
	Samart Engineering Co., Ltd. (Subsidiary of SC) sold programmable modulator single side band and equipment to Phupha Tara Co., Ltd. (Total outstanding as of December 31, 2018 was Baht 76,847)	0.072	It was a normal business transaction for sale and purchase of goods according to the market price and general trade conditions.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
6. CSV Asset Co., Ltd. (CSV) whose major shareholder of 99.99% is VIH and VIH is the major shareholder of SC.	Samart Corporation PCL. (SC) paid for space rental, service charge for public utilities and property tax to CSV (lease agreement for the period during January 1, 2018 - December 31, 2020, area 1,127.30 sq. meters.)	6.366	The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same price compared with other renters.
<u>Related Directors</u> 1. Mr. Charoenrath Vilailuck 2. Mr. Watchai Vilailuck	Samart Corporation PCL. (SC) paid for miscellaneous transactions to CSV during January - December 2018. Actual miscellaneous payments i.e. electricity and water supply. (Total outstanding as of December 31, 2018 was Baht 76,033)	0.760	It was the actual payment for normal business transaction and according to general trade conditions.
	Rental, services charge for public utilities, property tax and actual miscellaneous payments i.e. electricity and water supply by subsidiaries of SC paid to CSV during January - December 31, 2018 were as follows:		The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same price compared with other renters. And it was the actual payment for normal business transaction.
	- Teda Co., Ltd. (Subsidiary of SC)	4.765	
	- Transec Power Services Co., Ltd. (Subsidiary of SC)	0.822	
	- Samart Communication Services Co., Ltd. (Subsidiary of STC)	1.938	
	- Posnet Co., Ltd. (Subsidiary of STC)	0.753	
	- Samart Digital PCL. (SDC) (SC is the major shareholder)	3.043	
	(Total outstanding as of December 31, 2018 was Baht 187,723)		

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
7. I.Q. Wine Co., Ltd. has Executive Director of SC is a related person. <u>Related Director</u> 1. Mr. Thananan Vilailuck	SC and its subsidiaries brought wine from I.Q. Wine Co., Ltd. during January - December 2018. Actual payments were as follows; <ul style="list-style-type: none"> - Samart Corporation PCL. (SC) 0.079 - Vision and Security System Co., Ltd. (Subsidiary of SC) 0.388 - One To One Contracts PCL. (SC is a major shareholder) 0.020 - Samart Telcoms PCL. (STC) (SC is a major shareholder) 1.108 - Samart Communication Services Co., Ltd. (Subsidiary of STC) 0.031 - Samart Comtech Co., Ltd. (Subsidiary of STC) 0.048 - Thai Base Station Co., Ltd. (Subsidiary of SDC) 0.076 		It was a normal business transaction for sale and purchase of goods according to the market price and general trade conditions.
	(Total outstanding as of December 31, 2018 was Baht 215,634)		
	Rental space with area 530 sq. meters and actual miscellaneous expenses i.e. electricity and property tax of I.Q. Wine Co., Ltd. paid to Samart Engineering Co., Ltd. (Subsidiary of SC) (Total outstanding as of December 31, 2018 was Baht 245,619)	1.337	The rental was reasonable compared to market price in nearby area and the same price compared with other renters.
	Samart Infonet Co., Ltd. (Subsidiary of STC) provided internet service to I.Q. Wine Co., Ltd. (Total outstanding as of December 31, 2018 was Baht 48,150)	0.180	It was a normal business transaction for sale and purchase of service according to the market price and general trade conditions.
	Thai Trednet Co., Ltd. (Subsidiary of STC) provided web hosting server to I.Q. Wine Co., Ltd.	0.013	It was a normal business transaction for sale and purchase of service according to the market price and general trade conditions.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
8. Win Performance Co., Ltd. has Executive Director of SC is a related person.	Samart Corporation PCL. (SC) provided backup site for computer service center to Win Performance Co., Ltd.	3.000	It was a normal business transaction for sale and purchase of service according to the market price and general trade conditions.
<u>Related Person</u> 1. Mr. Watchai Vilailuck	Samart Corporation PCL. (SC) provided sublease space (area 50 sq. meters) and public utilities service to Win Performance Co., Ltd. (Total outstanding as of December 31, 2018 was Baht 38,005)	0.140	It was a normal business transaction for sale and purchase of service according to the market price and general trade conditions.
	One To One Contracts PCL. (SC is a major shareholder) provided maintenance service for call center system and rent the software system to Win Performance Co., Ltd.	3.780	It was a normal business transaction for sale and purchase of service according to the market price and general trade conditions.
	Samart Digital PCL. (SC is a major shareholder) provided all the network peripheral maintenance services to Win Performance Co., Ltd. (Total outstanding as of December 31, 2018 was Baht 428,000)	4.800	It was a normal business transaction for sale and purchase of service according to the market price and general trade conditions.
	Samart Digital Media Co., Ltd. (Subsidiary of SDC) provided for bulk SMS to Win Performance Co., Ltd.	4.763	It was a normal business transaction for sale and purchase of service according to the market price and general trade conditions.
9. Thai Ticket Pro Co., Ltd. has Executive Director of SC is a related person.	SC and its subsidiaries bought air ticket from Thai Ticket Pro Co., Ltd. were as follows; - Samart Corporation PCL. (SC) - Vision and Security System Co., Ltd. (Subsidiary of SC)	0.023 0.024	It was a normal business transaction for sale and purchase of goods according to the market price and general trade conditions.
<u>Related Director</u> 1. Mr. Watchai Vilailuck	- Samart Telcoms PCL. (STC) (SC is a major shareholder)	0.869	
	- Samart Communication Services Co., Ltd. (Subsidiary of STC)	0.224	
	- Samart Comtech Co., Ltd. (Subsidiary of STC)	0.055	
	- Samart Digital PCL. (SDC) (SC is a major shareholder)	0.201	
	(Total outstanding as of December 31, 2018 was Baht 12,857)		

2. Summary of guidelines for considering on the related transactions which might have conflicts of interest.

2.1 Necessity and Rationale of transactions

The Audit Committee had the opinion that the inter-company transactions above were reasonable and necessary for the Company's operations. The conditions were set according to the general trade conditions.

2.2 Measures and Steps of Approval for Connected Transactions

The connected transactions were verified by the Audit Committee to protect and avoid conflict of interest then proposed for consideration and approval in the Board of Directors' and shareholders' meetings respectively depended on conditions and values of transactions according to the SET's regulation. Meanwhile, the directors, management and the stakeholders who had conflict of interest would not participate in the such connected transactions. The approval on the connected transaction would be complied with the regulations and notifications of the Stock Exchange of Thailand (SET).

Principles on entering into the normal business transactions with general trading conditions and without general trading conditions are as follows :

- **Normal business transaction with general trading conditions**

Related transaction which is normal business transaction with general trading conditions is required to have an approval in principle from the Board of Directors. The management can approve such transaction if it has the same trading conditions as those an ordinary person would agree with any unrelated counterparty under the same circumstances on the basis of bargaining power which is without any dependent interest resulted from the status of the director, executive or related person.

Additionally, the Company shall summarize such transactions and report at the meeting of the Audit Committee and the meeting of the Board of Directors on quarterly basis.

- **Normal business transaction without general trading conditions**

Normal business transaction without general trading conditions is required to be considered and have an opinion from the Audit Committee before it can be proposed to the Board of Directors and/or the shareholders' meeting for further consideration. In addition, it must be complied with the laws on securities and stock exchange as well as regulations, notifications, orders and requirements of the Capital Market Supervisory Board and the Stock Exchange of Thailand including the regulations on disclosure of information concerning the connected transactions.

In the case where the Audit Committee does not have expertise in considering any of the related transaction to be incurred, the Company shall appoint the independent expert or the Company's auditor to express opinion on it. Such opinion shall be taken into account by the Audit Committee and/or the Board of the Directors and/or the shareholders, as the case may be, when making decision. The reasons are to ensure that such transaction is necessary and reasonable by taking into consideration the best interest of the Company. Moreover, the Company shall disclose the related transactions in an annual information disclosure form and in notes to the financial statement which has been audited/ reviewed by the Company's auditor.

2.3 Policy and Trend in Future Connected Transactions

The Company may have any connected transaction as appropriate based on normal business conditions and can be referred the same transaction made with outside parties with the necessity and the maximized benefit to the Company. However, the Company will strictly comply with SET's regulations and notifications. In case of any conflict of interest transaction occurred in the future, opinion from the Audit Committee on its necessity and appropriateness will be required and disclosed in the Company's audited noted of financial statement.

Key Financial Highlights

Summary of Financial Positions and Operating Results of Samart Corporation Pcl. and its Subsidiaries

(Unit: Thousand Baht)

Transaction	As of December 31		
	2018	2017 Restated	2016
Cash and cash equivalents	2,671,280	2,646,113	2,210,503
Trade and other receivables	4,016,877	6,112,469	8,998,372
Accrued income	3,100,909	2,326,708	3,158,465
Inventories	363,596	648,838	1,231,078
Property, plant and equipment	5,721,865	4,696,659	5,383,289
Intangible assets	1,590,596	1,494,671	1,500,057
Total assets	21,467,556	22,209,922	25,216,009
Bank overdrafts and short-term loans from financial institutions	6,265,448	7,637,150	9,059,369
Trade and other payables	2,349,907	1,644,428	2,262,171
Current portion of debentures	750,000	2,515,000	880,000
Accrued project cost and provisions	1,332,306	891,390	871,956
Debentures - net of current portion	1,250,000	1,250,000	2,985,000
Long-term loans from financial institutions – net of current portion	2,372,404	457,912	247,500
Total liabilities	16,526,566	16,060,107	17,309,488
Issued and fully paid - up	1,006,504	1,006,504	1,006,504
Unappropriated retained earnings	2,925,654	4,087,001	5,104,698
Non-controlling interests of subsidiaries	1,624,843	1,569,300	2,132,544
Equity attributable to owners of the Company	3,316,147	4,580,515	5,773,977
Revenues from sales, contact work and services	12,184,800	13,022,761	13,675,526
Total revenues	12,292,723	13,129,938	13,883,734
Cost of sales, contact work and service	9,734,266	10,842,726	11,040,180
Selling, distribution and administrative expenses	1,618,968	1,889,009	2,238,947
Finance cost	548,122	486,338	502,318
Profit (Loss) on exchange	(80,600)	334	14,364
Total costs and expenses	12,558,471	14,442,839	13,358,067
Profit (Loss) attributable to equity holders of the Company	(1,075,635)	(947,960)	71,185
Basic earnings (loss) per share (Baht/share)	(1.07)	(0.94)	0.07
Cash flows from operating activities	3,201,553	2,428,510	3,621,654
Cash flows used in investing activities	(2,316,962)	(951,379)	(1,772,234)
Cash flows used in financing activities	(904,183)	(957,469)	(1,664,559)
Par value (Baht / share)	1	1	1
Ordinary shares issued and fully paid up (Thousand shares)	1,006,504	1,006,504	1,006,504
Weighted average number of ordinary shares (Thousand shares)	1,006,504	1,006,504	1,006,504
Book value (Baht / share)	3.29	4.55	5.74
Dividend per share (Baht / share)	0.10 ^(*)	0.10	0.19

Remark : ^(*) Dividend per share for 2018 at Baht 0.10 which will be proposed for consideration of shareholders in the Annual General Meeting of Shareholders 2019.

Financial Ratios of Samart Corporation Pcl. and its Subsidiaries

Financial Ratio		Samart Corporation Pcl. and Subsidiaries		
		2018	2017 Restated	2016
<u>LIQUIDITY RATIOS</u>				
Current ratio	(Times)	0.98	1.00	1.25
Acid test ratio	(Times)	0.95	0.95	1.16
Cash turnover	(Times)	0.24	0.18	0.25
Receivable turnover ratio	(Times)	1.76	1.59	1.40
Average collection period	(Days)	204.55	226.42	257.14
Inventory turnover ratio	(Times)	15.46	12.21	8.61
Days sales outstanding	(Days)	23.29	29.48	41.81
Payable turnover ratio	(Times)	10.14	9.25	6.58
Payment period	(Days)	35.50	38.92	54.71
Cash cycle	(Days)	192.34	216.98	244.24
<u>PROFITABILITY RATIOS</u>				
Gross Profit Margin	(%)	20.11	16.74	19.27
Operating Profit Margin	(%)	(2.18)	(10.08)	3.80
Other revenue - to - Total revenues	(%)	0.88	0.82	1.50
Cash-to-income	(Times)	N/A	N/A	6.98
Net profit margin	(%)	(8.75)	(7.22)	0.51
Return On Equity	(%)	(27.24)	(18.31)	1.21
<u>EFFICENCY RATIOS</u>				
Return On Assets	(%)	(4.93)	(4.00)	0.27
Return On Fixed Assets	(%)	7.31	12.20	25.98
Assets Turnover	(Times)	0.56	0.55	0.53
<u>FINANCIAL POLICY RATIOS</u>				
Debt to equity	(Times)	3.34	2.61	2.19
Interest coverage	(Times)	8.08	5.36	8.55
Debt serviceability	(Times)	1.05	1.39	1.43
Dividend payout ratio	(%)	N/A	N/A	268.62

Management Discussion and Analysis

Performance Overview

In 2018, Samart Corporation Pcl., or SAMART, had a total revenue of Baht 12,293 million. Decreased from 2017 by 6.38%. In 2018, the revenue from sales, contracted work and services decreased from Baht 13,023 to Baht 12,185 million or 6.43%. The decrease was due to reduced sales in the Digital business since last year the Company adjusted the business direction to be more stable and sustainable. From mainly mobile phone sales to full service Digital Network which has collaborated with CAT Telecom Public Company Limited to develop Digital Trunked Radio System (DTRS) that will be the business' future recurring income generator.

In 2018, the Company had Baht 12,558 million of expenses, which decreased by Baht 1,885 million or 13.05% from 2017. The Company had recorded the allowance for doubtful accounts by Baht 934 million last year which mainly from the formerly Mobile business. The allowance for doubtful accounts was provided through an estimation of uncollectible receivables, which based on the Company's collection experience, analysis of debtors, and current status of receivables outstanding at balance sheets date. The management of the Company and its subsidiaries believe that the allowance for doubtful debts is reasonable and adequate. The gross profit margin was 20.13%, which increased from 16.74% of the preceding year. The Company's selling, distribution, administrative and other expenses were Baht 2,823 million in total, which decreased by Baht 776 million.

In 2018, there were Baht 548 million of financial expenses in total, which increased by 12.70%. The Company loss in the shareholder part was Baht 1,076 million. Decreased from the previous year due to the transformation in the Digital business.

Operational Outcome of the Company and Subsidiaries

In 2018, the Company earned Baht 12,185 million from sales, contracted work and services. Decreased by 6.43% from the previous year.

Revenues from sales, contract works and services breakdown

Business	Revenue from sales, contract works and services in 2018 (million baht)	Revenue from sales, contract works and services in 2017 (million baht)	% Change
ICT Solution and Service	7,679	6,949	10.51%
Digital	744	1,334	-44.23%
Call Center	711	818	-13.08%
Utilities and Transportations	3,384	3,502	-3.37%
Technology Related Services	322	888	-63.74%
Adjustment and transactions	-655	-468	39.96%
Revenue from sales, contracted projects and services (before transactions)	12,185	13,023	-6.43%

ICT Solution and Service business (“SAMTEL”)

In 2018, ICT Solution and Service business had total of Baht 7,679 million revenue from sales, contract works and services. Increased by 10.51% from the previous year. During the past year, SAMTEL signed the contracts in new projects in total of Baht 6,960 million worth. Examples are Baht 2,768 million on the development of the Land Information System (Phase 2) from Department of Lands, Baht 972 million for the maintenance services of meters and accessories in Automatic Meter Reading (AMR) Phase 1 & 2 Project from Provincial Electricity Authority of Thailand and Baht 994 million for the employment of efficiency improvement for real time charging system and the bandwidth expansion of Network connecting border and submarine cable station from CAT Telecom Public Company Limited. At the end of the year, there were still Baht 7,693 million worth of backlog of which the revenue has not been realized.

Digital business (“SDC”)

The revenue decrease on sales, contract works, and services from the Digital business in 2018 resulted from the transformation of mobile business to full service of Digital Trunked Radio System (DTRS). The DTRS will focus on the government and stated-owned agency units which are much required on the network security and the one-to-many communication.

Call Center (“OTO”)

In 2018, One To One Contacts Pcl., or “OTO”, realized Baht 711 million revenue from sales, contract works, and services. Decreased by 13.11% from the previous year because of the reduction in turnkey system design, development, and installation projects, fully outsourced contact center management service and maintenance service. The gross profit margin from last year was 15.38%. In 2019, the Company will still be focusing on abroad market expansion and offering new services to satisfy the customers.

Non-Listed business

Utilities and Transportations business

This year, the revenue from sales, contract works, and services has slice decreased from Baht 3,502 million in the previous year to Baht 3,384 million or 3.37%. In 2018, the Cambodia Air Traffic Services Co., Ltd. or “CATS” continually sees the growth in flights from 109,060 to 123,820 flights, or 13.53% increased. Moreover the power substation business operated under Teda Company Limited also signed the contracts in new projects in total over Baht 2,000 million worth.

Technology Related Services business

The revenue from sales, contract works, and services of Technology Related Service business decreased from Baht 888 million to Baht 332 million or 63.74%, in 2018. The decrease was due to the revenue decrease from Vision and Security System Co., Ltd. that runs a security system and high-quality close-circuit camera installation business.

Financial Statement

Assets

As of 31 December 2018, the Company's total asset has gone down to Baht 21,468 million, a decrease of Baht 742 million or 3.34% from the previous year. The current asset decreased by Baht 1,693 million resulting in Baht 12,149 million. This is due to a reduction of trade receivables and other receivables. However, non-current asset increased from Baht 8,368 to Baht 9,319 million.

Cash and cash equivalents increased slightly from Baht 2,646 to Baht 2,671 million or 0.95%.

Trade and Other Receivables

As of 31 December 2018, the Company has a total of Baht 4,017 million trade receivables, which is a decrease of Baht 2,096 million from the previous year. The decrease was mainly due to the Digital business.

Debt-to-Equity Ratio

As of 31 December 2018, the D/E ratio (total debt divided by equity) has increased from 2.61 times from the previous year to 3.34 times while interest-bearing debt-to-equity ratio increased from 2.03 times to 2.34 times. The main reason was the decrease in equity.

Liquidity

As of 31 December 2018, the current ratio was 0.98 time, which slightly decreased from the previous year.

The Company has a total of Baht 3,202 million resulting from operating activities, Baht 2,317 million net cash flow spent on investment, and Baht 904 million cash flow used in financing activities, resulting in cash and cash equivalents increasing by Baht 25 million to Baht 2,671 million this year.

Sources of Fund

As of 31 December 2018, the total equity of the Company and subsidiaries was Baht 4,941 million. Decreased from the previous year Baht 1,209 million, while the unappropriated retained earnings was Baht 2,926 million.

The Company's total debt has slightly increased to Baht 16,527 million or 2.90%.

Report of the Board of Directors' Responsibility on the Company's Financial Statements

The Board of Directors is responsible for the Company's consolidated financial statements and any financial information which been disclosed in the Company's annual report. Such financial statements were prepared in accordance with the general acceptance-accounting standard in Thailand with appropriated financial policy. The reports were carefully considered and prepared with sufficient information in the notes to the financial statements and been generally practiced.

The Board of Directors also set out and maintained for the efficiency internal control system to obtain reasonable assurance that the financial information had been correctly booked in proper way and completely enough to maintain the Company's assets and be aware of weak point in order to prevent whether from any dishonesty or significant error.

The Board of Directors had appointed the Audit Committee of which comprised 3 independent directors with qualification according to SET/SEC regulations and notification for being the audit committee's members to responsible for the quality of the financial statements and the internal control system. The opinion of the Audit Committee has already been disclosed in the annual report.

The Company's consolidated financial statements have been audited by EY Office Limited with full support from the Board of Directors. So that, the auditor could audit and provide their opinion in accordance with the accounting standard and such opinion has been disclosed in the Company's Annual Report.

The Board of Directors satisfied the Company's internal control system that was sufficient to obtain reasonable assurance in the Company's consolidated financial statements as of December 31, 2018, which was accurate and complied to the accounting standard and related law and regulations.



(Dr. Tongchat Hongladaromp)

Chairman

Samart Corporation Public Company Limited



(Mr. Charoenrath Vilailuck)

Executive Chairman & CEO

Samart Corporation Public Company Limited

Independent Auditor's Report

To the Shareholders of Samart Corporation Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Samart Corporation Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2018, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Samart Corporation Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Samart Corporation Public Company Limited and its subsidiaries and of Samart Corporation Public Company Limited as at 31 December 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matters

I draw attention to the following notes to the financial statements:

- a) Note 9 a) and 39.5 to the financial statements regarding an uncertainty of changing current situation that may affect trade accounts receivable and deferred tax assets of the subsidiary.
- b) Note 6 to the financial statements regarding related party transactions relating to purchase and sales of goods, services and loans. Such transactions have been conducted on the terms and basis mutually agreed by Samart Corporation Public Company Limited and those related parties.

My opinion is not modified in respect of the above matters.

Key Audit Matters

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Revenue recognition

The Group has disclosed its policies on revenue recognition from sales and service income in Note 4.1 to the financial statements. Sales and service income represent significant amounts in the financial statements, representing 58% of the Group's total revenues, and they directly affect profit or loss of the Group. In addition, the Group has entered into agreements with a large number of customers and there are a variety of conditions, pertaining to matters such as sales promotions, discounts and special discounts to boost sales. I therefore gave significant attention to revenue recognition of the Group.

I examined the Group's revenue recognition by assessing and testing the Group's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. On a sampling basis, I selected sales and service transactions, examined supporting documents for sales and service transactions occurring during the year and near the end of the accounting period, and reviewed credit notes that the Group issued after the period-end. I also performed analytical procedures on disaggregated data to detect possible irregularities in sales and service transactions throughout the period, particularly for accounting entries made through journal vouchers.

Revenue recognition relating to long-term contracts

The Group has disclosed its policies on revenue recognition for services provided under long-term contracts, cost estimates for projects under long-term contracts, provision for the delay penalties and provision for loss on projects under long-term contracts in Note 4.1, 5.1 and 34 to the financial statements. I identified revenue recognition and estimation of provision for the delay penalties and possible losses from long-term contracts to be areas of significant risk in the audit. This is because the amount of revenue recognises from such contracts in each period forms a significant portion, representing 41% of the Group's total revenue. In addition, the process of measurement, the determination of appropriate timing of recognition and the estimation of provision for the delay penalties and possible losses are areas requiring management to exercise significant judgement to assess the percentage of completion, the probability of loss, and the measurement of possible loss. The Group might also enter into side agreements that may affect the terms of the main contracts. There are risks with respect to amount and timing of the recognition of revenue, provision for the delay penalties, and provisions for possible losses from long-term contracts, therefore I focused on the revenue recognition under long-term contracts.

I assessed and tested the internal controls put in place by the Group over the process of entering into contracts, estimates of project costs and revisions thereto, recognition of revenue and estimation of percentage of completion and possible losses under long-term contracts by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.

In addition, I also selected long-term contracts made with major customers and randomly selected to read the contracts to consider the conditions relating to revenue recognition and made enquiries as to whether any side contracts were made directly with customers. I inquired with the management about the terms of and risks associated with these contracts relevant to revenue recognition and estimates of the delay penalties and possible loss. I made enquiries of responsible executives, gained an understanding of the Group's process to assess the percentage of completion and cost estimates for projects, compared estimates of project costs to the project budgets approved by authorised person. On a sampling basis, I examined relevant documents, considered the rationale for budget revisions, compared past estimates with actual project costs to assess the project management's competency in estimating project costs, and compared actual costs with supporting documents including testing the calculation of the percentage of completion based on actual costs incurred. I evaluated the possible losses on projects assessed by the management through an analysis of the ratio of actual cost incurred against cost estimates for projects for each significant cost component. I also examined the accounting transactions related to revenue recognition that were recorded through journal vouchers, in order to detect any irregularities. Moreover, I reviewed the disclosures made in the notes to the financial statements with respect to the basis of revenue recognition and the estimation of possible losses.

Allowance for doubtful accounts

As at 31 December 2018, the Group had significant balances of trade accounts receivable (accounting for 18% of total assets in consolidated financial statements). Determining the net realisable value of trade accounts receivable, as disclosed in Note 4.3, 5.2 and 9 to the financial statements, requires significant judgement of management, particularly with regard to the estimated losses that may be incurred from uncollectible debts when debtors are unable to pay, and the timing of such recognition. This impact the amounts of allowance for doubtful accounts to be set aside. I therefore gave significant attention to allowance for doubtful accounts.

I assessed and gained an understanding of the internal controls of the Group relevant to the determination of allowance for doubtful accounts by making enquiry of the responsible executives, gaining an understanding of the basis applied in determining the allowance for doubtful accounts and reviewing the consistency of the application. I also reviewed the debtor aging analysis report, tested the correctness of aging therein and, for disputed and long outstanding debts as presented in aging analysis report, considered the credit terms given and assessed collectability by taking into account historical debt collection experience. I analysed financial information of debtor to assess the financial status of major and long outstanding trade accounts receivable, considered subsequent collections after the period-end date, tested the calculation of the allowance for doubtful accounts according to the policy set by the management, and enquired about the rationale for the recording of specific allowances. I also considered the reasonableness and adequacy of the allowance for doubtful accounts.

Deferred tax

The Group has disclosed its accounting policy and details relating to deferred tax in Notes 4.19, 5.5 and 39 to the financial statements. A deferred tax asset is recognised when it is highly probable that the Group's taxable profit will be sufficient to allow utilisation of the deferred tax in the future. Determining whether there will be sufficient future taxable profit to utilise temporary differences or taxable losses requires significant management judgement with respect to preparation of business plans and projections of future taxable profit based on approved business plans. There is a risk with respect to the amount of deferred tax assets. I therefore gave significant attention to deferred tax account.

I assessed and gained an understanding of the key related controls over the preparation and approval of the estimates of future taxable profit for the purposes of deferred tax asset recognition by making enquiry of responsible executives, and gaining an understanding of the Group's designed controls. I assessed the estimates of future taxable profit by checking the required information and key economic assumptions used in the projections against information from both internal and external sources, with particular consideration given to information and assumptions that directly affect revenue growth and gross profit margin, such as interest rates and gross domestic product. Furthermore, I performed comparative analysis based on industry information from external sources, and compared past profit projections with actual taxable profits to assess the exercise of management judgement in estimating taxable profits. I also tested the calculation of future taxable profit based on the above information and assumptions, and considered the effects of changes to key assumptions on the projected future taxable profits, especially in respect of long-term revenue growth. In addition, I reviewed the disclosure of information regarding temporary differences and unused tax losses for which deferred tax assets were not recognised by the Group.

Allowance for diminution in value of inventory

As technology products are constantly developing, any changes in technology could affect the inventory value. Estimating the net realisable value of inventory, as disclosed in Note 4.5, 5.3 and 12 to the financial statements, is an area of significant management's judgement, particularly with regard to the estimation of provision for diminution in value of slow-moving and obsolete inventory. This requires detailed analysis of the product life cycle, the competitive environment, economic circumstances and the situation within the technology industry. There is a risk with respect to the amount of provision set aside for allowance for diminution in the value of inventory. I therefore gave significant attention to allowance for diminution in value of inventory.

I assessed and gained an understanding internal controls of the Group relevant to the determination of allowance for diminution in the value of inventory by making enquiry of the responsible executives, gaining an understanding of the criteria applied in determining the allowance for diminution in value of inventory, and reviewing the consistency of the application, and the rationale for the recording of specific provisions. I compared the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover. I performed analysis to compare the net proceeds from sales transactions occurring after the date of the financial statements with the cost of inventory for each product line. I also compared historical data of losses on sales and write-offs of inventory during the year with the allowance for diminution in value of inventory recorded at the preceding year-end.

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

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

When I read the annual report of the 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 Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Group'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 financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the 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 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.

I am responsible for the audit resulting in this independent auditor's report.



Sarinda Hirunprasurtwutti

Certified Public Accountant (Thailand) No. 4799

EY Office Limited

Bangkok: 25 February 2019

Statement of financial position

Samart Corporation Public Company Limited and its subsidiaries

As at 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Assets					
Current assets					
Cash and cash equivalents	7	2,671,279,949	2,646,113,177	109,506,925	183,628,423
Current investments	8	77,258,295	17,111,190	8,930,000	10,013,500
Trade and other receivables	9	4,016,876,971	6,112,468,808	141,123,392	204,684,087
Accrued income		3,100,908,977	2,326,708,169	561,322	574,466
Current portion of finance lease receivables	10	118,211,498	123,966,808	-	-
Short-term loans	11	12,104,673	12,012,290	713,421,333	2,172,491,333
Inventories	12	363,595,953	648,838,290	15,000,000	-
Other current assets	13	1,788,511,277	1,954,847,994	72,484,063	65,579,546
Total current assets		12,148,747,593	13,842,066,726	1,061,027,035	2,636,971,355
Non-current assets					
Restricted bank deposits	7, 14	234,907,415	103,558,544	-	-
Available-for-sale investments	15	17,572,558	39,333,789	-	-
Investments in subsidiaries	16	-	-	8,483,414,579	6,873,823,578
Finance lease receivables - net of current portion	10	273,997,571	382,039,919	-	-
Prepaid rental to a related company	17	129,397,099	141,919,400	129,397,099	141,919,400
Investment properties	18	83,836,000	83,836,000	-	-
Property, plant and equipment	19	5,721,865,036	4,696,659,093	514,380,998	314,184,108
Goodwill	20	392,128,956	392,128,956	-	-
Intangible assets	21	1,590,595,817	1,494,670,968	46,919,836	52,766,126
Assets held for future projects	22	23,282,080	23,491,820	23,282,080	23,491,820
Deferred tax assets	39	636,503,583	840,384,265	-	-
Other non-current assets					
Deposits		48,964,724	73,077,899	9,027,373	9,026,373
Others		165,757,741	96,754,567	12,044	700
Total other non-current assets		214,722,465	169,832,466	9,039,417	9,027,073
Total non-current assets		9,318,808,580	8,367,855,220	9,206,434,009	7,415,212,105
Total assets		21,467,556,173	22,209,921,946	10,267,461,044	10,052,183,460

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

Statement of financial position (continued)

Samart Corporation Public Company Limited and its subsidiaries

As at 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	23	6,265,447,745	7,637,149,695	1,290,000,000	1,675,000,000
Trade and other payables	24	2,349,906,693	1,644,427,544	241,413,466	166,314,957
Short-term loans	25	22,140,000	22,140,000	669,955,622	254,019,337
Current portion of debentures	26	750,000,000	2,515,000,000	-	1,250,000,000
Current portion of long-term loans from financial institutions	27	850,982,101	529,646,778	-	-
Current portion of liabilities under finance lease agreements	28	13,623,153	16,164,465	8,627,678	8,369,419
Income tax payable		120,448,208	66,747,466	-	-
Accrued project cost		1,142,316,390	649,895,020	8,784,921	-
Short-term provisions	29	83,306,721	107,178,661	17,649,847	13,005,191
Other current liabilities	30	769,318,304	633,421,323	7,949,249	3,895,437
Total current liabilities		12,367,489,315	13,821,770,952	2,244,380,783	3,370,604,341
Non-current liabilities					
Long-term loans from subsidiary companies	6	-	-	36,000,000	892,236,000
Debentures - net of current portion	26	1,250,000,000	1,250,000,000	1,250,000,000	1,250,000,000
Long-term loans from financial institutions - net of current portion	27	2,372,404,262	457,912,057	-	-
Liabilities under finance lease agreements - net of current portion	28	32,309,287	45,932,442	12,478,253	21,105,932
Long-term provisions	29	106,682,598	134,315,926	-	42,278,145
Provision for long-term employee benefits	31	218,686,933	211,965,158	25,262,132	43,346,689
Deferred tax liabilities	39	167,782,799	125,009,952	18,100,718	7,993,820
Other non-current liabilities					
Deposits		10,220,975	10,743,617	14,249,784	15,288,044
Others		990,204	2,456,880	-	-
Total other non-current liabilities		11,211,179	13,200,497	14,249,784	15,288,044
Total non-current liabilities		4,159,077,058	2,238,336,032	1,356,090,887	2,272,248,630
Total liabilities		16,526,566,373	16,060,106,984	3,600,471,670	5,642,852,971

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

Statement of financial position (continued)

Samart Corporation Public Company Limited and its subsidiaries

As at 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital	32				
Registered					
1,342,005,213 ordinary shares of Baht 1 each					
(2017: 1,207,804,692 ordinary shares of Baht 1 each)		1,342,005,213	1,207,804,692	1,342,005,213	1,207,804,692
Issued and fully paid-up					
1,006,503,910 ordinary shares of Baht 1 each		1,006,503,910	1,006,503,910	1,006,503,910	1,006,503,910
Share premium		243,404,011	243,404,011	243,404,011	243,404,011
Deficit on changes in percentage of shareholding in subsidiaries		(1,014,976,913)	(877,225,117)	-	-
Retained earnings					
Appropriated - statutory reserve	33	120,780,469	120,780,469	120,780,469	120,780,469
Unappropriated		2,925,654,302	4,087,000,824	5,170,402,384	2,912,743,499
Other components of shareholders' equity		34,781,405	50,671	125,898,600	125,898,600
Equity attributable to owners of the Company		3,316,147,184	4,580,514,768	6,666,989,374	4,409,330,489
Non-controlling interests of the subsidiaries		1,624,842,616	1,569,300,194	-	-
Total shareholders' equity		4,940,989,800	6,149,814,962	6,666,989,374	4,409,330,489
Total liabilities and shareholders' equity		21,467,556,173	22,209,921,946	10,267,461,044	10,052,183,460

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

Income statement

Samart Corporation Public Company Limited and its subsidiaries

For the year ended 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Revenues					
Revenues from sales		640,320,858	1,865,201,887	-	-
Revenues from contract work	34	5,032,368,686	4,366,837,117	-	-
Service income		6,512,110,223	6,790,721,690	19,143,200	-
Other income	35	107,922,937	107,177,390	3,056,153,668	838,649,809
Total revenues		12,292,722,704	13,129,938,084	3,075,296,868	838,649,809
Expenses	36				
Cost of sales		655,489,950	1,746,335,202	-	-
Cost of contract work	34	4,466,372,778	3,858,891,917	-	-
Cost of services		4,612,402,807	5,237,498,906	20,679,174	-
Selling and distribution expenses		396,596,908	598,863,723	603,452	-
Administrative expenses		1,222,371,223	1,290,145,561	259,685,114	379,314,707
Other expenses	37	1,205,237,338	1,711,103,676	283,690,686	91,470,843
Total expenses		12,558,471,004	14,442,838,985	564,658,426	470,785,550
Profit (loss) before finance cost and income tax income (expenses)		(265,748,300)	(1,312,900,901)	2,510,638,442	367,864,259
Finance cost	38	(548,121,781)	(486,338,080)	(144,466,235)	(163,280,677)
Profit (loss) before income tax income (expenses)		(813,870,081)	(1,799,238,981)	2,366,172,207	204,583,582
Income tax income (expenses)	39	(450,052,905)	366,185,540	(11,028,585)	(3,724,583)
Profit (loss) for the year		(1,263,922,986)	(1,433,053,441)	2,355,143,622	200,858,999
Profit (loss) attributable to:					
Equity holders of the Company		(1,075,635,093)	(947,959,844)	2,355,143,622	200,858,999
Non-controlling interests of the subsidiaries		(188,287,893)	(485,093,597)		
		(1,263,922,986)	(1,433,053,441)		
Basic earnings per share	40				
Profit (loss) attributable to equity holders of the Company		(1.07)	(0.94)	2.34	0.20
Weighted average number of ordinary shares (share)		1,006,503,910	1,006,503,910	1,006,503,910	1,006,503,910

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

Statement of comprehensive income

Samart Corporation Public Company Limited and its subsidiaries

For the year ended 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Profit (loss) for the year		(1,263,922,986)	(1,433,053,441)	2,355,143,622	200,858,999
Other comprehensive income (loss):					
<i>Other comprehensive income (loss) reclassified or to be reclassified to profit or loss:</i>					
Exchange differences on translation of financial statements in foreign currencies		41,153,656	(164,044,068)	-	-
		41,153,656	(164,044,068)	-	-
Loss on changes in value of available-for-sale investments	15	(21,761,232)	(26,666,606)	-	-
Reclassification of loss on changes in value of disposed available-for-sale investments to profit or loss	15	-	3,060,789	-	-
Income tax effect	39	4,352,246	4,721,163	-	-
		(17,408,986)	(18,884,654)	-	-
Other comprehensive income (loss) reclassified or to be reclassified to profit or loss - net of income tax		23,744,670	(182,928,722)	-	-
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gain	31	25,005,697	20,914,494	3,931,517	2,084,188
Reversal of actuarial gain on defined benefit plan from the employee transferral		(2,356,871)	-	-	-
Reversal of actuarial gain on defined benefit plan from subsidiaries' liquidation	31	-	(282,349)	-	-
Income tax effect	39	(3,844,477)	(4,126,429)	(786,303)	(416,838)
		18,804,349	16,505,716	3,145,214	1,667,350
Reversal of surplus on revaluation of land from disposal		-	(6,899,010)	-	-
Income tax effect	39	-	1,379,802	-	-
		-	(5,519,208)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		18,804,349	10,986,508	3,145,214	1,667,350
Other comprehensive income (loss) for the year		42,549,019	(171,942,214)	3,145,214	1,667,350
Total comprehensive income (loss) for the year		(1,221,373,967)	(1,604,995,655)	2,358,288,836	202,526,349
Total comprehensive income attributable to:					
Equity holders of the Company		(1,025,985,837)	(1,112,958,712)	2,358,288,836	202,526,349
Non-controlling interests of the subsidiaries		(195,388,130)	(492,036,943)		
		(1,221,373,967)	(1,604,995,655)		

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

Statement of changes in shareholders' equity

Samart Corporation Public Company Limited and its subsidiaries

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements										
	Equity attributable to owners of the Company							Other components of shareholders' equity			
	Issued and fully paid-up share capital	Share premium	Deficit on changes in percentage of shareholding in subsidiaries	Retained earnings		Exchange differences on translation of financial statements in foreign currencies	Deficit on changes in value of available-for-sale investments	Surplus on revaluation of land	Surplus on revaluation of land of subsidiary companies	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company
				Appropriated - statutory reserve	Unappropriated reserve						
Balance as at 1 January 2017	1,006,503,910	243,404,011	(877,225,117)	120,780,469	5,104,698,280	(78,691,016)	(48,612,524)	125,898,600	177,220,689	175,815,759	5,773,977,312
Loss for the year	-	-	-	-	(947,959,844)	-	-	-	-	-	(947,959,844)
Other comprehensive income (loss) for the year	-	-	-	-	10,766,221	(163,136,312)	(9,493,315)	-	(3,135,461)	(175,765,088)	(164,988,867)
Total comprehensive income (loss) for the year	-	-	-	-	-	(163,136,312)	(9,493,315)	-	(3,135,461)	(175,765,088)	(1,112,958,711)
Dividend paid (Note 41)	-	-	-	-	-	-	-	-	-	-	(80,503,833)
Changes in shareholding percentage in subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiaries	-	-	-	-	-	-	-	-	-	-	(5,225,284)
Balance as at 31 December 2017	1,006,503,910	243,404,011	(877,225,117)	120,780,469	4,087,000,824	(241,827,328)	(58,105,839)	125,898,600	174,085,238	50,071	4,580,514,788
Balance as at 1 January 2018	1,006,503,910	243,404,011	(877,225,117)	120,780,469	4,087,000,824	(241,827,328)	(58,105,839)	125,898,600	174,085,238	50,071	4,580,514,788
Loss for the year	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income (loss) for the year	-	-	-	-	-	-	-	-	-	-	(1,075,635,093)
Total comprehensive loss for the year	-	-	-	-	-	-	-	-	-	-	-
Dividend paid (Note 41)	-	-	-	-	-	43,482,231	(8,751,497)	-	-	34,730,734	49,649,256
Changes in shareholding percentage in subsidiaries	-	-	-	-	-	43,482,231	(8,751,497)	-	-	34,730,734	(1,025,985,837)
Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2018	1,006,503,910	243,404,011	(1,014,976,913)	120,780,469	2,925,654,302	(198,345,097)	(66,857,336)	125,898,600	174,085,238	34,781,405	3,316,147,184

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

Statement of changes in shareholders' equity (continued)

Samart Corporation Public Company Limited and its subsidiaries

For the year ended 31 December 2018

(Unit: Baht)

	Separate financial statements					
	Share capital issued and fully paid	Share premium	Retained earnings		Other components of shareholders' equity	Total shareholders' equity
			Appropriated - Statutory reserve	Unappropriated		
Balance as at 1 January 2017	1,006,503,910	243,404,011	120,780,469	2,790,720,983	125,898,600	4,287,307,973
Profit for the year	-	-	-	200,858,999	-	200,858,999
Other comprehensive income for the year	-	-	-	1,667,350	-	1,667,350
Total comprehensive income for the year	-	-	-	202,526,349	-	202,526,349
Dividend paid (Note 41)	-	-	-	(80,503,833)	-	(80,503,833)
Balance as at 31 December 2017	1,006,503,910	243,404,011	120,780,469	2,912,743,499	125,898,600	4,409,330,489
Balance as at 1 January 2018	1,006,503,910	243,404,011	120,780,469	2,912,743,499	125,898,600	4,409,330,489
Profit for the year	-	-	-	2,355,143,622	-	2,355,143,622
Other comprehensive income for the year	-	-	-	3,145,214	-	3,145,214
Total comprehensive income for the year	-	-	-	2,358,288,836	-	2,358,288,836
Dividend paid (Note 41)	-	-	-	(100,629,951)	-	(100,629,951)
Balance as at 31 December 2018	1,006,503,910	243,404,011	120,780,469	5,170,402,384	125,898,600	6,666,989,374

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

Statement of cash flows

Samart Corporation Public Company Limited and its subsidiaries

For the year ended 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Cash flows from operating activities					
Profit (loss) before tax		(813,870,081)	(1,799,238,981)	2,366,172,207	204,583,582
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities					
Unrealised loss on exchange		72,284,590	6,219,476	4,530,425	3,535,041
Gain on disposal of current investments in trading securities	8, 35	-	(1,159,062)	-	(273,666)
Loss on change in value of current investments in trading securities	8, 37	52,895	306,502	1,083,500	496,250
Gain on sale of asset under finance lease agreements		-	(45,062,101)	-	-
Gain on changes in fair value of forward exchange contracts		(712,754)	-	-	-
Loss on the right assignment of receivable		-	3,400,000	-	-
Increase in bad debts and doubtful accounts		805,402,992	1,573,181,467	-	21,634,022
Increase in reduction cost of inventory to net realisable value	12	33,991,835	107,892,964	-	-
Write-off inventory		279,152	3,188,875	-	-
Write-off other receivables		131,871,385	30,471,605	-	-
Decrease in allowance for diminution in value of other receivables and sales promotion receivables		(19,457,241)	(9,106,102)	-	-
Write-off accrued revenue		230,000	-	-	-
Allowance for diminution in value of accrued revenue (reversal)		(5,267,220)	5,507,587	-	-
Write-off other current assets		10,136,692	-	-	-
Increase (decrease) in allowance for diminution in value of other current assets		(7,033,439)	3,305,000	-	-
Increase in allowance for diminution in value of other non-current assets		24,241,934	-	-	-
Write-off and allowance for diminution in value of withholding tax deducted at source		152,626,981	91,668,142	15,851,045	58,235,695
Loss on disposals of available-for-sale investments	15, 37	-	3,134,673	-	-
Loss on changes in shareholding percentage from associate to subsidiary		-	611,300	-	-
Gain from negative goodwill		-	(378,669)	-	-
Increase in allowance for diminution in value of investments in subsidiaries	16.1, 37	-	-	262,758,812	5,470,691
(Gain) loss on disposal of investments in subsidiaries	35, 37	(17,968)	6,947,712	-	-
(Gain) loss on the subsidiaries' liquidation	35, 37	(1,948,819)	1,306	84,845	-
Gain on revaluation of investment properties	18, 35	-	(700,000)	-	-
Write-off equipment		15,172,950	1,018,752	-	-
Loss on disposal of intangible asset		-	1,392,825	-	-

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

Statement of cash flows (continued)

Samart Corporation Public Company Limited and its subsidiaries

For the year ended 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Depreciation	19	1,458,214,257	1,659,113,854	38,236,292	28,131,491
Loss on impairment of equipment		15,143,672	126,849,261	-	-
(Gain) loss on disposal of equipment	35, 37	3,221,186	(29,043,426)	(423,241)	(1,435,182)
Gain on compensation received from insurance	35	(95,000)	(214,147)	(95,000)	-
Amortisation of prepaid rental to a related company	17	12,522,300	12,522,300	12,522,300	12,522,300
Interest expense related to present value of service concession arrangements		12,934,319	-	-	-
Amortisation of intangible assets	21	118,447,821	98,784,376	5,875,076	5,946,981
Depreciation of assets held for future projects	22	209,740	209,740	209,740	209,740

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

Statement of cash flows (continued)

Samart Corporation Public Company Limited and its subsidiaries

For the year ended 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Cash flows from operating activities (continued)					
Amortisation of unearned interest income					
under finance lease agreements		(18,401,314)	(14,490,452)	-	-
Amortisation of deferred interest expenses under					
finance lease agreements	38	1,839,976	1,648,276	729,410	757,777
Reversal of allowance for warranty		(73,000)	(5,928,000)	-	-
Increase (decrease) in provision for long-term employee benefits		31,776,324	13,529,657	(14,153,040)	1,862,043
Dividend income		(340,000)	(260,000)	(2,688,731,470)	(152,594,148)
Interest income		(22,668,736)	(13,302,431)	(39,804,494)	(48,774,755)
Interest expense	38	513,734,454	471,154,931	139,327,996	162,311,899
Write-off goodwill	37	-	513,500	-	-
Profit from operating activities before changes					
in operating assets and liabilities		2,524,449,883	2,303,690,710	104,174,403	302,619,761
Operating assets (increase) decrease					
Trade and other receivables		1,184,455,030	1,234,578,395	43,618,312	123,067,353
Inventories		236,935,936	31,039,779	(15,000,000)	-
Accrued income		(769,352,462)	826,249,426	13,144	408,505,636
Other current assets		98,350,421	(538,223,756)	(16,039,767)	11,492,487
Other non-current assets		(69,131,932)	(49,499,786)	(12,344)	7,429,819
Operating liabilities increase (decrease)					
Trade and other payables		613,107,718	(771,602,356)	(33,383,058)	(230,970,802)
Other current liabilities		134,277,301	90,295,244	4,053,812	(26,440,967)
Other non-current liabilities		(1,989,318)	(2,806,369)	(1,038,260)	1,088,263
Cash flows from operating activities		3,951,102,577	3,123,721,287	86,386,242	596,791,550
Cash paid for interest expenses		(512,241,824)	(469,197,702)	(141,044,408)	(162,511,937)
Cash paid for corporate income tax		(451,998,516)	(380,784,148)	(23,923,733)	(71,871,199)
Cash received from the right assignment of receivable		-	14,552,000	-	-
Cash received from withholding tax refundable		214,691,073	140,218,273	13,126,933	13,830,057
Net cash flows from (used in) operating activities		3,201,553,310	2,428,509,710	(65,454,966)	376,238,471

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

Statement of cash flows (continued)

Samart Corporation Public Company Limited and its subsidiaries

For the year ended 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Cash flows from investing activities					
Cash paid to provide short-term loans to related parties	6	-	-	(113,030,000)	(1,510,100,000)
Cash received from repayment of short-term loans to related parties	6	-	-	1,572,100,000	564,500,000
Cash received from repayment of short-term loans to employees		24,317	49,226	-	-
Cash paid to provide short-term loans to employees		(116,700)	(20,000)	-	-
Cash received from interest income		21,802,824	12,853,327	60,214,718	28,537,915
Cash paid for purchase of current investments in trading securities	8	(200,000)	-	-	-
Dividend received from current investments in trading securities	35	340,000	260,000	205,000	160,000
Dividend received from subsidiaries	16.1	-	-	2,688,526,470	152,434,148
Increase in fixed deposit with financial institution		(60,000,000)	-	-	-
Decrease (increase) in restricted bank deposits	7	(131,348,871)	1,648,861	-	-
Cash received from lease of assets under finance lease agreement		132,198,972	69,857,007	-	-
Proceed from sales of current investments in trading securities	8	-	7,114,311	-	2,964,291
Proceed from sales of available-for-sale investments	15	-	4,197,234	-	-
Increase in investments in subsidiaries		-	-	-	(25,423,870)
Net cash outflows from purchase of subsidiaries		-	(40,907,937)	(1,872,947,400)	(3,482,400)
Net cash inflows from disposal of investments in subsidiaries		18,241	19,209,935	-	-
Cash outflows from subsidiaries' liquidation		(13,541)	(77,567)	-	-
Proceeds from disposal of equipment		7,873,246	61,939,144	782,047	2,052,948
Cash paid for acquisition of equipment		(2,009,402,262)	(945,140,267)	(155,063,218)	(3,249,886)
Cash received from insurance claims		95,000	225,702	95,000	-
Cash paid for acquisition of intangible assets		(190,525,474)	(126,950,347)	(28,786)	(57,589,413)
Decrease in non-controlling interests of subsidiaries		(87,707,473)	(15,638,095)	-	-
Net cash flows from (used in) investing activities		(2,316,961,721)	(951,379,466)	2,180,853,831	(849,196,267)

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

Statement of cash flows (continued)

Samart Corporation Public Company Limited and its subsidiaries

For the year ended 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Cash flows from financing activities					
Decrease in bank overdrafts	23	(3,381,672)	(86,366,298)	-	-
Proceeds from short-term loans from financial institutions		7,438,515,403	9,062,180,912	1,690,000,000	3,678,000,000
Cash paid to settle short-term loans from financial institutions		(7,380,477,824)	(9,144,490,638)	(1,335,000,000)	(3,393,000,000)
Proceeds from bill of exchange		200,000,000	1,053,215,071	200,000,000	500,000,000
Cash paid to settle bill of exchange		(940,000,000)	(1,177,775,721)	(940,000,000)	(400,000,000)
Decrease in trust receipts	23	(127,563,746)	(129,072,719)	-	-
Proceed from short-term loans from related parties	6	-	-	807,988,000	236,420,804
Repayment of short-term loans from related parties	6	-	-	(396,543,583)	(130,000,000)
Repayment of short-term loans from unrelated parties		-	(2,600,000)	-	-
Proceeds from issuance debentures	26	1,460,000,000	1,210,000,000	-	-
Cash paid to debentures redemption	26	(3,225,000,000)	(1,310,000,000)	(1,250,000,000)	-
Proceeds from long-term loans from financial institutions	27	2,321,733,050	302,879,000	-	-
Cash paid to settle long-term loans from financial institutions	27	(721,846,113)	(568,176,858)	-	-
Proceed from long-term loans from related parties		-	-	-	162,414,500
Cash paid to settle long-term loans from related parties	6	-	-	(856,236,000)	-
Cash paid to settle liabilities under finance lease agreements		(18,004,443)	(20,776,045)	(9,098,829)	(8,023,893)
Dividend paid	41	(100,629,951)	(80,503,833)	(100,629,951)	(80,503,833)
Changes in shareholding percentage in subsidiaries		(137,751,796)	-	-	-
Increase in non-controlling interests of the subsidiaries from purchased additional ordinary share of subsidiary		400,612,853	-	-	-
Decrease in non-controlling interests of the subsidiaries from dividend payment		(70,388,900)	(65,981,620)	-	-
Net cash flows from (used in) financing activities		(904,183,139)	(957,468,749)	(2,189,520,363)	565,307,578
Increase (decrease) in translation adjustments		44,758,322	(84,051,078)	-	-
Net increase (decrease) in cash and cash equivalents		25,166,772	435,610,417	(74,121,498)	92,349,782
Cash and cash equivalents at beginning of the year		2,646,113,177	2,210,502,760	183,628,423	91,278,641
Cash and cash equivalents at end of the year		2,671,279,949	2,646,113,177	109,506,925	183,628,423

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

Statement of cash flows (continued)

Samart Corporation Public Company Limited and its subsidiaries

For the year ended 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Supplement disclosures of cash flows information					
Non-cash items					
Increase in fixed assets payable		499,555,115	56,261,262	83,728,770	19,780
Acquisitions of equipment under finance lease agreements		-	32,743,200	-	10,346,700
Transfer inventories to equipment		14,035,414	111,055,788	-	-
Transfer intangible assets to equipment		2,156,939	-	-	-
Transfer equipment to intangible assets		376,000	-	-	-
Increase in intangible asset payable		762,271	102,056	-	-
Transfer prepaid expenses to intangible assets		-	1,153,749	-	1,153,749
Convert short-term loan to long-term loan	27	558,794,111	-	-	-
Increase in receivable from the subsidiaries' liquidation		512,741	-	512,741	-
Increase in intangible assets related to service concession		29,890,846	-	-	-

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

Notes to consolidated financial statements

Samart Corporation Public Company Limited and its subsidiaries

For the year ended 31 December 2018

1. General information

Samart Corporation Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the design and installation of telecommunications systems, and the sales of telecommunications equipment. The registered office of the Company is at 99/1 Moo 4, Software Park Building, 35th Floor, Chaengwattana Road, Klong Gluar, Pak-Kred, Nonthaburi.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Samart Corporation Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Subsidiaries directly held by the Company

Company's name	Nature of business	Country of incorporation	Percentage of shareholding (direct and indirect)	
			2018 Percent	2017 Percent
The Samart Engineering Co., Ltd.	Manufacture and distribution of television and radio antenna and satellite dishes as well as the provision of Broadcast Network Solutions	Thailand	100	100
Samart U-Trans Co., Ltd.	Provision of system integrator for transportation energy and utilities system	Thailand	100	100
Samart Telcoms Public Co., Ltd.	Sale of telecoms equipment including designation, installation and communications system services	Thailand	70.14	70.14
Samart Digital Public Co., Ltd.	Distribution of communication and electronic equipment	Thailand	83.38	71.47
One to One Contacts Public Co., Ltd.	Provision of customer contact center services	Thailand	69.18	69.18
Vision and Security System Co., Ltd.	Provide services, sale, installation of security system, audio and video conference, wire and wireless communication system	Thailand	73	73
Suvarnabhumi Environment Care Co., Ltd.	Temporarily ceased its business	Thailand	90	90

Company's name	Nature of business	Country of incorporation	Percentage of shareholding (direct and indirect)	
			2018 Percent	2017 Percent
Samart RadiTech Co., Ltd.	Provision of nuclear technology services and use of radiation for commercial purposes	Thailand	100	100
Suvarnabhumi Environment Services Co., Ltd.	Liquidation was completed during the year (2017: Temporarily ceased its business)	Thailand	-	99.61
Cambodia Samart Co., Ltd. (The Company has control over this company's operations)	Leasing its freehold land to third parties in Cambodia	Cambodia	49	49
Samart Inter Holding Co., Ltd.	The holding company for investing in public utilities in the Indochina region	Hong Kong	100	100

Indirect subsidiaries held by the Company's subsidiaries

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			2018 Percent	2017 Percent
Subsidiaries held by One to One Contacts Public Co., Ltd.				
One to One Professional Co., Ltd.	Provide company personnel to perform work regarding providing information, news and information center on-site and off-site	Thailand	69.18	69.18
One to One (Cambodia) Co., Ltd.	Provision of customer contact center services	Cambodia	69.18	69.18
Inno Hub Co., Ltd.	Provision research and development related to software program, robot, equipment, tooling and artefact innovation	Thailand	69.18	-
Subsidiary held by Samart Inter Holding Co., Ltd.				
Kampot Power Plant Co., Ltd.	Sale the electricity to Bodaiju Residence Condominium in Phnom Penh by purchase electricity from Cambodia government (2017: Production and sale of electricity to Kampot Cement factory in Cambodia which produces cement, an affiliate of Siam Cement Group)	Cambodia	100	100
Subsidiary held by The Samart Engineering Co., Ltd.				
Contact-In-One Co., Ltd.	Institute of telecommunication mechanic	Thailand	100	100
Subsidiaries held by Samart U-Trans Co., Ltd.				
Teda Co., Ltd.	Engineering, procurement and construction (EPC) contractor and maintenance services for power substations and power transmission	Thailand	94.35	94.35
Samart U-Trans (Myanmar) Co., Ltd.	Provide services and consultations regarding trades in Myanmar	Myanmar	100	100
Samart Green Energy Co., Ltd. (formerly known as "Samart Waste2Power Co., Ltd.")	Provide municipal Solid Waste and Landfill Waste management by collecting, separating, Refused Derived Fuel (RDF) producing and convert waste to be electricity	Thailand	100	100
SAMART Transolutions Co., Ltd. (held by Samart U-trans Co., Ltd.: 66.67% and held by Samart Inter Holding Co., Ltd.: 33.33%)	Provide traffic control services and operate business related to all type of transportation electricity	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			2018 Percent	2017 Percent
Subsidiary held by Teda Co., Ltd. Transec Power Services Co., Ltd.	Installation, commissioning and maintenance services for power substation and any high voltage systems	Thailand	94.35	94.35
Subsidiary held by SAMART Transolutions Co., Ltd. Cambodia Air Traffic Services Co., Ltd.	Provision of air traffic control services in Cambodia	Cambodia	100	100
Subsidiaries held by Samart Telcoms Public Co., Ltd. Samart Communication Services Co., Ltd.	Design and installation of communication network, public rural telephone project	Thailand	70.14	70.14
Posnet Co., Ltd.	Electronic fund transfer	Thailand	70.14	70.14
Thai Trade Net Co., Ltd.	Electronic data interchange	Thailand	70.14	70.14
Samart Comtech Co., Ltd.	Design and installation of telecommunications network	Thailand	70.14	70.14
Smarterware Co., Ltd.	Manufacture production of software packages and provision of software development services	Thailand	70.14	70.14
Samart Infonet Co., Ltd.	Provision for internet services	Thailand	70.14	70.14
Samart eD Tech Co., Ltd.	E-Learning courseware development consultation	Thailand	70.14	70.14
Portalnet Co., Ltd.	Design and installation of Enterprise Resource Planning (ERP) system and fully integrate ERP solution for government and public sectors	Thailand	70.14	70.14
Samart Broadband Services Co., Ltd.	Ceased its operation since 2008	Thailand	70.14	70.14
Net Media Co., Ltd.	Disposed during the year (2017: Distribution of information system and communications equipment)	Thailand	-	70.14
Subsidiary held by Samart Communication Services Co., Ltd. SLA Asia Co., Ltd.	Operate on installation of telecommunication network project	Thailand	63.13	63.13
Subsidiary held by Samart Broadband Services Co., Ltd. IT Absolute Co., Ltd.	Distribution of information system and communications equipment	Thailand	70.14	70.14
Subsidiaries held by Samart Comtech Co., Ltd. Net Service (Thailand) Co., Ltd.	Development of information technology system for government agencies and private companies	Thailand	42.08	42.08
Secure Info Co., Ltd.	Engage in cyber security services	Thailand	70.14	70.14

In addition, these consolidated financial statements include transactions of the following consortium, in which Portalnet Co., Ltd is a participant:

<u>Name</u>	<u>Objective</u>	<u>Consortium Type</u>	<u>Country of incorporation</u>
Consortium SPIES	The leasing of an application software for core business operations to the Provincial Electricity Authority	Joint control	Thailand

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			2018 Percent	2017 Percent
Subsidiaries held by Samart Digital Public Co., Ltd.				
Samart Digital Media Co., Ltd. (formerly known as "Samart Multimedia Co., Ltd.")	Provision content services via Audiotext and Call center	Thailand	83.38	71.47
I-Mobile Plus Co., Ltd.	Provision of wireless telecommunication business	Thailand	83.38	71.47
Zecureasia Co., Ltd.	Distributor of mobile phones	Thailand	83.38	71.47
SIM2ASSET Co., Ltd.	Real estate agent services	Thailand	83.38	71.47
Thai Base Station Co., Ltd.	Provision space rental and other services and distribution telecommunication equipment and system	Thailand	83.38	71.47
Samart Mobile Services Co., Ltd.	Temporarily ceased its business	Thailand	81.21	69.61
Teleconnex Co., Ltd.	Liquidation was completed during the year (2017: In process of liquidation)	Hong Kong	-	71.47
Subsidiaries held by Samart Digital Media Co., Ltd. (formerly known as "Samart Multimedia Co., Ltd.")				
I-Sport Co., Ltd.	Provision of information of sports via full option interactive multimedia	Thailand	41.69	35.74
Entertainment Tree Co., Ltd. (The Company has control and sets policies for operation and financial management over this company)	Production, sale and provision of all kinds of entertainment-related content through multiple channels	Thailand	37.52	32.16
Subsidiaries held by I-Sport Co., Ltd.				
Siam Sport Television Co., Ltd.	TV media, sport license and sport-related business	Thailand	41.69	35.74
I-Sport Media Co., Ltd.	Liquidation was completed during the year (2017: Temporarily ceased its business)	Thailand	-	35.74

- 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.
- 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 the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currencies” in the statement of changes in shareholders’ equity.
- f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- g) 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 profit and loss and within equity in the consolidated statement of financial position.
- h) In recording the acquisition of ownership interests in subsidiaries without change of control (repurchase of shares from non-controlling interests) when the carrying amount of the net assets acquired is lower than the cost of the investment, the difference has been presented in shareholders’ equity under the caption of “Deficit on changes in percentage of shareholding in subsidiaries”. When the carrying amount of the net assets acquired is higher than the cost of the investment, the difference has been presented under the caption of “Surplus on changes in percentage of shareholding in subsidiaries”.

2.3 The separate financial statements present investments in subsidiaries under the cost method.

3 New financial reporting standards

a. Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for annual reporting periods beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries’ financial statements.

b. Financial reporting standards that will become effective for annual reporting periods beginning on or after 1 January 2019

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for annual reporting periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company and its subsidiaries believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries believe that this standard will not have any significant impact on the financial statements when it is initially applied.

c. Financial reporting standards related to financial instruments that will become effective for annual reporting periods beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the entity's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Revenues from contract work

Revenues from construction contracts, excluding value added tax, are recognised by reference to the stage of completion. Stage of completion is measured by reference to the proportion that costs incurred to date bear to the estimated total cost of the contracts. Provision for the total anticipated loss on the projects will be made in the accounts as soon as the possibility of loss is ascertained.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Facility rental service and customer service representative outsource are recognised as revenue on a monthly basis, as stipulated in the agreement.

Transponder rental income

Transponder rental income is recognised as revenue on a monthly accrual basis, in accordance with the payments due under the agreement.

Sales of equipment including designation and installation

Sales of equipment including designation and installation are recognised as income by reference to the stage of completion.

Advertising income

Advertising income is recognised upon the broadcasting of such programmes.

Revenue from telephone services

Revenue from telephone services is recognised when the telephone services have been rendered.

Revenue from sales under finance lease agreements

Finance lease receivables have been recorded based on the contractual value. The difference between the contractual value and the value equivalent to the cash price of the asset is recognised as unearned interest income. Interest income on finance leases is recognised over the term of the lease using the effective interest rate.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist cash in hand and at banks and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.4 Inventories

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. The cost of inventories includes all production costs and attributable factory overheads.

Raw materials and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimate costs necessary to make the sale.

4.5 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. If the last bid price of the last working day of the year as quoted on the Stock Exchange of Thailand is not available, the basis used by the Company and its subsidiaries to determine the fair value of marketable securities is the amount for which an asset can be exchanged or liability settled between knowledgeable, willing parties in an arm's length transaction.

The weighted average method is used for computation of the cost of investments.

In the event the Company and its subsidiaries reclassify investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending as the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Any gains or losses arising from changes in the value of investment properties are recognised in profit or loss when incurred.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.7 Property, plant and equipment and depreciation/ Assets held for future projects

Land is stated at revalued amount. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to its fair value. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Company's and subsidiaries' assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in equity under the heading of "Revaluation surplus". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company's and subsidiaries' assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus" in respect of the same asset.

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings and improvement	-	3 - 33 years
Office equipment	-	3 - 10 years
Machinery, tools and equipment	-	3 - 15 years
Motor vehicles	-	5 and 7 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.9 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to the profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3, 5, 10 years and contract periods
License	5 years
Right for air time	5 years
Right for telecommunication tower service	10 years

4.10 Service concession arrangements

The subsidiary determines conditions of an arrangement whereby a grantor, which is the Royal Government, controls or regulates what services the operator must provide using the assets and also controls any significant residual interest in the assets at the end of the term of the arrangement.

The subsidiary recognises and measures the consideration received depending on the conditions of service concession arrangement. An intangible asset is recognised to the extent that the subsidiary receives a right to charge users of the public service. A financial asset is recognised to the extent that an operator has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor.

The subsidiary recognises the consideration, based upon the conditions of service concession arrangement, received from the air traffic control service and system installation in Cambodia as an intangible asset because the subsidiary receives a right to charge users of the public service and amortises such intangible asset as expense in the profit or loss on a straight-line basis of the concession period.

4.11 Business combinations and goodwill

Business combinations are accounted for using the acquisition method with the cost of the acquisition being the fair value at the acquisition date of consideration transferred, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest, if any, in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and the services are received.

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in the profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's and its subsidiaries' cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company and its subsidiaries estimate the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.12 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.13 Long-term leases

Finance leases

Leases of plant and equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets or the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance lease is depreciated over the useful life of the asset.

Operating leases

Leases of property, plant and equipments which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operation lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

4.14 Arrangement contains a lease

The Company and its subsidiary companies determines whether an arrangement is, or contains, a lease, based on the substance of the arrangement as at the effective date of the arrangement. This is to conclude whether the arrangement meets the criteria pertaining to fulfilment of the arrangement depending upon a specific asset and the arrangement conveying a right to control the use of the underlying asset.

4.15 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.16 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment reviews and when circumstances indicate that the carrying value may be impaired in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information

available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss. However in cases where land was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.17 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries 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 defined benefit plan benefits are recognised immediately in other comprehensive income.

Provision for vacation

The Company and its subsidiaries have set up provision for vacation which is calculated in accordance with the Company's and its subsidiaries' policy and formula, taking into consideration the employee's salary, the number of service years and the unused vacation days.

4.18 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.19 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current income tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.20 Derivatives

Forward exchange contracts

Forward exchange contracts are stated at fair value, which is calculated by reliable financial institutions. Gains or losses arising from changes in the fair value of the contracts are recognised in profit or loss.

4.21 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises 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 categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries 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.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

5.1 Construction contracts

Contract revenue is recognised by reference to the stage of completion of the contract activity, when the outcome of a construction contract can be estimated reliably. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Significant assumptions are required to estimate the total contract cost and the recoverable variation works that will affect the stage of completion. The management is required to make judgement and estimates based on past experience and knowledge of the project engineers.

5.2 Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

5.3 Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

5.4 Reduction cost to net realisable value of inventories

Determining the reduction cost to net realisable value of inventories requires management to exercise judgement in term of estimating losses on outstanding inventories, based on the selling price expected in the ordinary course of business less the estimated costs to completion or estimated additional expenses to be incurred in preparing the inventory for sale, and reduction cost of inventories for obsolete, slow-moving and deteriorated inventories, and taking into account the approximate useful life of each type of inventory and current changes in technology.

5.5 Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Company measures land at revalued amounts. Such amounts are determined by the independent valuer using the market approach. The valuation involves certain assumptions and estimates as described in Note 19.

In addition, 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.

5.6 Goodwill

The initial recognition and measurement of goodwill, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

5.7 Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that the Company and its subsidiaries will have taxable profit that will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

5.8 Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

5.9 Litigation and delay penalty

The subsidiary companies have contingent liabilities as a result of litigation and delay penalty. The managements have used judgement to assess the results of the litigation and delay penalty in which they believe that the provisions made would be sufficient as at the end of reporting period. However, actual results could differ from the estimates.

6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties, principally in respect of the purchase and sales of goods, services and loans. Such transactions, which were summarised below, were concluded on terms and bases agreed upon between the Company and its related parties. The pricing policies with its related parties summarised as follows:

1. Sales prices are determined at market price, if there is unknown market price, sales price will be determined at cost plus a margin not over 15 percent. However, the pricing policy is subject to change depending on the type of business and market competition at the time being.
2. Management fees and rental income are charged at the amount stated in the agreement.
3. IT service fees income from subsidiary companies are charged at the amount stated in the agreement based on cost plus a margin not over 5 percent.
4. Other service income and expenses are charged at a mutually agreed price.
5. Interest on loans are charged at cost plus margin as follows:
 - 5.1 Cost of fund plus 0.25 percent per annum.
 - 5.2 12-month fixed deposit rate of the commercial banks that frequently use.
 - 5.3 Average saving deposit rate of the big five commercial banks plus 0.25 percent per annum.
6. Fixed assets are sold and purchased at market price or their net book value plus a margin, depending on the condition of the fixed assets.
7. Guarantee fee is charged between the parties at a rate of 0.3 percent per annum.
8. Management benefit expenses are charged as approved by the shareholders' meeting or contractually agreed price.
9. Dividend income is recognised when declared and the right to receive the dividend is established.

Significant business transactions between the Company and its related parties were summarised below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Transactions with subsidiary companies (eliminated from the consolidated financial statements)				
Purchase of goods and services	-	-	17	10
Management fee income	-	-	82	451
Guarantee fee income	-	-	6	4
IT Service fee income	-	-	95	98
Dividend income	-	-	2,689	152
Interest income	-	-	39	48
Disposals of fixed assets	-	-	1	1
Purchase fixed assets	-	-	44	-
Other income	-	-	121	72
Other expenses	-	-	16	13
Interest expenses	-	-	10	6
Transactions with related companies				
Sales and service income	11	25	-	-
Purchase of goods and service	18	17	-	-
Purchase fixed assets	17	-	-	-
Other income	9	8	3	4
Other expenses	111	99	64	63

As at 31 December 2018 and 2017, the balances of the account between the Company and those related parties were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade accounts receivable - related parties (Note 9)				
Related companies (related by shareholder)	691	3,111	-	-
Total trade accounts receivable - related parties	691	3,111	-	-
Amount due from and advance to related parties (Note 9)				
Subsidiary companies	-	-	44,700	108,888
Related companies (related by shareholder)	1,571	2,005	428	879
Total amount due from and advance to related parties	1,571	2,005	45,128	109,767
Trade accounts payable - related parties (Note 24)				
Subsidiary companies	-	-	114,388	113,892
Related companies (related by shareholder)	940	1,792	8	-
Total trade accounts payable - related parties	940	1,792	114,396	113,892
Other payables and accrued interest expenses - related parties (Note 24)				
Subsidiary companies	-	-	3,808	4,274
Related companies (related by shareholder)	6,697	3,631	1,877	1,014
Total other payables and accrued interest expenses - related parties	6,697	3,631	5,685	5,288

Loans to related parties and loans from related parties

As at 31 December 2018 and 2017, the balances of loans between the Company and those related parties and the movements were as follows:

Loans to subsidiary companies

(Unit: Thousand Baht)

Short-term loans to subsidiary companies (Note 11)	Separate financial statements			
	2017	During the year		2018
		Increase	Decrease	
The Samart Engineering Co., Ltd.	565,000	-	(126,600)	438,400
Suvarnabhumi Environment Care Co., Ltd.	207,991	7,030	-	215,021
Samart U-Trans Co., Ltd.	-	60,000	-	60,000
Samart Digital Public Co., Ltd.	1,310,000	46,000	(1,356,000)	-
Vision and Security System Co., Ltd.	89,500	-	(89,500)	-
Total	2,172,491	113,030	(1,572,100)	713,421

Loans from subsidiary companies

(Unit: Thousand Baht)

Short-term loans from subsidiary companies (Note 25)	2017	Separate financial statements			
		During the year		Unrealised loss on exchange	2018
		Increase	Decrease		
Samart Inter Holding Co., Ltd.	148,019	317,988	(90,544)	4,493	379,956
Samart Transolution Co., Ltd.	-	400,000	(110,000)	-	290,000
Samart U-Trans Co., Ltd.	106,000	-	(106,000)	-	-
Teda Co., Ltd.	-	90,000	(90,000)	-	-
Total	254,019	807,988	(396,544)	4,493	669,956

(Unit: Thousand Baht)

Long -term loans from subsidiary companies	Separate financial statements		
	2017	Decrease during the year	2018
Cambodia Air Traffic Services Co., Ltd.	706,236	(706,236)	-
Kampot Power Plant Co., Ltd.	186,000	(150,000)	36,000
Total	892,236	(856,236)	36,000

- a) On 27 November 2012, the Company obtained a Baht loan from Cambodia Air Traffic Services Co., Ltd., a subsidiary company, amounting to Baht 442 million which bears interest at the average saving deposit rate of the big five commercial banks plus 0.25 percent per annum. This loan will be matured in full within the year 2022.

In addition, on 3 February 2014, the Company obtained an additional Baht loan from Cambodia Air Traffic Services Co., Ltd., amounting to Baht 100 million which bears interest at the average saving deposit rate of the big five commercial banks plus 0.25 percent per annum. This loan will be mature in full in the fifth year (2 February 2019) from the date of first drawdown (3 February 2014).

Later, on 6 December 2017, the Company obtained an additional Dollar loan from Cambodia Air Traffic Services Co., Ltd., amounting to USD 5 million, equivalent to Baht 162 million which bears interest at the average saving deposit rate of the big five commercial banks plus 0.25 percent per annum. This loan will be mature in full in the fifth year (5 December 2022) from the date of first drawdown (6 December 2017).

During the year 2018, the Company has fully repaid such loans.

- b) On 7 December 2012, the Company obtained a Baht loan from Kampot Power Plant Co., Ltd., a subsidiary company, amounting to Baht 186 million which bears interest at the average saving deposit rate of the big five commercial banks plus 0.25 percent per annum. This loan will be mature in full within the year 2022.

During the year 2018, the Company has repaid partial of loan amounting to Baht 150 million.

Directors and management's benefits

During the years ended 31 December 2018 and 2017, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Short-term employee benefits	91	102	30	44
Post-employment benefits	2	1	1	1
Total	93	103	31	45

Significant agreements with related parties

Long-term rental agreements

- a) The Company and its subsidiary companies entered into office rental agreements with Vilailuck International Holding Co., Ltd., a related company, for use in their operations. These contracts will expire in April 2020. The Company and its subsidiary companies have to pay a monthly rental fee of approximately Baht 2.3 million (2017: Baht 1.9 million) (Separate financial statements: Baht 0.5 million (2017: Baht 0.5 million)).
- b) The Company and its subsidiary companies entered into office rental agreements with CSV Asset Co., Ltd., a related company, for use in their operations. These contracts will expire in December 2020. The Company and its subsidiary companies have to pay a monthly rental fee of approximately Baht 0.6 million (2017: Baht 0.6 million) (Separate financial statements: Baht 0.2 million (2017: Baht 0.2 million)).

Service agreements

- a) The Company and its subsidiary companies entered into facility service agreements with Vilailuck International Holding Co., Ltd., a related company. These contracts will expire in April 2020, under which they have to pay monthly facility service fees of approximately Baht 6.1 million (2017: Baht 5.6 million) (Separate financial statements: Baht 3.0 million (2017: Baht 3.0 million)).

- b) The Company and its subsidiary companies entered into facility service agreements with CSV Asset Co., Ltd., a related company. These contracts will expire in December 2020, under which they have to pay monthly facility service fees of approximately Baht 0.8 million (2017: Baht 0.8 million) (Separate financial statements: Baht 0.3 million (2017: Baht 0.3 million)).

The commitment under the operating lease agreements with the related parties was disclosed in Note 45.2.1 to the financial statements.

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 45.4.2 to the financial statements.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash	3,056	4,250	20	20
Bank deposits	2,903,131	2,745,422	109,487	183,608
Less: Restricted bank deposits	(234,907)	(103,559)	-	-
Total	2,671,280	2,646,113	109,507	183,628

As at 31 December 2018, bank deposits in saving accounts and fixed deposits carried interests at the rate between 0.01 and 2.60 percent per annum (2017: between 0.05 and 4.00 percent per annum).

8. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trading securities (Note 8.1)	17,258	17,111	8,930	10,014
Fixed deposit with financial institution	60,000	-	-	-
Total	77,258	17,111	8,930	10,014

As at 31 December 2018, fixed deposit with financial institution carried interests at the rate between 1.05 and 1.15 percent per annum (2017: nil).

8.1 Current investments in trading securities

Movements of the current investments in trading securities account for the years ended 31 December 2018 and 2017 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Balance at beginning of year	17,111	23,373	10,014	13,200
Purchases during the year				
Cash paid for current investments in trading securities	200	-	-	-
Fair value of converted warrants classified as trading securities at conversion date	732	-	-	-
Total	932	-	-	-
Disposals during year				
Cash received from disposals of current investments	-	(7,114)	-	(2,964)
Gain from disposal of current investments (Note 35)	-	1,159	-	274
Total	-	(5,955)	-	(2,690)
Decrease in warrants due to conversion to trading securities - at fair value				
At cost	(3,910)	-	-	-
Loss on change in value until conversion date	3,178	-	-	-
Total	(732)	-	-	-
Loss on change in value (Note 37)	(53)	(307)	(1,084)	(496)
Balance at end of year	17,258	17,111	8,930	10,014

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade accounts receivable - related parties (Note 6)				
<i>Aged on the basis of due dates</i>				
Not yet due	264	2,269	-	-
Past due				
Up to 3 months	164	348	-	-
3 - 6 months	-	154	-	-
6 - 12 months	77	176	-	-
Over 12 months	186	164	-	-
Total trade accounts receivable - related parties	691	3,111	-	-
Trade accounts receivable - unrelated parties				
<i>Aged on the basis of due dates</i>				
Not yet due	933,823	1,389,297	-	-
Past due				
Up to 3 months	617,205	394,906	-	-
3 - 6 months	85,813	88,076	-	-
6 - 12 months	51,128	119,132	-	-
Over 12 months	4,664,620	5,536,344	117,038	117,038
Total	6,352,589	7,527,755	117,038	117,038
<u>Less:</u> Allowance for doubtful debts	(2,480,969)	(1,677,892)	(22,222)	(22,222)
Allowance for sales return	-	(1,122)	-	-
Total trade accounts receivable - unrelated parties, net	3,871,620	5,848,741	94,816	94,816
Total trade accounts receivable - net	3,872,311	5,851,852	94,816	94,816

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Other receivables				
Amount due from and advance to related parties (Note 6)	1,571	2,005	45,128	109,767
Security business receivables	1,022,626	1,022,626	-	-
Other receivables - unrelated parties	180,959	316,033	1,233	155
Total	1,205,156	1,340,664	46,361	109,922
Less: Allowance for doubtful debts	(1,060,590)	(1,080,047)	(54)	(54)
Total other receivables - net	144,566	260,617	46,307	109,868
Total trade and other receivables - net	4,016,877	6,112,469	141,123	204,684

- a) As at 31 December 2018 and 2017, Samart Digital Public Co., Ltd., a subsidiary company, and its subsidiaries had outstanding accounts receivable from unrelated parties past due over 12 months of approximately Baht 3,624 million and Baht 4,380 million, respectively.

During the year 2017, Samart Digital Public Co., Ltd. and its subsidiaries received a repayment of Baht 723 million. Since the inability to repay as agreed, Samart Digital Public Co., Ltd. and its subsidiaries have evaluated the accounts receivable collectability and set aside an allowance for doubtful debts of approximately Baht 1,539 million. As a result, net receivable as at 31 December 2017 was approximately Baht 2,841 million.

During the year 2018, Samart Digital Public Co., Ltd. and its subsidiaries had continually received repayments of approximately Baht 756 million. They have re-evaluated the accounts receivable collectability and set aside an additional allowance for doubtful debts of approximately Baht 666 million. As a result, net receivable as at 31 December 2018 was approximately Baht 1,419 million.

Samart Digital Public Co., Ltd. and its subsidiaries have evaluated and believed that they will receive repayments from debtors because they have been doing business together for a long time and the customers are trustworthy considering their continuing repayments. Samart Digital Public Co., Ltd. and its subsidiaries have evaluated the accounts receivable collectability and believed that the allowance for doubtful debts, considering the current situation, as at 31 December 2018 was sufficient and appropriate and it would be able to collect the remaining debt after deducting the allowance for doubtful debts. Although Samart Digital Public Co., Ltd. and its subsidiary have evaluated and exercised its best estimate, there is still uncertainty about the changing situation, which is normal for future events that have not yet occurred.

- b) In 2018, Samart Digital Public Co., Ltd. and its subsidiaries wrote-off trade accounts receivable and other receivables approximately Baht 133 million (2017: nil).
- c) The Company and four subsidiary companies (Samart Telcoms Public Co., Ltd., Samart Communication Services Co., Ltd., Samart Comtech Co., Ltd. and Portalnet Co., Ltd.) have transferred their collection rights from projects and trade accounts receivable to banks as collateral for loans and credit facilities. As at 31 December 2018, the balances of the above trade accounts receivable included the receivables that were transferred their collection rights to banks totaling Baht820 million (2017: Baht 930 million) (Separate financial statements: Baht 95 million (2017: Baht 95 million)).
- d) As at 31 December 2018, trade accounts receivable of Samart Telcoms Public Co., Ltd., a subsidiary company, included amounts of Baht 3 million (2017: Baht 4 million) receivable from financial institutions which were ordered to cease their operations by the authorities. The subsidiary company has already provided full allowance for doubtful accounts for these amounts.

e) Securities business receivables

As at 31 December 2018, IT Absolute Co., Ltd., a subsidiary company (formerly operate securities business), had securities business receivables which are under legal proceedings, undergoing restructuring or being settled in installments, to Baht 1,023 million (2017: Baht 1,023 million), on which the subsidiary already fully set up allowance for doubtful account.

In addition during the year 2009, the subsidiary company has filed lawsuits with the Civil Court and the Bankruptcy Court, seeking to have the seven customers settled their total outstanding debts of Baht 978 million to the subsidiary company. The seven debtors are under absolute receivership by the Central Bankruptcy Court and these are being carried out in accordance with the process laid down under bankruptcy laws. The Civil Court dismissed the lawsuits of seven debtors so that the subsidiary company could receive settlement in the bankruptcy cases.

The share purchase agreement of shares in IT Absolute Co., Ltd., on 3 February 2012, stated that if IT Absolute Co., Ltd., receives any repayment or benefit subsequent to share transfer date (all together called “repayment”) arising from obligation before or at share transfer date, Samart Broadband Services Co., Ltd., a subsidiary company, (buyer) shall order IT Absolute Co., Ltd., to transfer the repayment made by the previous shareholder (a bank) at the rate of 99.7888 percent as formula which was described in the agreement.

f) On 2 November 2015, One to One Contacts Public Co., Ltd., a subsidiary company, filed a lawsuit with the Civil Court, seeking settlement of a government agency as a trade accounts receivable (unrelated party) that were past due totaling approximately Baht 78 million (included accrued income amounted to approximately Baht 4 million) for contact center service. On 21 November 2016, the Civil Court ordered that such government agency has to repay the full amount of debt, with interest charged, to the subsidiary company. Later, on 19 January 2017, the government agency appealed against the Civil Court’s verdict and on 15 August 2017, the Appeal Court affirmed the judgment of the Court of First Instance and such government agency has to repay the full amount of debt, with interest charged, to the subsidiary company. Subsequently, on 13 September 2017, the government agency appealed against the Appeal Court’s verdict and filed an appeal with the Supreme Court. And, on 3 January 2018, the Supreme Court accepted the government agency’s appeal against the verdict of the Appeal Court. Presently, the case is under consideration of the Supreme Court. However, the subsidiary company’s management believes that full settlement will be received. Therefore, as at 31 December 2018, the subsidiary company has not set aside any allowance for doubtful accounts for such debtor.

g) On 23 November 2016, the Company, is at 60 percent investing in SPS Consortium, filed a lawsuit with the Administrative Court, seeking settlement of a government agency, as a trade account receivable of SPS Consortium for the outstanding service fees for the 44th - 120th installments that were past due totalling Baht 194 million. Subsequently, the Court has accepted to consider only the outstanding service fees for the 60th - 120th installments, totaling Baht 158 million, as they are in the 5-year period of the statute of limitation. The Company has recorded this account receivable of Baht 116 million in its financial statements, based on investing proportion, and also set aside allowance for such doubtful account for the portion of the Court which has not accepted amounting to Baht 22 million. However, the management of Company believes it will receive the service fees accepted by the Court in full. Therefore as at 31 December 2018, the Company has not set aside any allowance for doubtful accounts for the remaining amount.

- h) On 27 September 2018, One to One Contacts Public Co., Ltd., a subsidiary company, filed a law suit with the Civil Court, seeking settlement to be made a private company as a trade accounts receivables (unrelated party) that had been past due totaling approximately Baht 2.7 million for contact center service. Presently, the case is under consideration of the Civil Court. However, as at 31 December 2018, the subsidiary company set an allowance for doubtful accounts for such debtor of approximately Baht 1.8 million. The subsidiary company's management believes that the allowance for doubtful accounts for such debtor is adequate.
- i) Other than those mentioned in a) - h) above, as at 31 December 2018, allowance for doubtful debts has not been set aside in full amount for the outstanding balances of the subsidiaries' trade accounts receivable - unrelated parties that were aged more than 12 months past due totaling Baht 4,545 million (2017: Baht 5,415 million). This is because trade accounts receivable are government units and private companies, that obtained government projects or are large private companies. Those accounts receivable have business transactions with the group regularly and have continued to make repayment. The above accounts receivable have no uncollectable experience and the process of payment approval for such receivables normally take a long time. The subsidiary companies have still followed up these debts and are confident that all debts could be collected. Therefore, the management of the subsidiary companies believe that the allowance for doubtful debts is appropriate and adequate.

10. Finance lease receivables

(Unit: Thousand Baht)

	Consolidated financial statements	
	2018	2017
Finance lease receivables (contractual value)	610,149	610,149
<u>Less:</u> Receipts	(189,605)	(57,406)
Finance lease receivables	420,544	552,743
<u>Less:</u> Unearned interest income	(28,335)	(46,736)
Finance lease receivables - net of unearned interest income	392,209	506,007
<u>Less:</u> Current portion of finance lease receivables	(118,211)	(123,967)
Finance lease receivables - net of current portion	273,998	382,040

Vision and Security System Co., Ltd., a subsidiary company, entered into a rental agreement for the 2nd CCTV project with a government unit which the total revenue is Baht 610 million. The agreement period is 5 years and carries interest at 4.525 percent per annum. The rental is to be paid on a monthly basis. The subsidiary has transferred its fee collection rights under the agreement to banks to secure loans as mentioned in Note 27 to the financial statements.

As at 31 December 2018, the balance of the above trade accounts receivable including the receivables related to fee collection rights transferred to banks totaling Baht 151 million (2017: Baht 243 million).

11. Short-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Short-term loans to related parties (Note 6)	-	-	713,421	2,172,491
Short-term loan to unrelated party	12,000	12,000	-	-
Short-term loans to employees	105	12	-	-
Total short-term loans	12,105	12,012	713,421	2,172,491

Short-term loan to unrelated party of Baht 12 million is loan which Samart Green Energy Co., Ltd. (formerly known as “Samart Waste2Power Co., Ltd.”), a subsidiary company, lend to an individual on 27 October 2016 for a period of 1 year from the contract date. This agreement shall continue in force and effect from year to year after the expiration date without renewal agreement. The loan carries interest at 7.125% per annum, and interest is paid every six months. However, on 25 September 2018, the subsidiary company received a formal letter from the borrower regarding the loan repayment whereby the borrower will repay all outstanding principal and interest within 31 March 2019.

12. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2018	2017	2018	2017	2018	2017
Finished goods	509,553	749,483	(390,218)	(404,770)	119,335	344,713
Work in process	253,475	260,894	(55,158)	(40,287)	198,317	220,607
Raw materials and supplies	117,074	119,640	(72,948)	(39,275)	44,126	80,365
Goods in transit	1,818	3,153	-	-	1,818	3,153
Total	881,920	1,133,170	(518,324)	(484,332)	363,596	648,838

(Unit: Thousand Baht)

	Separate financial statements	
	2018	2017
Work in process	15,000	-
Total	15,000	-

During the current year, the subsidiary companies recorded the reduced cost of inventories by Baht 34 million (2017: Baht 108 million) to reflect the net realisable value. This was included in cost of sales.

13. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Advance for purchase of inventories and equipment	442,423	500,531	-	-
Withholding tax and prepaid tax expenses	430,916	491,797	19,016	25,779
Prepaid expenses	255,063	221,493	19,116	22,343
Refundable value added tax	242,360	143,349	14,094	-
Advance payments	228,174	305,624	8,291	4,520
Others	194,743	304,255	11,967	12,938
<u>Less:</u> Allowance for diminution in value of other current assets	(5,168)	(12,201)	-	-
Total other current assets - net	1,788,511	1,954,848	72,484	65,580

14. Restricted bank deposits

These represent fixed deposits pledged by some subsidiaries with the banks to secure credit facilities, and letter of guarantees obtained from the banks.

15. Available-for-sale investments

As at 31 December 2018 and 2017, the subsidiary companies have available-for-sale investments as the followings:

(Unit: Thousand Baht)

Common stock/Warrant	Consolidated financial statements					
	2018			2017		
	No. of shares	Cost	Fair value	No. of shares	Cost	Fair value
	(Thousand shares)			(Thousand shares)		
Siam Sport Syndicate Public Co., Ltd.	29,150	76,068	4,373	29,150	76,068	22,234
Seven Utilities and Power Public Co.,Ltd. (formerly known as "Ferrum Public Co.,Ltd.")	30,000	107,750	13,200	30,000	107,750	17,100
Total		183,818	17,573		183,818	39,334
<u>Less:</u> Change in value		(166,245)			(144,484)	
Total available-for-sale investments - net		17,573			39,334	

Movements of available-for-sale investments account during the years ended 31 December 2018 and 2017 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2018	2017
Net book value at beginning of the year	39,334	70,272
Disposals during the year		
Proceeds from sales	-	(4,197)
Loss on disposal (Note 37)	-	(3,135)
Total	-	(7,332)
Reclassification of loss on changes in value previously recorded in other comprehensive income to profit or loss	-	3,061
Loss on changes in value	(21,761)	(26,667)
Net book value at end of the year	17,573	39,334

16. Investments in subsidiaries

16.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Direct shareholding percentage		Cost		Dividend received during the year	
	2018 Million Baht	2017 Million Baht	2018 Percent	2017 Percent	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
The Samart Engineering Co., Ltd.	250	250	100	100	287,258	287,258	-	-
Samart U-Trans Co., Ltd.	500	500	100	100	500,135	500,135	745,000	-
Samart Telcoms Public Co., Ltd.	618	618	70.14	70.14	1,537,050	1,537,050	143,043	108,366
Samart Digital Public Co., Ltd.*	1,132	440	82.70	70.94	5,677,525	3,804,577	-	-
One to One Contacts Public Co., Ltd.	280	280	68.43	68.43	89,609	89,609	21,076	44,068
Vision and Security System Co., Ltd.	20	20	73	73	17,482	17,482	-	-
Suvarnabhumi Environment Care Co., Ltd.	50	50	90	90	44,990	44,990	-	-
Samart RadiTech Co., Ltd.	46	46	100	100	46,000	46,000	-	-
Suvarnabhumi Environment Services Co., Ltd. (Liquidation was completed during the year)	-	25.7	-	99.61	-	25,649	-	-
Cambodia Samart Co., Ltd. (The Company has control over this company's operation)	USD 25,000	USD 25,000	49	49	24,244	24,244	-	-
Samart Inter Holding Co., Ltd.	USD 17 million	USD 17 million	100	100	583,829	583,829	1,779,407	-
Total investments in subsidiaries					8,808,122	6,960,823	2,688,526	152,434
Less: Allowance for diminution in value of investments					(324,707)	(86,999)		
Total investments in subsidiaries - net					8,483,415	6,873,824		

* As at 31 December 2018, the Company has warrants SDC-W1 of 1.6 million units (2017: Nil).

16.2 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Thousand Baht)

Company's name	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		Dividends paid to non-controlling interests during the year	
	2018	2017	2018	2017	2018	2017	2018	2017
	(%)	(%)						
Samart Digital Public Co., Ltd. and its subsidiaries	16.62	28.53	156,158	222,356	(287,194)	(581,441)	-	-
Samart Telcoms Public Co., Ltd. and its subsidiaries	29.86	29.86	1,086,372	1,047,363	97,250	57,570	60,896	46,133
One to One Contacts Public Co., Ltd. and its subsidiaries	30.82	30.82	262,844	266,121	7,152	16,453	9,493	19,849

16.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling

Summarised information about financial position

(Unit: Thousand Baht)

	Samart Digital Public Co., Ltd. and its subsidiaries		Samart Telcoms Public Co., Ltd. and its subsidiaries		One to One Contacts Public Co., Ltd. and its subsidiaries	
	2018	2017	2018	2017	2018	2017
Current assets	2,648,018	4,246,023	5,430,782	5,228,316	818,458	825,401
Non-current assets	3,278,692	2,139,079	3,513,415	4,055,258	123,790	121,122
Current liabilities	4,214,285	5,335,952	5,099,130	5,500,440	74,263	69,913
Non-current liabilities	695,073	499,011	166,934	250,424	16,220	13,141

Summarised information about comprehensive income

(Unit: Thousand Baht)

	For the years ended 31 December					
	Samart Digital Public Co., Ltd. and its subsidiaries		Samart Telcoms Public Co., Ltd. and its subsidiaries		One to One Contacts Public Co., Ltd. and its subsidiaries	
	2018	2017	2018	2017	2018	2017
Revenue	770,126	1,364,174	7,711,122	6,981,965	718,272	826,664
Profit (loss)	(1,596,185)	(1,953,982)	348,262	213,523	20,609	50,447
Other comprehensive income (loss)	(13,854)	(12,454)	1,105	(3,812)	(1,514)	2,936
Total comprehensive income (loss)	(1,610,039)	(1,966,436)	349,367	209,711	19,095	53,383

Summarised information about cash flows

(Unit: Thousand Baht)

	For the years ended 31 December					
	Samart Digital Public Co., Ltd. and its subsidiaries		Samart Telcoms Public Co., Ltd. and its subsidiaries		One to One Contacts Public Co., Ltd. and its subsidiaries	
	2018	2017	2018	2017	2018	2017
Cash flows from operating activities	487,462	336,584	1,668,704	890,892	18,060	214,037
Cash flows used in investing activities	(1,002,817)	(399,485)	(538,819)	(283,962)	(34,618)	(13,281)
Cash flows from (used in) financing activities	646,794	186,393	(1,396,393)	(637,342)	(30,800)	(64,400)
Translation adjustments	-	(212)	-	-	11	-
Net increase (decrease) in cash and cash equivalents	131,439	123,280	(266,508)	(30,412)	(47,347)	136,356

16.4 Change in investments in subsidiaries held by the Company and its subsidiary companies

Establishment of new company

On 15 August 2017, a meeting of the Board of Directors of the Company passed a resolution to approve the establishment of a new subsidiary under the name “SAMART Transolutions Co., Ltd.” by Samart U-Trans Co., Ltd., a subsidiary company, to provide traffic control services and operate business related to all types of transportation, with a registered share capital consisting of 100,000 ordinary shares of Baht 10 each, totaling Baht 1 million, in which, Samart U-Trans Co., Ltd. holds a 100 percent interest. The subsidiary company registered the establishment of the new company with the Ministry of Commerce on 22 August 2017. The share capital is fully called-up, and the subsidiary company received payment on 27 September 2017.

Increase in share capital and additionally call-up share capital

- a) On 6 June 2017, a meeting of the Board of Directors of Suvarnabhumi Environment Services Co., Ltd., a subsidiary company, passed a resolution to call up the remaining 75 percent of its registered share capital, or equivalent to Baht 0.75 million. The subsidiary received payment on 13 July 2017 as a result its paid-up share capital amounts to Baht 1 million, or 100% of the registered share capital.

On 6 July 2017, an Extraordinary Meeting of shareholders of the subsidiary company, passed a special resolution to approve the increase of its share capital from Baht 1 million (Baht 0.1 million ordinary shares of Baht 10 each) to Baht 25.7 million (Baht 2.57 million ordinary shares of Baht 10 each) through an issuance of additional Baht 2.47 million ordinary shares of Baht 10 each. The subsidiary company registered the increase of its share capital with the Ministry of Commerce on 19 July 2017. The share capital is fully called-up, and the subsidiary company received payment on 14 July 2017.

- b) On 12 October 2017, an Extraordinary Meeting of shareholders of SAMART Transolutions Co., Ltd., a subsidiary company, passed a special resolution approving the increase of the registered share capital from Baht 1 million (0.1 million ordinary shares of Baht 10 each) to Baht 50 million (5 million ordinary shares of Baht 10 each) through the issuance of 4.9 million additional ordinary shares of Baht 10 each.

Later, On 21 December 2018, an Extraordinary Meeting of shareholders of SAMART Transolutions Company Limited, a subsidiary company, passed a special resolution to approve an increase in the share capital from Baht 50 million (5 million ordinary shares of Baht 10 each) to Baht 270 million (27 million ordinary shares of Baht 10 each), in accordance with plan to list it on Stock Exchange of Thailand through an issuance of additional 22 million ordinary shares of Baht 10 each. The subsidiary company registered the increase in the share capital with the Ministry of Commerce on 26 December 2018. Samart U-Trans Co., Ltd. and Samart Inter Holding Co., Ltd., the subsidiary companies, paid for the additional shares of 13,000,150 ordinary shares and 8,999,850 ordinary shares, respectively, of Baht 10 each totaling Baht 220 million in December 2018.

Reorganisation of business of group companies under common control

On 25 September 2017, a meeting of the Board of Directors of SAMART Transolutions Co., Ltd., a subsidiary company, passed a resolution approving the purchase of 250,000 ordinary shares of Cambodia Air Traffic Services Co., Ltd., another subsidiary company, from Samart Inter Holding Co., Ltd. representing a 100 percent interest in that company.

On 1 October 2017, the subsidiary company entered into a purchase and sale agreement to purchase ordinary shares of Cambodia Air Traffic Services Co., Ltd. from Samart Inter Holding Co., Ltd. at the mutually agreed price of Baht 1,913 million. The share transfer was completed on 16 November 2017. The subsidiary will fully pay for purchase of ordinary share on the date as stipulated in the agreement. As a result of sale and purchase ordinary share under common control of the Company which is reorganisation of the Group, therefore there is no impact to the consolidated financial statements.

Purchase of investments

- a) On 16 November 2017, the Company additionally purchased ordinary shares of Vision and Security System Co., Ltd., a subsidiary that was 70% held by the Company. In this regard, the Company has purchased 60,000 ordinary shares (or 3% of all shares) from other shareholders at a price of Baht 58.04 per share (equivalent to the book value of the subsidiary company per its financial statements as of the second quarter of 2017), or for a total of Baht 3.5 million. As a result of the additional share acquisition, the Company's shareholding in the subsidiary company increased from 70% to 73%.

The difference between the purchase value and book value as at additional acquisition was not recorded in the financial statements as it had no material affects to the financial statements.

- b) During the year 2018, the Company and its subsidiaries had acquisition transactions of investments in related party as follows:

Acquisition of investments by the Company

(Unit: Thousand Baht)

Share's name	Number of ordinary shares	Number of warrants received from purchase of new ordinary shares of subsidiary	Purchase amount
	(Million shares)	(Million units)	(Million Baht)
Samart Digital Public Co., Ltd.	6,243	1,561	1,873

Acquisition of investment by the subsidiaries

(Unit: Thousand Baht)

Share's name	Number of ordinary shares	Number of warrants received from purchase of new ordinary shares of subsidiary	Purchase amount
	(Million shares)	(Million units)	(Million Baht)
Samart Digital Public Co., Ltd.	72	16	21

As a result of such addition of ordinary shares, the percentage of shareholding of the Company and its subsidiaries in Samart Digital Public Co., Ltd. as at 31 December 2018 was 83.38 percent.

Change in subsidiary company's name

On 25 January 2018, an Extraordinary Meeting of shareholders of Samart Waste2Power Co., Ltd., a subsidiary company, passed a special resolution approving the change of the company's name from "Samart Waste2Power Co., Ltd." to "Samart Green Energy Co., Ltd.". The subsidiary company registered the change of its name with the Ministry of Commerce on 26 January 2018.

Dissolution of subsidiary

On 2 November 2018, an Extraordinary Meeting of shareholders of Suvarnabhumi Environment Services Co., Ltd., a subsidiary company, passed a special resolution to dissolve the company. The subsidiary company registered its dissolution with the Ministry of Commerce on 5 November 2018 and its liquidation was registered with the Ministry of commerce on 28 December 2018.

16.5 Change in investments in subsidiary held by Samart Telcoms Public Co., Ltd.

Establishment of new company

On 21 February 2017, a meeting of the Board of Directors of Samart Telcoms Public Co., Ltd., a subsidiary company, passed a resolution to approve the establishment a new company name "Secure Info Co., Ltd." by Samart Comtech Co., Ltd., another subsidiary company, which engages in cyber security services and has registered share capital of 50,000 ordinary shares of Baht 100 each, totaling Baht 5 million. The shares are 100 percent held by Samart Comtech Co., Ltd., and 25 percent of which have been called up. Secure Info Co., Ltd. was registered with the Ministry of Commerce on 22 June 2017.

On 28 August 2017, Samart Comtech Co., Ltd. paid for such share capital of Baht 1.25 million.

Disposal of investment in subsidiary

On 27 February 2018, the meeting of the Board of Directors of Samart Telcoms Public Co., Ltd., a subsidiary company, passed a resolution approving the disposal of investment of 0.1 million ordinary shares of Net Media Co., Ltd., another subsidiary company, to third party at a price of Baht 34.5 per share, or for a total of Baht 3.6 million. The subsidiary company signed the shares transfer agreement and received the repayment on 9 March 2018.

Net cash inflows from the disposal of investment in Net Media Co., Ltd. were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements
Proceeds from disposal of investment	3,560
<u>Less:</u> Cash and cash equivalents at disposal date	(3,542)
Net cash inflows from disposal of investment	18
<u>Less:</u> Net assets excepted cash and cash equivalents at disposal date	-
Gain from disposals of investment	18

Purchase of investment

On 3 April 2017, a meeting of the Board of Directors of Samart Telcoms Public Co., Ltd., a subsidiary company, passed a resolution to approve the purchase made by Samart Communication Services Co., Ltd., another subsidiary company, of 0.18 million ordinary shares with a par value of Baht 100 per share of SLA Asia Co., Ltd., from an existing shareholder. As a result of the purchase of investment, the interest in such company changed from 30 percent to 90 percent.

Subsequently, on 21 April 2017, Samart Communication Services Co., Ltd. purchased that company's shares with mutually agreed price at Baht 32.276 per share, totaling approximately Baht 5.8 million and recognised the negative goodwill arising from the discrepancy between the fair value of the net assets acquired being higher than the cost of investment in profit or loss.

The fair value of the assets acquired and liabilities assumed of SLA Asia Co., Ltd. at the acquisition date was summarised as follows:

(Unit: Thousand Baht)

Cash and cash equivalents	10,541
Other current assets	130
Equipment - net	47
Other payables	(29)
Other current liabilities	(15)
Provision for long-term employee benefits	(360)
Net assets from acquisition of subsidiary company	10,314
<u>Less:</u> Fair value of investment in SLA Asia Co., Ltd. for	
- The subsidiary's existing shareholding before acquisitions (30 percent)*	(3,095)
- Non-controlling interests (10 percent)	(1,031)
Net assets from acquisition of subsidiary company in additional proportion of shareholding	6,188
Cash used in acquisition of investment in subsidiary company	(5,810)
Negative goodwill	378

* The subsidiary company realised loss from the value adjustment of subsidiary company's previously held shareholding of 30 percent in SLA Asia Co., Ltd. in the consolidated statement of income by Baht 0.6 million.

Net cash inflows from acquisition of ordinary shares of SLA Asia Co., Ltd. were presented below.

(Unit: Thousand Baht)

	Consolidated financial statements
Cash used in acquisition	5,810
Less: Cash and cash equivalents	(10,541)
Net cash inflows from purchase of ordinary shares	(4,731)

Decrease in share capital

On 16 November 2018, an Extraordinary Meeting of shareholders of Portalnet Co., Ltd. a subsidiary company, passed a resolution to decrease its registered capital by Baht 1,270 million, from Baht 3,370 million. (33.7 million ordinary shares with a par value Baht 100 each) to Baht 2,100 million (21 million ordinary shares with a par value of Baht 100 each) by reducing the deficit by Baht 1,000 million and returning capital of Baht 270 million to shareholders. This subsidiary registered the capital reduction with the Ministry of Commerce on 17 December 2018.

16.6 Changes in investments in subsidiaries held by Samart Digital Public Co., Ltd.

Purchase of investment

On 21 February 2017, a meeting of the Board of Directors of Samart Digital Public Co., Ltd., a subsidiary company, passed a resolution approving the purchase of 100,000 ordinary shares with a par value of Baht 100 each of Thai Base Station Co., Ltd. from the existing shareholders, representing a 100 percent interest in that company, for an amount not exceeding Baht 50 million. Thai Base Station Co., Ltd. provides space rental and other services and distributes telecommunication equipment and systems.

On 1 September 2017, the subsidiary company entered into an agreement to purchase ordinary shares of Thai Base Station Co., Ltd. from the existing shareholder of that company at the mutually agreed price of Baht 50 million, the subsidiary company paid the amounts on 8 September 2017.

The subsidiary company assessed the fair values of identifiable assets acquired and liabilities assumed as at the date of acquisition of Thai Base Station Co., Ltd. The assessments were completed in the current year and within the measurement period of 12 months from the acquisition date in accordance with Thai Financial Reporting Standard No. 3. During the measurement period, the subsidiary company obtained additional information on the fair values of some of the assets and liabilities and restated the consolidated statements of financial position as at 31 December 2017, presented as comparative information, to reflect the fair values of the identifiable assets acquired and liabilities assumed of Thai Base Station Co., Ltd. as from the acquisition date. The amounts of the adjustments affecting the consolidated statements of financial position as at 31 December 2017 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements 31 December 2017
Increase in intangible asset	8,533
Increase in deferred tax liabilities	8,533

The adjustments have no effect to the consolidated statements of financial position as at 1 January 2017.

The fair values of the identifiable assets acquired and liabilities assumed from Thai Base Station Co., Ltd. as at the acquisition date were as follows:

(Unit: Thousand Baht)

Cash and cash equivalents	4,361
Trade and other receivables	3,969
Withholding tax deducted at source	10,235
Other current assets	1,495
Equipment	9,986
Intangible assets	42,665
Other non-current assets	2,474
Trade and other payables	(9,198)
Other current liabilities	(6,853)
Deferred tax liabilities	(8,533)
Other non-current liabilities	(601)
Net assets from acquisition	50,000
Consideration transferred (cash)	(50,000)

Net cash outflows from purchase of ordinary shares of Thai Base Station Co., Ltd. were presented below.

(Unit: Thousand Baht)

	Consolidated financial statements
Cash used in purchase of investment	50,000
<u>Less:</u> Cash and cash equivalents	(4,361)
Net cash outflows from purchase of ordinary shares	45,639

The plan to list a subsidiary company on the Market for Alternative Investment (MAI)

On 29 July 2015, the Extraordinary General Meeting of shareholders of I-Sport Co., Ltd., a subsidiary company, passed a resolution to approve the plan to list it on the Market for Alternative Investment (MAI) with the following details.

1. To transform the company into a public limited company for the issuance and the initial public offering (IPO) of its shares and to list on the MAI Stock Exchange.
2. To increase the registered share capital from Baht 120 million (12 million ordinary shares of Baht 10 each) to Baht 160 million (16 million ordinary shares of Baht 10 each) through an issuance of additional 4 million ordinary shares of Baht 10 each to offer 3 million shares to the initial public offering (IPO) and offer 1 million shares to the existing shareholders which are Samart Digital Public Co., Ltd., a subsidiary company and Siam Sport Syndicate Public Co., Ltd.. In addition, Siam Sport Syndicate Public Co., Ltd. intends to offer 1 million shares to the initial public offering (IPO).
3. To change the par value of ordinary shares from Baht 10 per share to Baht 0.25 per share. However, the changing of the par value does not affect to the portion of the issuance of its shares.

As at 31 December 2018, the subsidiary company has not yet proceeded the above matters.

Disposal of investments in subsidiary company

On 12 January 2017, a meeting of the Board of Directors of Samart Digital Media Co., Ltd. (formerly known as “Samart Multimedia Co., Ltd.”), a subsidiary company, passed a resolution approving the disposal of all investment in Phoinikas Co., Ltd. to a former shareholder. Subsequently on 16 January 2017, the subsidiary company sold all of the 30,000 ordinary shares which held in Phoinikas Co., Ltd. to a former shareholder at a total price of Baht 5.6 million and received cash on 31 January 2017.

Net cash flows from the disposal of investment in this subsidiary company were as follows:

(Unit: Thousand Baht)

		Consolidated financial statements
Disposal value of investment in subsidiary company		5,604
<u>Less:</u> Cash and cash equivalents of subsidiary company at disposal date		(1,694)
Net cash flows from disposal of investment in subsidiary company		3,910
<u>Less:</u> Trade accounts receivable	(20,977)	
Other current assets	(2,716)	
Equipment	(1,359)	
Intangible assets	(200)	
Other non-current assets	(1,543)	
<u>Add:</u> Trade accounts payable	10,606	(10,703)
Other current liabilities	5,486	
Total		(6,793)
<u>Less:</u> Goodwill		(875)
Reversal of share of loss from prior period		720
Net loss on disposal of investment in subsidiary company		(6,948)

Change in subsidiary company's name

On 15 February 2018, an Extraordinary Meeting of shareholders of Samart Multimedia Co., Ltd., a subsidiary company, passed a special resolution approving the change of its name from “Samart Multimedia Co., Ltd.” to “Samart Digital Media Co., Ltd.”. The subsidiary company registered the change of its name with the Ministry of Commerce on 20 February 2018.

Dissolution of subsidiary companies

- On 11 October 2006, an Extraordinary Meeting of the shareholders of I-Mobile (Cambodia) Co., Ltd., a subsidiary company, passed a resolution to liquidate the company. The process of registering that company's dissolution and its subsequent liquidation are in progress.
- On 28 December 2016, an Extraordinary Meeting of the shareholders of Brain Source Co., Ltd., a subsidiary company, passed a special resolution to dissolve the company. The subsidiary company registered its dissolution with the Ministry of Commerce on 29 December 2016 and its liquidation was registered with the Ministry of Commerce on 28 March 2017.
- On 28 December 2016, an Extraordinary Meeting of the shareholders of I-Mobile Direct Co., Ltd., a subsidiary company, passed a special resolution to dissolve the company. The subsidiary company registered its dissolution with the Ministry of Commerce on 29 December 2016 and its liquidation was registered with the Ministry of Commerce on 28 March 2017.

- d) On 1 December 2017, an Extraordinary Meeting of the shareholders of Teleconnex Co., Ltd., a subsidiary company, passed a resolution to dissolve the company. The subsidiary company registered its dissolution on 13 December 2017 and its liquidation was registered with the Company Registry in Hong Kong on 8 August 2018.
- e) On 30 April 2018, an Annual General Meeting of the shareholders of I-Sport Media Co., Ltd., a subsidiary company, passed a resolution to dissolve the company. The subsidiary company registered its dissolution on 9 May 2018 and its liquidation was registered with the Ministry of Commerce on 12 June 2018.

Changes in share capital and warrants issued

On 27 April 2018, an Annual General Meeting of the shareholders of Samart Digital Public Co., Ltd., a subsidiary company, passed a resolution approving the cancellation of the resolution of the Extraordinary Meeting of the subsidiary company's shareholders held on 27 September 2017 relating to the increase in its registered share capital and the reduction in the its registered share capital of the following.

Registered share capital

(Unit: Thousand Baht)

	Number of ordinary (shares)	Amount (Baht)	Registration date with the Ministry of Commerce
Balance as at 31 December 2017	9,900,562,500	990,056,250	17 May 2018
Decrease in registered share capital	(5,500,312,500)	(550,031,250)	
	4,400,250,000	440,025,000	
Increase in registered share capital	11,000,625,000	1,100,062,500	18 May 2018
Balance as at 31 December 2018	15,400,875,000	1,540,087,500	

In addition, the meeting approved the allocation of not more than 8,800,500,000 newly-issued ordinary shares, at the par value of Baht 0.1 per share, for the purpose of offering for sale to the existing shareholders of the subsidiary company in proportionate to their respective shareholdings (Rights offering), at the allocation ratio of 1 existing ordinary share to 2 newly-issued ordinary shares, at Baht 0.3 per share.

Issued and paid-up capital

	Number of shares (shares)	Amount (Baht)	Shares premium (Baht)	Registration date with the Ministry of Commerce
Balance as at 31 December 2017	4,400,250,000	440,025,000	1,230,452,034	4 June 2018
Increase from share offering to existing shareholders	6,924,173,218	692,417,322	1,384,834,644	
Balance as at 31 December 2018	11,324,423,218	1,132,442,322	2,615,286,678	

Warrants

An Annual General Meeting of the subsidiary company's shareholders passed a resolution to issue warrants no. 1 (SDC-W1) up to 2,200,125,000 units of warrants to the existing shareholders of the subsidiary company who subscribe to and are allocated newly issued shares by offering to them in proportion to their shareholdings (rights offering) at the ratio of 4 newly issued shares to 1 warrant, without any cost. The exercise ratio is 1 warrant: 1 share, with an exercise price of Baht 0.5 per 1 ordinary share. The warrants have a life of 5 years and are exercisable on the last business day of the June and December of each year throughout the life of the warrants, commencing from 28 December 2018.

Warrants	Exercise price (Baht per unit)	Exercise ratio (Warrants: ordinary shares)	Warrants issued (Thousand units)	Exercised or cancelled (units)	Warrants as at 31 December 2018 (Thousand units)
SDC-W1	0.50	1:1	2,200,125	-	2,200,125

16.7 Changes in investments in subsidiaries held by One to One Contacts Public Co., Ltd.

Establishment of new company

On 23 February 2018, a meeting of the Board of Directors of One to One Contacts Public Co., Ltd., a subsidiary company, passed a resolution to approve the establishment of a new subsidiary under the name "Inno Hub Co., Ltd.", to provide research and development related to software program, robot, equipment, tooling and artefact innovation, with a registered share capital totalling Baht 3 million (consisting of 0.3 million ordinary shares of Baht 10 each) in which, the subsidiary company hold a 100 percent interest. The subsidiary company registered the establishment of the new company with the Ministry of Commerce on 6 March 2018. The share capital was fully paid in May 2018.

Increase in share capital

- a) On 27 April 2018, a meeting of Annual General Meeting of shareholders of One to One Professional Co., Ltd., a subsidiary company, passed a resolution to approve the increase in share capital from Baht 1 million (100,000 ordinary shares of Baht 10 each) to Baht 2 million (200,000 ordinary shares of Baht 10 each) through an issuance of additional 100,000 ordinary shares of Baht 10 each. The subsidiary company registered the increase in the share capital with the Ministry of Commerce on 9 May 2018. One to One Contacts Public Co., Ltd., a subsidiary company, paid up the share capital in full in May 2018.
- b) On 8 August 2018, a meeting of the Board of Directors of One to One Contacts Public Co., Ltd., a subsidiary company, pass a resolution to approve the increase in share capital of One to One (Cambodia) Co., Ltd., a subsidiary company, from USD 440,000 (88,000 ordinary shares of USD 5 each) to USD 600,000 (120,000 ordinary shares of USD 5 each) through an issuance of additional 32,000 ordinary shares of USD 5 each. Presently, documentation is being prepared for registration of the capital increase.

17. Prepaid rental to a related company

(Unit: Thousand Baht)

	Consolidated financial statements/Separate financial statements	
	2018	2017
Prepaid rental	375,669	375,669
Less: Accumulated amortisation	(246,272)	(233,750)
Prepaid rental - net	129,397	141,919
Amortisation for the year	12,522	12,522

The Company has leased an office building from a related company for a period of 30 years, for which it paid full rental in advance. The payment was recorded as prepaid rental in the statement of financial position and amortised over the rental period.

18. Investment properties

(Unit: Thousand Baht)

	Consolidated financial statements	
	2018	2017
Balance at beginning of year	83,836	83,136
Gain from a fair value adjustment (Note 35)	-	700
Balance at end of year	83,836	83,836

The investment properties of two subsidiary companies represent land. Their fair values have been determined based on the valuation performed by an independent professional valuer, using the market comparison approach.

19. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Revaluation basis	Cost basis					Total
	Land	Buildings and improvement	Office equipment	Machinery and equipment	Motor vehicles	Assets under installation	
Cost/Revalued amount							
1 January 2017	561,479	330,337	2,231,070	15,551,321	243,952	158,628	19,076,787
Increase from investment in subsidiary	-	-	683	54,576	12,970	-	68,229
Additions	-	1,846	80,494	538,424	50,976	362,404	1,034,144
Transfer in/(transfer out)	-	-	109,776	112,931	(93)	(116,353)	106,261
Disposals	(10,777)	(9,280)	(18,142)	(76,896)	(6,705)	(3,224)	(125,024)
Decrease from disposal of investment in subsidiary	-	-	(635)	(981)	-	-	(1,616)
Translation adjustments	(305)	(835)	(4,873)	(51,810)	(1,507)	(148)	(59,478)
31 December 2017	550,397	322,068	2,398,373	16,127,565	299,593	401,307	20,099,303
Additions	5,384	26,678	114,855	452,461	3,626	1,905,954	2,508,958
Transfer in/(transfer out)	-	1,436	(154,820)	264,088	-	(288,639)	(177,935)
Disposals	-	-	(41,034)	(107,490)	(17,231)	-	(165,755)
Decrease from disposal of investment in subsidiary	-	-	(6,061)	-	-	-	(6,061)
Translation adjustments	(22)	(61)	(643)	(4,197)	(154)	1,101	(3,976)
31 December 2018	555,759	350,121	2,310,670	16,732,427	285,834	2,019,723	22,254,534

	Consolidated financial statements						
	Revaluation basis	Cost basis					Total
	Land	Buildings and improvement	Office equipment	Machinery and equipment	Motor vehicles	Assets under installation	
Accumulated depreciation							
1 January 2017	-	265,632	1,702,065	9,002,671	179,700	-	11,150,068
Increase from investment in subsidiary	-	-	615	54,576	3,005	-	58,196
Depreciation for the year	-	11,293	185,663	1,443,392	28,766	-	1,659,114
Transfer in/(transfer out)	-	-	(3,197)	(473)	(93)	-	(3,763)
Accumulated depreciation on disposals	-	(3,599)	(17,152)	(58,745)	(5,739)	-	(85,235)
Decrease from disposal of investment in subsidiary	-	-	(97)	(160)	-	-	(257)
Translation adjustments	-	(773)	(4,296)	(35,945)	(1,266)	-	(42,280)
31 December 2017	-	272,553	1,863,601	10,395,316	204,373	-	12,735,843
Depreciation for the year	-	10,424	199,836	1,217,622	30,332	-	1,458,214
Transfer in/(transfer out)	-	-	(178,368)	(210)	-	-	(178,578)
Accumulated depreciation on disposals	-	-	(40,160)	(97,959)	(16,544)	-	(154,663)
Decrease from disposal of investment in subsidiary	-	-	(6,061)	-	-	-	(6,061)
Translation adjustments	-	(61)	(320)	(2,616)	(96)	-	(3,093)
31 December 2018	-	282,916	1,838,528	11,512,153	218,065	-	13,851,662
Allowance for impairment loss							
1 January 2017	-	7,680	8,263	2,514,419	-	13,068	2,543,430
Increase during the year	-	-	7,963	118,887	-	-	126,850
Translation adjustments	-	-	-	(3,479)	-	-	(3,479)
31 December 2017	-	7,680	16,226	2,629,827	-	13,068	2,666,801
Increase during the year	-	-	1,013	11,996	-	2,135	15,144
Translation adjustments	-	-	-	(938)	-	-	(938)
31 December 2018	-	7,680	17,239	2,640,885	-	15,203	2,681,007
Net book value:							
31 December 2017	550,397	41,835	518,546	3,102,422	95,220	388,239	4,696,659
31 December 2018	555,759	59,525	454,903	2,579,389	67,769	2,004,520	5,721,865
Depreciation for the year							
2017 (Baht 1,420 million included in cost of sales and services, and the balance in selling and distribution expenses and administrative expenses)							1,659,114
2018 (Baht 1,253 million included in cost of sales and services, and the balance in selling and distribution expenses and administrative expenses)							1,458,214

(Unit: Thousand Baht)

	Separate financial statements						
	Revaluation basis	Cost basis					Total
	Land	Buildings and improvement	Office equipment	Tools and equipment	Motor vehicles	Assets under installation	
Cost/Revalued amount							
1 January 2017	218,303	170,488	572,765	112,523	50,540	-	1,124,619
Additions	-	813	664	514	10,495	1,130	13,616
Disposals	-	-	(3,412)	(451)	(4,380)	-	(8,243)
31 December 2017	218,303	171,301	570,017	112,586	56,655	1,130	1,129,992
Additions	-	121	1,284	689	500	236,198	238,792
Transferred in/(transfer out)	-	1,436	1,324	227,417	-	(230,177)	-
Disposals	-	-	(1,942)	-	(2,758)	-	(4,700)
31 December 2018	218,303	172,858	570,683	340,692	54,397	7,151	1,364,084
Accumulated depreciation							
1 January 2017	-	149,268	498,938	109,447	37,649	-	795,302
Depreciation for the year	-	5,286	16,955	1,143	4,747	-	28,131
Accumulated depreciation on disposals	-	-	(3,385)	(451)	(3,789)	-	(7,625)
31 December 2017	-	154,554	512,508	110,139	38,607	-	815,808
Depreciation for the year	-	5,414	16,906	10,642	5,274	-	38,236
Accumulated depreciation on disposals	-	-	(1,939)	-	(2,402)	-	(4,341)
31 December 2018	-	159,968	527,475	120,781	41,479	-	849,703
Net book value							
31 December 2017	218,303	16,747	57,509	2,447	18,048	1,130	314,184
31 December 2018	218,303	12,890	43,208	219,911	12,918	7,151	514,381
Depreciation for the year							
2017 (All depreciation included in administrative expenses)							28,131
2018 (Baht 10 million included in cost of services, and the balance in administrative expenses)							38,236

- As at 31 December 2018, the Company and its subsidiaries had machinery, vehicles and equipment under finance lease agreements with net book values of Baht 52 million and Separate financial statements: Baht 16 million (2017: Baht 75 million and Separate financial statements: Baht 23 million).
- As at 31 December 2018, certain items of building and equipment of the Company and its subsidiaries were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 9,158 million and Separate financial statements: Baht 681 million (2017: Baht 8,931 million and Separate financial statements: Baht 677 million).
- The Company and subsidiaries arranged for an independent professional valuer to appraise the value of land during the fourth quarter of 2014, using the market comparison approach. As a result of the reappraisal, the carrying amounts of land and surplus on revaluation of land increased by approximately Baht 82 million (Separate financial statements: Baht 24 million).

Had the land carried in the financial statements based on historical cost basis, their net book value as of 31 December 2018 and 2017 would have been as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Land	99,244	93,860	62,701	62,701

- d) Cambodia Air Traffic Services Co., Ltd., a subsidiary company, received some of the equipment transferred from The State Secretariat of Civil Aviation of Cambodia ("SSCA") under a Build Cooperate and Transfer contract with Government of Cambodia. The subsidiary company must return all equipment to SSCA at the end of the contract. Currently the above equipment are transferred to intangible assets (service concession) in accordance with TFRIC 12 Service Concession Arrangements, as described in Note 45.5 a) to the financial statements.
- e) In 2017, Kampot Power Plant Co., Ltd., a subsidiary company, additionally recorded allowance for impairment of fixed assets of Baht 118 million in the consolidated financial statements since the subsidiary considered that its future cash flow projection was lower than its net book value of machinery used in a project for production and sale of electricity in Cambodia.

20. Goodwill

Mainly of Goodwill was arising from the Company bought shares of Samart Digital Public Co., Ltd. and Cambodia Air Traffic Services Co., Ltd. and Samart Telcoms Public Co., Ltd., a subsidiary company, bought shares of Portalnet Co., Ltd.

The Company and its subsidiaries have determined recoverable amounts of their cash generating units (CGUs) based on value in use calculation using cash flow projections from financial budgets approved by the management covering 5 - 16 years, which some of them are based on the contract period.

Key assumptions used in value in use calculations summarise as follows:

(Unit: Percent per annum)

	2018	2017
Terminal growth rate	0 - 12	0 - 5
Discount rate	10 - 16	7 - 15

The management has considered the growth rate based on historical operating results, the expected market growth rate, the rate of gross domestic product growth and the discount rate which are the pre-tax rates that reflects the specific risk of the particular operating segment.

After consideration, as at 31 December 2018 and 2017, the management believed that goodwill is not impaired.

21. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements						
	Service concession	Computer software	Service agreement for online digital marketing	Right for air time	Right for telecommunication tower service	License for online game	Total
Cost							
1 January 2017	1,172,485	1,112,206	1,700	3,191	-	-	2,289,582
Addition during the year	86,893	38,567	-	-	-	1,592	127,052
Increase from business combination	-	-	-	-	34,132	-	34,132
Decrease from disposals of subsidiaries	-	-	(1,700)	-	-	-	(1,700)
Write off	-	-	-	-	-	(1,592)	(1,592)
Transfer in	-	2,720	-	-	-	-	2,720
Translation adjustments	(113,295)	(14,214)	-	-	-	-	(127,509)
31 December 2017 - as previously reported	1,146,083	1,139,279	-	3,191	34,132	-	2,322,685
Increase from assessed the fair values from acquisition of investment in subsidiary (Note 16.6)	-	-	-	-	8,533	-	8,533
31 December 2017 - as restated	1,146,083	1,139,279	-	3,191	42,665	-	2,331,218
Addition during the year	106,581	114,598	-	-	-	-	221,179
Write off	(2,157)	(1,036)	-	-	-	-	(3,193)
Transfer in	-	1,412	-	-	-	-	1,412
Translation adjustments	(7,383)	(1,082)	-	-	-	-	(8,465)
31 December 2018	1,243,124	1,253,171	-	3,191	42,665	-	2,542,151
Accumulated amortisation							
1 January 2017	432,261	354,488	1,500	1,276	-	-	789,525
Amortisation during the year	43,366	54,581	-	638	-	199	98,784
Decrease from disposals of subsidiaries	-	-	(1,500)	-	-	-	(1,500)
Transfer in	-	1,566	-	-	-	-	1,566
Accumulated amortisation from write off	-	-	-	-	-	(199)	(199)
Translation adjustments	(39,558)	(12,071)	-	-	-	-	(51,629)
31 December 2017	436,069	398,564	-	1,914	-	-	836,547
Amortisation during the year	56,991	55,965	-	638	4,854	-	118,448
Translation adjustments	(2,551)	(889)	-	-	-	-	(3,440)
31 December 2018	490,509	453,640	-	2,552	4,854	-	951,555
Net book value							
31 December 2017 - as restated	710,014	740,715	-	1,277	42,665	-	1,494,671
31 December 2018	752,615	799,531	-	639	37,811	-	1,590,596

(Unit: Thousand Baht)

	Separate financial statements
	Computer software
Cost	
1 January 2017	55,000
Addition during the year	2,589
Transfer from other current assets	1,154
31 December 2017	58,743
Addition during the year	29
31 December 2018	58,772
Accumulated amortisation	
1 January 2017	30
Amortisation during the year	5,947
31 December 2017	5,977
Amortisation during the year	5,875
31 December 2018	11,852
Net book value	
31 December 2017	52,766
31 December 2018	46,920

Service concession

Cambodia Air Traffic Services Co., Ltd., a subsidiary company, has service concession arrangement which can be summarised as follows:

Name of concession:	Contract to build, cooperate and transfer on air traffic control system (BCT contract)
Description of arrangement:	To develop and sole operate of the civil air traffic control and navigation system of Cambodia
Period of concession:	39 years expire in the year 2041
Significant conditions:	The subsidiary company is obliged to pay a fee to the Royal Government of the Kingdom of Cambodia based on its revenue. In addition, the subsidiary company has to transfer the ownership of the civil air traffic control, navigation system and all equipment to the Kingdom of Cambodia at the end of concession period without charge.

Right for air time

On 26 December 2014, I-Sport Co., Ltd., a subsidiary company, purchased shares of Siam Sport Television Co., Ltd., another subsidiary company, with mutually agreed price. As a result of the purchase of investment under the acquisition method, the subsidiary company recorded the right for air time of sport program as intangible assets with five years useful lives.

Right for telecommunication tower service

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

22. Assets held for future projects

(Unit: Thousand Baht)

	Consolidated financial statements/Separate financial statements			
	Revaluation basis	Cost basis		Total
	Land	Building and improvement	Machinery and equipment	
Cost/Revalued amount				
1 January 2017	23,248	4,195	11,478	38,921
31 December 2017	23,248	4,195	11,478	38,921
31 December 2018	23,248	4,195	11,478	38,921
Accumulated depreciation				
1 January 2017	-	3,742	11,478	15,220
Depreciation for the year	-	209	-	209
31 December 2017	-	3,951	11,478	15,429
Depreciation for the year	-	210	-	210
31 December 2018	-	4,161	11,478	15,639
Net book value				
31 December 2017	23,248	244	-	23,492
31 December 2018	23,248	34	-	23,282
Depreciation for the year				
2017 (All depreciation included in administrative expenses)				209
2018 (All depreciation included in administrative expenses)				210

The Company arranged for an independent professional valuers to appraise the value of land during the fourth quarter of 2014, using the market comparison approach.

Had the land been carried in the financial statements based on historical cost basis, their net book value as at 31 December 2018 and 2017 would have been as follows:

(Unit: Thousand Baht)

	Consolidated financial statements/Separate financial statements	
	2018	2017
Land	24,948	24,948

23. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017	2018	2017
Bank overdrafts	MOR, MOR minus fixed rate per annum	MOR, MOR minus fixed rate per annum	138	3,520	-	-
Short-term loans from financial institutions	MMR, MLR minus fixed rate per annum, twelve-month fixed deposit plus fixed rate per annum	MMR, MLR minus fixed rate per annum, twelve-month fixed deposit fixed rate plus per annum	5,801,445	6,302,201	1,290,000	935,000
Bill of exchange	-	MMR	-	740,000	-	740,000
Trust receipts	MMR	MMR	463,865	591,429	-	-
Total			6,265,448	7,637,150	1,290,000	1,675,000

Bank overdrafts, short-term loans from financial institutions and trust receipts of subsidiaries are secured by the pledge of certain bank deposits of the subsidiaries, cross-guarantee by the Company and its subsidiaries, transfer and assign of right over collection of any contract/project as specified in loan agreements, and is guaranteed by the Company, its subsidiaries and Siam Sport Syndicate Public Co., Ltd.

On 22 June 2018, Samart Digital Public Co., Ltd., a subsidiary company, had entered into a memorandum of amendment of loan agreement with a commercial bank in order to revise term of payment of short-term loan of Baht 359 million to the new maturity within 30 December 2024, as mentioned in Note 27 to the financial statements.

On 21 December 2018, Samart Digital Public Co.,Ltd., a subsidiary, had entered into a loan agreement with a commercial bank in order to revise term of repayment of short-term loan of Baht 200 million to extend the new maturity within 30 December 2024, as mentioned in Note 27 to the financial statements.

In addition, short-term loan agreements with banks of the Company and its subsidiaries contain certain conditions as specified in the agreements that require the Company and its subsidiaries to comply.

24. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade accounts payable - related parties (Note 6)	940	1,792	114,396	113,892
Trade accounts payable - unrelated parties	1,051,400	865,659	550	118
Other payables - related parties	6,697	3,631	3,595	4,258
Accrued interest expenses to related parties	-	-	2,090	1,030
Total other payables and accrued interest expenses - related parties (Note 6)	6,697	3,631	5,685	5,288
Other payables - unrelated parties	449,136	465,523	15,110	18,160
Other payables for purchase of machinery and equipment	562,357	63,689	89,610	71
Accrued expenses	251,306	215,166	10,323	17,891
Accrued interest expenses to unrelated parties	28,071	28,968	5,739	10,895
Total trade and other payables	2,349,907	1,644,428	241,413	166,315

25. Short-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Short-term loans from related parties (Note 6)	-	-	669,956	254,019
Short-term loans from unrelated parties	22,140	22,140	-	-
Total short-term loans	22,140	22,140	669,956	254,019

Short-term loans from unrelated parties

Short-term loan as at 31 December 2018 amounting Baht 22.1 million (2017: Baht 22.1 million) from Siam Sport Syndicate Public Co., Ltd., carrying interest at the 12-month fixed deposit rate of a commercial bank.

26. Debentures

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Debentures	2,000,000	3,765,000	1,250,000	2,500,000
<u>Less:</u> Current portion of debentures	(750,000)	(2,515,000)	-	(1,250,000)
Debentures - net of current portion	1,250,000	1,250,000	1,250,000	1,250,000

Movements in the debenture account for the years ended 31 December 2018 and 2017 were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Balance at beginning of year	3,765,000	3,865,000	2,500,000	2,500,000
Add: Debentures issued during the year	1,460,000	1,210,000	-	-
<u>Less:</u> Redemption of debentures during the year	(3,225,000)	(1,310,000)	(1,250,000)	-
Balance at end of year	2,000,000	3,765,000	1,250,000	2,500,000

As at 31 December 2018 and 2017, debentures are unsubordinated, unsecured debentures with registered name and carried fixed interests rate per annum as stipulated in each debenture with repayment from 2017 to 2020.

27. Long-term loans from financial institutions

The details of long-term loans from financial institutions as at 31 December 2018 and 2017 were summarised below.

No.	Credit facilities (Million Baht)	Significant terms and conditions of loan agreements			Consolidated financial statements	
		Repayment term	Collateral	Interest rate	2018 (Thousand Baht)	2017 (Thousand Baht)
Subsidiaries						
Samart Digital Public Co., Ltd.,						
1.	493	Repayment of the first installment in March 2018, with quarterly payment of principal and monthly payment of interest to be completed within the 28 th installment. - Installment 1 - 4 : Baht 0.05 million each - Installment 5 - 8 : Baht 7.4 million each - Installment 9 - 12 : Baht 19.7 million each - Installment 13 - 16 : Baht 22.2 million each - Installment 17 - 27 : Baht 24.7 million each - Installment 28 : payment of the remaining principal and interest (2017: Repayment of the first installment on the 13 th month after the month in which the loan was draw down, with monthly payment of principal and interest to be completed within the 48 th month. - Installment 1 - 12 : Baht 2.5 million each - Installment 13 - 24 : Baht 8.5 million each - Installment 25 - 35 : Baht 9.5 million each - Installment 36 : payment of the remaining principal and interest)	-	MLR minus fixed rate per annum	492,803	250,000

No.	Credit facilities (Million Baht)	Significant terms and conditions of loan agreements			Consolidated financial statements	
		Repayment term	Collateral	Interest rate (percent per annum)	2018 (Thousand Baht)	2017 (Thousand Baht)
Subsidiaries						
Samart Digital Public Co., Ltd., (Cont.)						
2.	359	Repayment on a quarterly basis within 30 December 2024 - Year 2018: quarterly installments of Baht 0.04 million - Year 2019: quarterly installments of Baht 5.4 million - Year 2020: quarterly installments of Baht 14.3 million - Year 2021: quarterly installments of Baht 16.2 million - Year 2022 - 2024: quarterly installments of Baht 17.9 million	-	MLR minus fixed rate per annum	358,782	-
3.	200	Repayment on a quarterly basis within 25 th installment. Within 30 December 2024 - Installment 1: Baht 0.02 million each - Installment 2 -5: Baht 3 million each - Installment 6 - 9: Baht 7.98 million each - Installment 10 - 13: Baht 9 million each - Installment 14 - 25: Baht 10 million each	-	MLR minus fixed rate per annum	199,920	-
Vision and Security System Co., Ltd.						
4.	270	The loan principal is repayable on a monthly basis by 41 installments commencing from the first month in which the subsidiary receives the right assignment (31 July 2017). The interest is to be paid on monthly basis.	As assignment of the right to receive service fees from the installation and rental CCTV project.	MLR minus fixed rate per annum	150,579	242,879

		Significant terms and conditions of loan agreements			Consolidated financial statements	
No.	Credit facilities	Repayment term	Collateral	Interest rate	2018	2017
	(Million Baht)			(percent per annum)	(Thousand Baht)	(Thousand Baht)
Subsidiaries						
Samart Comtech Co., Ltd.						
5.	1,700	Repayment is to be made in installments immediately on the date the bank receives consideration from the project not less than 60 percent to 75 percent. The installments are within 60 months from the date of the first drawdown.	Assign the collection right of service fee under service agreement regarding the advance passenger processing system (APPS), and by Samart Telecoms Public Co., Ltd.	Twelve-month fixed deposit plus fixed rate per annum	-	494,680
Samart Transolutions Co., Ltd. and Cambodia Air Traffic Services Co., Ltd						
6.	2,081 (USD 66 million)	Repayment on three-month period basis by 28 installments commencing in May 2018. - Installment 1 - 4: USD 1.13 million each - Installment 5 - 12: USD 1.51 million each - Installment 13 - 20: USD 2.26 million each - Installment 21 - 24: USD 3.39 million each - Installment 25 - 28: USD 4.52 million each	Certain assets	LIBOR (3-month)	1,944,156	-
Unrealised loss on exchange						
Total long-term loans from financial institutions						
Less: Current portion						
Long-term loans - net of current portion						
					77,146	-
					3,223,386	987,559
					(850,982)	(529,647)
					2,372,404	457,912

Movements in the long-term loans account during the year ended 31 December 2018 was summarised below.

(Number of unit: Warrants)

	Consolidated financial statements
Balance as at beginning of year	987,559
Add: Additional borrowing	2,321,733
Add: Convert from short-term loan (Note 23)	558,794
<u>Less: Repayment</u>	(721,846)
Unrealised loss on exchange	77,146
Balance as at end of year	3,223,386

During the year 2017, Siam Sport Television Co., Ltd., a subsidiary company, had fully repaid long-term loan and withdrawn the pledge of motor vehicles with transmission tools and equipment and canceled all guarantee of subsidiary.

On 26 January 2018, Samart Digital Public Co., Ltd., a subsidiary company, had entered into a supplemental agreement to increase loan facility with a commercial bank of Baht 243 million in order to make repayment for short-term loans from bank. Under the subsidiary's loan agreement, the subsidiary company must comply with the conditions stipulated in the agreement, such as maintaining the percentage shareholdings of the Company in Samart Digital Public Co., Ltd.'s group.

On 22 June 2018, Samart Digital Public Co., Ltd., a subsidiary company, had entered into a memorandum of amendment of loan agreement with a commercial bank in order to revise term of repayment of short-term loan of Baht 359 million (as mentioned in Note 23). Under the memorandum of amendment, the subsidiary company must comply with the covenants stipulated in the agreement, such as maintaining of certain financial ratios.

On 21 December 2018, Samart Digital Public Co., Ltd., a subsidiary company, had entered into a loan agreement with a commercial bank in order to revise term of repayment of short-term loan of Baht 200 million (as mentioned in Note 23). Under the loan agreement, the Company must comply with the covenants stipulated in the agreement, such as maintaining of certain financial ratios.

Based on the financial statements, during the year 2018 Samart Digital Public Co., Ltd., a subsidiary company, was unable to maintain certain financial ratios as stipulated in the loan agreements with the aforementioned banks. Therefore, the loan of Baht 559 million is payable on demand. The subsidiary company classifies this loan as current portion.

28. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Liabilities under finance lease agreements	48,400	66,405	21,887	30,986
<u>Less: Deferred interest expenses</u>	(2,468)	(4,308)	(781)	(1,511)
Total	45,932	62,097	21,106	29,475
<u>Less: Portion due within one year</u>	(13,623)	(16,165)	(8,628)	(8,369)
Liabilities under finance lease agreements - net of current portion	32,309	45,932	12,478	21,106

The Company and subsidiaries have entered into the finance lease agreements with leasing companies for rental of equipment and motor vehicles for use in their operation, whereby the finance lease agreements carried interests between 2.59 and 8.19 percent per annum (2017: between 2.59 and 8.70 percent per annum) and they are committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 and 5 years.

The Company and subsidiaries have future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Less than 1 year		1 - 5 years		Total	
	2018	2017	2018	2017	2018	2017
Future minimum lease payments	14,888	18,005	33,512	48,400	48,400	66,405
Deferred interest expenses	(1,265)	(1,840)	(1,203)	(2,468)	(2,468)	(4,308)
Present value of future minimum lease payments	13,623	16,165	32,309	45,932	45,932	62,097

(Unit: Thousand Baht)

	Separate financial statements					
	Less than 1 year		1 - 5 years		Total	
	2018	2017	2018	2017	2018	2017
Future minimum lease payments	9,099	9,099	12,788	21,887	21,887	30,986
Deferred interest expenses	(471)	(730)	(310)	(781)	(781)	(1,511)
Present value of future minimum lease payments	8,628	8,369	12,478	21,106	21,106	29,475

29. Provisions

(Unit: Thousand Baht)

	Warranties			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Balance at beginning of year	241,495	183,783	55,283	70,385
Increase during the year	133,081	185,365	-	12
Utilised	(182,135)	(126,948)	(37,633)	(15,114)
Reversal of provisions	(2,451)	(705)	-	-
Balance at end of year	189,990	241,495	17,650	55,283

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	2018	2017	2018	2017
Provision				
Current	83,307	107,179	17,650	13,005
Non-current	106,683	134,316	-	42,278
	189,990	241,495	17,650	55,283

Warranties

The Company and its subsidiaries recognised a provision for expected warranty claims on products and equipment of the contract, based on past experience of the level of repairs. The Company and its subsidiaries expect most of these costs to be incurred in the next financial year and all to have been incurred within the remaining warranty periods. In calculating the provision for warranties, the Company and its subsidiaries applied assumptions, based on current contract levels and current information available for all types of contract about warranties of products and equipment and changes in technology.

30. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Advance received from customers	392,270	261,009	262	236
Undue output tax	100,147	133,878	-	-
Deposits	37,715	40,840	-	-
Value added tax payable	20,583	24,431	-	675
Others	218,603	173,263	7,687	2,984
Total	769,318	633,421	7,949	3,895

31. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Provision for long-term employee benefits at beginning of year	211,965	219,350	43,347	43,569
Included in profit or loss:				
Current service cost	31,545	17,341	1,750	2,558
Interest cost	4,915	5,913	647	964
Past service cost	112	112	-	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	-	(7,830)	-	(1,291)
Financial assumptions changes	(9,048)	6,488	(675)	429
Experience adjustments	(16,006)	(19,572)	(3,256)	(1,222)
Reversal of actuarial gain on defined benefit plan from				
liquidation of the subsidiaries	-	(282)	-	-
Transfer employee	-	-	(16,323)	-
Benefits paid during the year	(4,796)	(9,555)	(228)	(1,660)
Provision for long-term employee benefits at end of year	218,687	211,965	25,262	43,347

The Company and its subsidiaries expect to pay Baht 3 million of long-term employee benefits during the next year (Separate financial statements: Baht 0.7 million) (2017: Baht 4 million, Separate financial statements: Baht 0.2 million).

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit is 8 - 27 years (Separate financial statements: 9 years) (2017: 9 - 28 years, Separate financial statements: 10 years).

Key actuarial assumptions are summarised below.

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate	0 - 3.5	2.1 - 3.3	2.3	2.1
Salary increase rate	2.5 - 6.3	3.0 - 7.0	3.0 - 6.3	3.7 - 7.0
Turnover rate	0 - 30	0 - 30	2 - 27	0 - 27

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2018 and 2017 were summarised below.

(Unit: million Baht)

	Consolidated financial statements				Separate financial statements			
	Liability increase (decrease)				Liability increase (decrease)			
	Increase 1%		Decrease 1%		Increase 1%		Decrease 1%	
	2018	2017	2018	2017	2018	2017	2018	2017
Discount rate	(17.7)	(14.1)	20.4	15.3	(1.6)	(3.0)	1.8	3.4
Salary increase rate	19.2	14.2	(16.9)	(12.1)	1.7	3.0	(1.6)	(2.8)
	Increase 20%		Decrease 20%		Increase 20%		Decrease 20%	
	2018	2017	2018	2017	2018	2017	2018	2017
Turnover rate	(19.4)	(14.8)	24.0	18.4	(1.5)	(2.9)	1.7	3.4

On 13 December 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive not less than 400 day's compensation at the latest wage rate. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional liabilities for long-term employee benefits of Baht 65 million (Separate financial statements: Baht 9 million). The Company and its subsidiaries will reflect the effect of the change by recognising past services costs as expenses in the income statement of the period in which the law is effective.

32. Share capital

On 27 April 2018, an Annual General Meeting of shareholders of the Company passed the resolutions approving the following.

Decrease in registered share capital

The meeting approved a reduction in the registered share capital from Baht 1,208 million (1,207,804,692 ordinary shares of Baht 1 per share) to Baht 1,007 million (1,006,503,910 ordinary shares of Baht 1 per share) by cancelling the 201,300,782 ordinary shares with a par value of Baht 1 each, reserved for the exercise of 1st warrants ("SAMART-W warrant"). The Company registered the reduction in share capital with the Ministry of Commerce on 2 May 2018.

Issuance of the warrants

The meeting approved the issuance of 2nd warrants ("SAMART-W2 warrant") not over 335,501,303 warrants, with the offering price per unit begin Baht 0, to the existing shareholders at the exercise ratio of 3:1. The warrants have three years maturity from the issuance date and the exercise price is Baht 15 per share. The warrants can be exercised on the last business day of every 6 months from the issuance date of SAMART-W2 throughout the term of the warrants.

The Company fixed the Record Date on 9 May 2018 for determining the shareholders for entitlement to receive warrants.

Increase in registered share capital

The meeting approved the increase in its registered share capital from Baht 1,007 million (1,006,503,910 ordinary shares of Baht 1 per share) to Baht 1,342 million (1,342,005,213 ordinary shares of Baht 1 per share) through the issuance of 335,501,303 additional ordinary shares of Baht 1 each to be allocated of not more than 335,501,303 shares, with a par value of Baht 1 per share, to accommodate the exercise of the warrants as described above. The Company registered the increase in registered of share capital with the Ministry of Commerce on 3 May 2018.

33. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside as a statutory reserve at least 5 percent of its net profit for the year after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital. The statutory reserve could not be used for dividend payment. At present, the statutory reserve has fully been set aside.

34. Supplemental disclosure for revenues from the contract work

Supplemental disclosure for revenues from the contract work for the years ended 31 December 2018 and 2017 were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Revenues from contract work recognised	5,032,369	4,366,837	-	-
Cost of contract work recognised	(4,466,373)	(3,858,892)	-	-
Recognised profits	565,996	507,945	-	-
Cost of contract work related to future activity recognised as work in progress - beginning balance	212,081	101,736	-	-
Cost of contract work incurred in the year	4,328,830	3,969,237	-	-
The contract work incurred and recognised as contract expenses in the year	(4,466,373)	(3,858,892)	-	-
Write-off work in progress - beginning balance to administrative expenses	(13,167)	-	-	-
Cost of contract work to future activity recognised as work in progress - ending balance	61,371	212,081	-	-
Unbilled contract revenue - beginning balance	1,741,687	2,447,590	-	361,824
Allowance for diminution in value of unbilled contract revenue - beginning balance	5,508	-	-	-
Deferred revenue - beginning balance	(60,710)	(66,350)	-	-
Advance received from customers under contracts - beginning balance	(249,197)	(213,696)	-	(8,157)
Total	1,437,288	2,167,544	-	353,667
Revenues from the contract work recognised	5,032,369	4,366,837	-	-
Progress billings	(4,399,683)	(5,097,093)	-	(353,667)
Unbilled contract revenue - ending balance	(2,563,781)	(1,741,687)	-	-
Allowance for diminution in value of unbilled contract revenue - ending balance	(240)	(5,508)	-	-
Write-off accrued revenue	(230)	-	-	-
Deferred revenue - ending balance	106,443	60,710	-	-
Advance received from customers under contracts - ending balance	(387,834)	(249,197)	-	-

35. Other income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Management fee income (Note 6)	-	-	82,411	450,690
Selling support income	1,820	1,247	-	-
Interest income	41,070	27,793	39,804	48,775
Gain on exchange	-	334	-	-
Gain on revaluation of investment properties (Note 18)	-	700	-	-
Gain on disposal of equipment	-	29,043	423	1,435
Gain on disposal of investment in subsidiaries	18	-	-	-
Gain on disposal of current investments in trading securities (Note 8)	-	1,159	-	274
Gain on liquidation of subsidiaries	1,949	-	-	-
Dividend income from subsidiaries (Note 16)	-	-	2,688,526	152,434
Dividend income from current investments in trading securities	340	260	205	160
IT service fee from subsidiary companies	-	-	95,354	97,509
Gain on compensation received from insurance	95	214	95	-
Others	62,631	46,427	149,336	87,373
Total	107,923	107,177	3,056,154	838,650

36. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Salaries, wages and other employee benefits	2,118,620	2,163,388	87,963	184,243
Promotion and advertising expenses	56,077	251,147	2,862	27,837
Decrease in changes in inventories of finished goods and work in progress	247,350	419,902	-	-
Provision for doubtful debts	929,136	1,596,413	-	21,634
Depreciation	1,458,424	1,659,323	38,446	28,340
Rental expenses from operating lease agreements	249,544	260,283	48,365	46,955
Raw materials and consumables used	59,807	58,431	-	-
Loss on change in value of temporary investments in trading securities	53	307	1,084	496
Loss on impairment of investments in subsidiaries	-	-	262,759	5,471
Amortisation expenses	130,970	111,307	18,397	18,469
Raw materials, equipment and cost of projects used	4,377,319	4,628,523	-	-
Purchase finished goods for sales	150,161	536,180	-	-
Loss on impairment of machinery and equipment	15,144	126,849	-	-

37. Other expenses

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Provision for doubtful debts	934,195	1,596,413	-	21,634
Write-off withholding tax deducted at source	151,209	86,264	15,851	58,236
Loss on change in value of current investments in trading securities (Note 8)	53	307	1,084	496
Loss on disposal of available-for-sale investment (Note 15)	-	3,135	-	-
Loss on disposal of equipments	3,221	-	-	-
Loss on impairment of investments in subsidiaries	-	-	262,759	5,471
Loss on disposal of investments in subsidiaries	-	6,948	-	-
Loss from liquidation of subsidiary	-	1	85	-
Write-off equipments	14,885	1,802	-	-
Write-off goodwill	-	514	-	-
Loss on impairment of office equipment	15,144	7,963	-	-
Loss on exchange	80,600	-	3,912	5,634
Others	5,930	7,757	-	-
Total other expenses	1,205,237	1,711,104	283,691	91,471

38. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Interest expense on:				
Bank loans, overdrafts and trust receipts and debentures	513,734	471,155	129,831	156,134
Loans from related parties	-	-	9,497	6,178
Liabilities under finance lease agreements	1,840	1,648	729	758
Total interest expenses	515,574	472,803	140,057	163,070
Bank charges	32,548	13,535	4,409	211
Total finance cost	548,122	486,338	144,466	163,281

39. Income tax

39.1 Income tax expenses for the years ended 31 December 2018 and 2017 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Current income tax:				
Current income tax charge	202,890	150,880	1,637	1,055
Adjustment in respect of current income tax of previous year	(652)	(20,703)	71	-
Deferred tax:				
Relating to origination and reversal of temporary differences	247,815	(496,363)	9,321	2,670
Income tax (income) expense reported in the income statement	450,053	(366,186)	11,029	3,725

39.2 The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Deferred tax relating to loss on changes in value of available-for-sale investments	4,352	4,721	-	-
Deferred tax relating to gain on actuarial gain	(3,844)	(4,126)	(786)	(417)
Reversal of deferred tax relating to relating to revaluation surplus on land	-	1,380	-	-
Total	508	1,975	(786)	(417)

39.3 The reconciliation between accounting profit and income tax expenses was shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Accounting profit (loss) before tax	(813,870)	(1,799,239)	2,366,172	204,584
Applicable tax rate	Exempt - 30%	Exempt - 30%	Exempt - 20%	Exempt - 20%
Accounting profit (loss) before tax multiplied by applicable tax rate	(167,275)	(395,331)	112,693	5,153
Adjustment in respect of current income tax of previous year	(652)	(20,703)	71	-
Effects of:				
Promotional privileges	(7,696)	(7,228)	-	-
Utilisation of tax loss carry forward	(14,276)	(33,087)	-	-
Non-deductible expenses	47,808	55,299	49,681	8,242
Additional expense deductions allowed	(64,590)	(65,359)	(1,199)	(1,205)
Income not subject to tax	4,420	(301)	(181,865)	(30,519)
Others	(3,517)	5,543	857	-
Total	(37,851)	(45,133)	(132,526)	(23,482)
Deferred tax assets not recognised	602,161	110,653	30,791	22,054
Additional recognition of deferred tax assets from tax losses	-	(22,925)	-	-
Reversal of deferred tax asset	63,924	18,118	-	-
Reversal of deferred tax liability	-	(10,865)	-	-
Reversal of share of gain loss from liquidation subsidiaries	(10,828)	-	-	-
Others	574	-	-	-
Income tax (income) expenses reported in income statement	450,053	(366,186)	11,029	3,725

39.4 The components of deferred tax assets and deferred tax liabilities were as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Deferred tax assets		(Restated)		
Loss on changes in value of available-for-sale investments	33,249	28,897	-	-
Allowance for doubtful accounts	19,516	330,885	-	-
Allowance for diminution in value of inventories	89,246	96,849	-	-
Allowance for asset impairment	10,257	7,391	-	-
Accumulated depreciation - Equipment	64,781	69,175	900	69
Provision for long-term employee benefits	37,130	41,169	5,052	8,669
Accrued vacation leave	1,080	1,295	77	187
Unused tax loss	402,155	311,965	-	-
Unrealised loss from revaluation of trading investment	12,987	13,914	2,719	2,503
Provision for maintenance warranties	12,535	17,719	3,530	11,054
Others	13,371	19,520	1,194	1,213
Total	696,307	938,779	13,472	23,695
Deferred tax liabilities				
Accumulated amortisation - License	255	255	-	-
Accumulated amortisation - Intangible assets	101,094	94,220	-	-
Fair value measurement of intangible asset arising from business combination	-	8,533	-	-
Surplus on revaluation of land	91,613	91,613	31,475	31,475
Other receivables - unrelated parties	17,564	17,564	-	-
Others	17,060	11,220	98	214
Total	227,586	223,405	31,573	31,689
Deferred tax - net	468,721	715,374	(18,101)	(7,994)

Deferred tax assets and liabilities in statement of financial position were as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Deferred tax assets	636,504	(Restated) 840,384	-	-
Deferred tax liabilities	(167,783)	(125,010)	(18,101)	(7,994)
Deferred tax - net	468,721	715,374	(18,101)	(7,994)

39.5 As at 31 December 2018, Samart Digital Public Company Limited, a subsidiary company, and its subsidiaries have deferred tax assets of Baht 372 million (Samart Digital Public Co., Ltd. only of Baht 347 million) in relation to tax loss carried forward deductible against future profit in tax calculation if the subsidiary companies have sufficient profit.

The subsidiary company has a new business under the expertise and experience of the subsidiary company which are awaiting the approval during the year of 2019 and it is able to commence business operations immediately thereafter. The subsidiary company expects to gain sufficient profit to utilise tax loss carried forward. It therefore believes that it will benefit from the recorded deferred tax assets and a provision for impairment is not necessary, considering the current situation. Although the subsidiary company has evaluated and exercised its best estimate, there is still uncertainty about the changing situation, which is normal for future events that have not yet occurred.

39.6 As at 31 December 2018, the subsidiary companies had deductible temporary differences and unused tax losses totaling Baht 3,538 million, US Dollar 0.4 million and Myanmar Kyat 23 million (2017: Baht 779 million, US Dollar 0.9 million and Myanmar Kyat 23 million), on which deferred tax assets have not been recognised which are summarised as below.

(Unit: Million)

	Consolidated financial statements					
	2018			2017		
	(Baht)	(US Dollar)	(Myanmar Kyat)	(Baht)	(US Dollar)	(Myanmar Kyat)
Unused tax losses						
31 December 2018	-	-	-	109	-	-
31 December 2019	58	0.2	-	61	0.2	-
31 December 2020	203	0.1	-	72	0.1	-
31 December 2021	313	0.1	23	440	0.6	23
31 December 2022	103	-	-	97	-	-
31 December 2023	403	-	-	-	-	-
Deductible temporary differences	2,458	-	-	21	-	-
	3,538	0.4	23	779	0.9	23

The Company believes that the subsidiaries' future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

40. Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the total sum of the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued according to the portion of warrant exercise.

As at 31 December 2018 and 2017, the warrants are exclude from the potential ordinary shares their exercise price is in excess of the fair value of the ordinary shares.

As at 31 December 2018, there were 335,429,635 unexercised warrants (2017: 201,265,500 unexercised warrants).

41. Dividends

Dividends	Approved by	Total dividends	Dividend per share	Paid on
		(Million Baht)	(Baht)	
2018				
Dividends from 2017 earnings	Annual General Meeting of the shareholders on 27 April 2018	101	0.10	23 May 2018
Dividends from income for the year 2017 paid in 2018		101	0.10	
2017				
Dividends from 2016 earnings	Annual General Meeting of the shareholders on 25 April 2017	191	0.19	7 September 2016
<u>Less:</u> Interim dividends on earnings for the period as from January to June 2016	A meeting of Board of Directors on 10 August 2016	(110)	(0.11)	
Dividends from income for the year 2016 paid in 2017		81	0.08	

42. Provident fund

The Company, subsidiaries companies and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company and subsidiary companies contributed to the fund monthly at the rate of 3 percent to 10 percent of basic salary and their employees contributed to the fund monthly at the rate of 3 percent to 15 percent of basic salary. The fund, which is managed by Bangkok Bank Public Company Limited and Bank of Ayudhya Public Company Limited, will be paid to the employees upon termination in accordance with the fund rules. The contributions for the year 2018 amounting to approximately Baht 63 million (2017: Baht 63 million) (Separate financial statements: Baht 5 million (2017: Baht 10 million)) were recognised as expenses.

43. Promotional privileges

Subsidiaries have been granted promotional privileges under the Investment Promotion Act B.E. 2520 by the Board of Investment under certain significant conditions. Significant privileges are as follows:

Details	Smarterware Co., Ltd.		Samart eD Tech Co., Ltd.
1. Certificate No.	1152(7)/2551	59-1099-1-00-2-0	1713(7)/2553
2. Promotional privileges for	Software	Software	Software
3. The significant privileges are:			
3.1 Exemption from corporate income tax on net income from promoted operations commencing as from the date of first earning operating income. Furthermore, accumulated losses incurred during the corporate income tax exemption period, the subsidiary is allowed to utilise the losses as a deduction against net income for a period of 5 years after the expiry of the tax exemption period, whether from any one year or from several years.	For a period of 8 years ended on 29 April 2017	For a period of 5 years commencing until 28 September 2022	For a period of 8 years commencing until 21 June 2019
3.2 Exemption from income tax on dividends paid from the income of the promoted operations for which corporate income tax is exempted, throughout the corporate income tax exemption.	Granted	Granted	Granted
3.3 Exemption from import duty on imported machinery for use in production as approved by the Board.	Ended on 19 August 2010	Ended on 24 February 2019	Throughout the period of promoted
4. Date of first earning operating income	30 April 2009	29 September 2017	22 June 2011

Revenues of those subsidiary companies for the years ended 31 December 2018 and 2017 are software development services which could be divided between BOI promoted activities and Non-BOI promoted activities as follows:

(Unit: Thousand Baht)

	2018	2017
BOI promoted	62,687	75,031
Non-BOI promoted	37,953	16,708
Total service income	100,640	91,739

44. Segment information

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.

For management purposes, the Company and its subsidiaries are organised into business segments as follows:

- | | | |
|----|-------------------------------|---|
| 1. | ICT Solution and Service | Provide solutions and services in information and communication technology including Network Solutions, Enhanced Technology in ICT and Business Application ranging from consulting, system design, installation and implementation, operation and maintenance as Total Solutions and Services for clients in government and private sectors. |
| 2. | Digital | Provide integrated businesses in digital network, solution and content. |
| 3. | Call Center | Provide Outsourced contact center and customer management services, and turnkey total solutions in Thailand and Cambodia and also provide digital service innovation, debt collection and training institute. |
| 4. | Utilities and Transportations | Provide air traffic control services, electricity supply in Cambodia and also provide design and installation services of electrical power transmission systems. |
| 5. | Technology Related Services | Manufacture and distribution of television and radio antennas and satellite dishes, distribution, installation and maintenance of Communication and Security Systems. |

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements. However, the Company and its subsidiaries' financing activities (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

The basis of accounting for any transactions between reportable segments is set out in Note 6 to the financial statement.

The following tables present revenue and profit and total assets/total liabilities information regarding the Company's and its subsidiaries' operating segments for the year ended 31 December 2018 and 2017, respectively.

(Unit: Million Baht)

For the years ended 31 December														
ICT Solutions and Services		Digital		Call Center		Utilities and Transportations		Technology Related Services		Adjustments and eliminating		Consolidation		
2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	
Revenues from sales, contract work and service														
- Third parties	7,251	6,647	647	1,303	686	773	3,384	3,440	206	835	-	-	12,174	12,998
- Related parties	428	302	97	31	25	45	-	62	116	53	(655)	(468)	11	25
Total revenues from sales, contract work and service	7,679	6,949	744	1,334	711	818	3,384	3,502	322	888	(655)	(468)	12,185	13,023
Cost of sales, contract work and services	6,564	5,997	726	1,368	602	695	2,260	2,478	255	770	(673)	(465)	9,734	10,843
Gross profit (loss)	1,115	952	18	(34)	109	123	1,124	1,024	67	118	18	(3)	2,451	2,180
Unallocated income (expenses):														
Other income													108	107
Selling and distribution expenses													(397)	(599)
Administrative expenses													(1,223)	(1,290)
Other expenses													(1,205)	(1,711)
Finance cost													(548)	(486)
Income tax income (expenses)													(450)	366
Non-controlling interests of the subsidiaries													188	485
Loss for the year													(1,076)	(948)

(Unit: Million Baht)

For the years ended 31 December														
ICT Solutions and Services		Digital		Call Center		Utilities and Transportations		Technology Related Services		Adjustments and eliminating		Consolidation		
2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	
Assets														
Trade accounts receivable	1,507	1,607	1,489	2,986	227	220	673	564	540	823	(446)	(224)	3,990	5,976
Inventories	152	330	-	128	5	5	69	56	138	130	-	-	364	649
Investment property	-	-	-	-	-	-	-	-	84	84	-	-	84	84
Property, plant and equipment	2,154	2,812	2,558	1,154	80	69	144	50	818	625	(33)	(13)	5,721	4,697
Intangible assets	718	648	43	48	24	26	814	778	47	53	(55)	(59)	1,591	1,494
Others	4,402	3,875	1,837	2,070	606	626	3,039	4,906	6,742	10,492	(6,908)	(12,659)	9,718	9,310
Segment total assets	8,933	9,272	5,927	6,386	942	946	4,739	6,354	8,369	12,207	(7,442)	(12,955)	21,468	22,210
Segment total liabilities	5,266	5,751	4,909	5,835	91	83	3,665	3,129	4,774	7,099	(2,178)	(5,837)	16,527	16,060
Additions (decrease) to non-current assets other than financial instruments and deferred tax assets	(528)	(862)	1,391	484	10	(52)	131	(233)	174	(48)	(16)	46	1,162	(665)

Geographic information

Revenue from external customers is based on locations of the customers.

(Unit: Thousand Baht)

	2018	2017
Revenue from external customers		
Thailand	10,011,372	11,080,220
Cambodia	2,086,493	1,937,940
Others	86,935	4,601
Total	12,184,800	13,022,761
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	7,317,528	6,253,548
Cambodia	838,299	740,458
Total	8,155,827	6,994,006

Major customers

For the year 2018, its subsidiaries had revenue from three major customers totaling of Baht 2,969 million, mainly arising from sales by ICT Solution and Service segment and Utilises and Transportations segment (2017: revenue from three major customers totaling of Baht 2,795 million, mainly arising from sales by ICT Solutions and Services segment and Utilities and Transportations).

45. Commitments and contingent liabilities

The Company and its subsidiaries have commitments and contingent liabilities other than those disclosed in other notes as follows:

45.1 Capital commitments

- 45.1.1 As at 31 December 2017, Secureinfo Co., Ltd. a subsidiary company, had capital commitments approximately Baht 114 million, relating to purchase equipment for install cyber security system (2018: Nil).
- 45.1.2 As at 31 December 2018, Samart Digital Public Co., Ltd., and Samart Comtech Co., Ltd., the subsidiary companies, had capital commitments totally of approximately USD 22.9 million or equivalent to Bath 748 million and Baht 3 million, regarding the purchase of equipment for Digital Trunked Radio System (DTRS) services (2017: USD 0.9 million or equivalent to Bath 29 million).
- 45.1.3 As at 31 December 2018, Thai Base Station Co., Ltd., a subsidiary company, had capital commitments of approximately Bath 248 million, regarding the purchase of equipment and installing for telecommunication tower service for Tower-Co project (2017: Bath 122 million).
- 45.1.4 As at 31 December 2018, Cambodia Air Traffic Services Co., Ltd., a subsidiary company, had capital commitments of approximately USD 2.0 million or equivalent to Baht 64 million, regarding the additionally invest in project assets as condition stipulated in the extend agreement (2017: Nil).

45.2 Operating lease commitments

- 45.2.1 The Company and its subsidiaries have entered into lease agreements in respect of the lease of office building space, motor vehicles and equipment. The terms of the agreements are generally between 1 year until the termination notice is given.

Future minimum lease payments required under these operating leases contracts were as follows:
(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Payable:				
In up to 1 year	154	157	49	48
In over 1 and up to 5 years	69	183	21	70

45.2.2 As at 31 December 2018, Samart Digital Public Co., Ltd., a subsidiary company, has no future minimum sublease income expected to be received under non-cancellable sublease (2017: Baht 0.1 million). During the year 2018, the subsidiary company recognised rental expenses and subleasing revenue of Baht 0.2 million and Baht 0.2 million, respectively (2017: Baht 1.1 million and Baht 1.1 million, respectively).

45.3 Commitments in uncalled portions of investments

The subsidiaries are committed to pay the uncalled portions of their investments as follows:

	Currency	Amount (Million)	
		2018	2017
The local subsidiary companies	Baht	134	134
The overseas subsidiary companies	USD	3	3

45.4 Guarantees

45.4.1 Bank guarantees

There were outstanding bank guarantees issued by the banks on behalf of the Company and its subsidiaries, in respect of certain performance bonds as required in the normal course of business. The details of bank guarantees are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Baht				
Performance guarantees	5,365	4,169	218	218
Guarantee electricity use and others	286	401	1	1
Yen				
Performance guarantees	55	55	-	-
Euro				
Performance guarantees	2	2	-	-
Swiss franc				
Performance guarantees	3	3	-	-
US Dollar				
Performance guarantees	3	3	-	-

45.4.2 Related parties guarantees

Generally, these guarantees are effective for guarantor as long as the underlying obligations have not been discharged by the guaranteed party. Guarantee fees are charged by the Company and subsidiaries. Related parties guarantees are summarised below.

- a) The Company has contingent liabilities in respect of the guarantees of subsidiaries' loans and credit facilities provided to banks and financial institutions, as follows:

(Unit: Million Baht)

	Guaranteed facilities	
	2018	2017
Baht		
Teda Co., Ltd.	3,811	3,870
Transec Power Services Co., Ltd.	1,625	1,525
The Samart Engineering Co., Ltd.	1,152	1,412
Vision and Security System Co., Ltd.	545	476
Samart U-Trans Co., Ltd.	100	100
Suvarnabhumi Environment Care Co., Ltd.	72	72
Samart RadiTech Co., Ltd.	60	60
	7,365	7,515
US Dollar		
Samart Digital Public Co., Ltd.	7	-
The Samart Engineering Co., Ltd.	6	6
	13	6

- b) Samart Digital Public Co., Ltd., a subsidiary company, has contingent liabilities in respect of the guarantees of subsidiaries' credit facilities provided to banks as follows:

(Unit: Million Baht)

	Guaranteed facilities	
	2018	2017
Samart Mobile Services Co., Ltd.	5	15
Samart Digital Media Co., Ltd. (formerly known as "Samart Multimedia Co., Ltd.")	-	20
Zecureasia Co., Ltd.	10	10
Samart Mobile Services Co., Ltd., Zecureasia Co., Ltd. and Teleconnext Co., Ltd. (joint use the same facilities with Samart Digital Public Co., Ltd.)	1,785	1,791
Teleconnext Co., Ltd. and I-Mobile Plus Co., Ltd. (joint use the same facilities with Samart Digital Public Co., Ltd. which Samart Digital Public Co., Ltd. guarantees credit facilities to I-Mobile Plus Co., Ltd. of Baht 200 million)	-	700
I-Mobile Plus Co., Ltd.	-	10
I-Sport Co., Ltd.	12	12
I-Mobile Plus Co., Ltd. (joint use the same facilities with Samart Digital Public Co., Ltd.)	-	105

(Unit: Million Baht)

	Guaranteed facilities	
	2018	2017
Samart Digital Media Co., Ltd. (formerly known as “Samart Multimedia Co., Ltd.”), Teleconnex Co., Ltd. I-Mobile Plus Co., Ltd. and I-Mobile Direct Co., Ltd. (joint use the same facilities with Samart Digital Public Co., Ltd.)	-	500
I-Sport Co., Ltd. and Siam Sport Television Co., Ltd.	51	51
Siam Sport Television Co., Ltd.	2	2

These guarantees are effective for Samart Digital Public Co., Ltd., as long as the underlying obligations have not been discharged by those subsidiaries.

- c) As at 31 December 2018, Samart Telcoms Public Co., Ltd., a subsidiary company, was guarantor of credit facilities and rental of equipment of its subsidiary companies from banks and a leasing company amounting to Baht 10,105 million (2017: Baht 17,185 million).
- d) The Company has credit bank guarantee facilities of Baht 1,000 million by the bank and has allowed Samart U-Trans Co., Ltd., full access to the credit facilities. The Samart Engineering Co., Ltd., and Suvarnabhumi Environment Care Co., Ltd., are also allowed to draw down amounts of Baht 150 million and Baht 20 million, respectively, from the credit facilities.

45.5 Other commitments

- a) The Company has entered into the Contract to build, cooperate and transfer an air traffic control system (“BCT Contract”) with the Royal Government of the Kingdom of Cambodia. Under this agreement, the Company has had to establish a limited liability company under the laws of the Kingdom of Cambodia to be responsible for development and sole operation of the civil air traffic control and navigation system of Cambodia for a period of 15 years with an option to extend for another 7 years in consideration of The State Secretariat of Civil Aviation of Cambodia (“SSCA”) granting the air traffic license to the Company. On 18 June 2001, the Company entered into the assignment of “BCT Contract” with Cambodia Air Traffic Services Co., Ltd., a subsidiary company, to transfer of all the Company’s rights and obligations under the “BCT Contract” to that subsidiary company pursuant to Article 2.2 of “BCT Contract” without charge. On 27 September 2007, the subsidiary requested extension to another 10 years. Subsequently, on 8 December 2017, the subsidiary company signed an amendment to the concession agreement with the Royal Government of the Kingdom of Cambodia to extend the concession period for another seven years, from 2034 to 2041, whereby the subsidiary company has to additionally invest in project assets as condition stipulated in the extend agreement.

Under the agreement, the subsidiary company is to pay remuneration to the Royal Government of the Kingdom of Cambodia in proportion to its annual income and is obliged to comply with conditions, including the condition that the ownership of the civil air traffic control and navigation system and all equipment, which currently are transferred to intangible assets (service concession) in accordance with TFRIC 12 Service Concession Arrangements, is to be transferred to the Royal Government of the Kingdom of Cambodia at the end of concession period, without charge.

- b) On 15 February 2011, the Company entered into a lift maintenance service agreement with a domestic contractual partner. Under the agreement, the Company has commitment to pay service fees to its contractual partner by quarterly installments, totaling approximately Baht 1 million per quarter (2017: Baht 1 million per quarter). The agreement is expiring in 2020.
- c) Samart U-Trans Co., Ltd., a subsidiary company, entered into purchase and installment contract with various local and foreign companies. The subsidiary company obligated to comply with certain condition and to make the following payments for equipment and services as below.

Currency	Amount (Million)	
	2018	2017
Baht	3	3
Euro	1	-

- d) Teda Co., Ltd. and Transec Power Services Co., Ltd., the subsidiary companies, entered into general contractors and equipment and service purchase agreements with various companies in order to operate their construction of electrical stations and installation of electrical systems business. The subsidiary companies are obligated to comply with certain conditions and to make the payments for equipment and services of Baht 1,625 million (2017: Baht 1,254 million).
- e) As at 31 December 2017, Vision and Security System Co., Ltd., a subsidiary company, entered into general contractors and equipment and service purchase agreements with various companies in order to maintain and install their construction of security systems. The subsidiary company is obligated to comply with certain conditions and to make the payments for equipment and services totaling of Baht 7 million (2018: Nil).
- f) On 27 October 2016, Samart Green Energy Co., Ltd. (formerly known as “Samart Waste2Power Co., Ltd.”), a subsidiary company, entered into a sale and purchase agreement in order to purchase of land totally Baht 35 million. The subsidiary paid a deposit of Baht 3 million. As at 31 December 2018, the subsidiary has commitment to pay the remaining amount of Baht 32 million (2017: Baht 32 million) within 1 year from the contract date. This agreement shall continue in force and effect from year to year after the expiration date without renewal agreement, the subsidiary provided short-term loans to unrelated party (landlord) of Baht 12 million, as described in Note 11 to the financial statements, which will be treated this loan as a portion of the sale and purchase of land agreement in the future.
- g) As at 31 December 2018, SAMART Transolutions Co., Ltd., a subsidiary company, is committed to pay premium to a company in accordance with long-term loan agreement with that company amounting to USD 0.8 million, or equivalent to Baht 25 million (2017: Nil).

Other commitments of Samart Telcoms Public Co., Ltd.’s group

- h) Samart Telcoms Public Co., Ltd., a subsidiary company, entered into transponder lease agreements with domestic and foreign contractual partners. Under the agreements, the subsidiary company had commitment to pay rental fees to its contractual partners in monthly installments, totaling approximately USD 0.2 million (2017: USD 0.2 million).

- i) On 10 August 2011, the Board of the National Broadcasting and Telecommunications Commission (NBTC) passed a resolution approving the issue to Samart Telcoms Public Co., Ltd., a subsidiary company, of a 5-year, Type two telecommunication business license without own telecommunications network (Very Small Aperture Terminal (VSAT) service). The license is effective from the date of termination of the old contract to provide local audio and visual data communications via satellite services (13 September 2011). The subsidiary company is obliged to comply with various conditions, which included a commitment to hand over the telecommunications equipment used in provision of the data communication via satellite service to NBTC within 11 December 2011, and to pay an annual service fee. Although, the subsidiary company has handed over the telecommunications equipment NBTC, and NBTC has acknowledged receipt in October 2018.
- j) Samart Infonet Co., Ltd., a subsidiary company, entered into a contract with True International Gateway Co., Ltd. related to the provision of services to an international internet exchange center. The subsidiary company is obligated to comply with the conditions stipulated in the contract and pay a service fee totaling approximately Baht 0.1 million per month (2017: Baht 0.1 million per month).
- k) Portalnet Co., Ltd., a subsidiary company entered into a contract to use computer software application services with a company. The subsidiary is obligated to comply with the conditions stipulated in the contract and subsidiary company has future minimum lease payments as follows:

(Unit: Million Baht)

	Consolidated financial statements	
	2018	2017
Payable:		
In up to 1 year	343	343
In over 1 and up to 4 years	343	685

- l) Portalnet Co., Ltd., a subsidiary company, entered into a contract with SAP (Thailand) Co., Ltd. to provide system maintenance services for computer software applications for core business operation. The subsidiary is obligated to comply with the conditions stipulated in the contract and pay service fee of approximately Baht 1 million per month (2017: Baht 1 million per month).
- m) Portalnet Co., Ltd., a subsidiary company, entered into a contract with Let Systems Ltd. to provide system maintenance services for computer software applications for core business operation by transferring the assignment to provide maintenance services from Siemens AG. The subsidiary company is obligated to comply with the conditions stipulated in the contract and pay service fee of approximately Euro 0.02 million per month (2017: Euro 0.03 million per month).
- n) Posnet Co., Ltd., a subsidiary company, entered into two agreements with a private limited company to provide system maintenance services. During the year 2015, that company charged a penalty and compensatory damages totaling Baht 8 million to the subsidiary under these two agreements, for breaches of the conditions stipulated therein. Subsequently, the subsidiary has negotiated and received details of the penalties and compensatory damages from such company which the penalties and compensatory damages were changed to be Baht 4 million. However, the subsidiary's management has considered the matters and still believes that the subsidiary will not have to pay the penalty and compensatory damages, and therefore, as at 31 December 2018, the subsidiary company has not set aside any provision in its accounts.

- o) Samart Comtech Co., Ltd., a subsidiary company, entered into purchase and equipment installation agreements with many local companies for the development of the Land Information System (Phase 2). As at 31 December 2018, the subsidiary is obligated to pay for equipment and service fee totaling approximately Baht 947 million.
- p) On 6 July 2018, Samart Communication Services Co., Ltd., a subsidiary company, entered into an agreement to enter into a consortium with Loxley System Integrator Co., Ltd. and Sky ICT Public Co., Ltd. named SSL Consortium, for the purpose of entering into a price proposal of Bandwidth Extension of Network Connecting Border and Submarine Cable Station project with CAT Public Co., Ltd. The subsidiary company was appointed as the lead company of SSL Consortium and is authorised to act on behalf of SSL Consortium. The agreement is effective from the date that the agreement is signed and will terminate when SSL Consortium has full discharged its responsibilities under the agreement.
- Subsequently, on 20 December 2018, SSL Consortium entered into an agreement with CAT Telecom Public Co., Ltd. for Bandwidth Extension of Network Connecting Border and Submarine Cable Station project. This project will completed within 18 July 2019.

Other commitments of Samart Digital Public Co., Ltd.'s group

- q) On 22 February 2017, TOT Public Co., Ltd. submitted a letter to NBTC to notify NBTC of the cancellation of the cooperation under the Memorandum of Understanding with respect to 3G mobile phone service trial project prior to notifying the cancellation to I-Mobile Plus Co., Ltd. On 1 March 2017, I-Mobile Plus Co., Ltd. submitted a letter to TOT Public Co., Ltd. and NBTC to notify of the termination of i-mobile 3GX service because the 3GX cellular phone system was frequently disrupted and TOT Public Co., Ltd. was unable to permanently fix the problem. In addition, TOT Public Co., Ltd. has not expanded its base station following its business plan in order to expand the coverage across the country. However, I-Mobile Plus Co., Ltd. had prepared a recovery plan for users of i-mobile 3GX service in accordance with the conditions imposed by the NBTC. Subsequently, on 22 June 2017, the NBTC submitted a letter to I-Mobile Plus Co., Ltd. that agreeing of the termination of the Telecommunications Business License type 1 and agreed with I-Mobile Plus Co., Ltd.'s recovery plan for the users of i-mobile 3GX. Subsequently, on 7 July 2017, I-Mobile Plus Co., Ltd. submitted a letter notifying the NBTC that it had jointly concluded with TOT Public Co., Ltd. that the date of discontinuing the i-mobile 3GX service would be 18 July 2017.
- r) I-Mobile Plus Co., Ltd., a subsidiary company, has been notified by TOT Public Co., Ltd. regarding the payment for Home Location Register (HLR) amounting to Baht 19 million (2017: Baht 19 million). However, the management and the legal department of the subsidiary company were of the opinion that the subsidiary company was not liable to such payment because the data storage on HLR did not reach the quota as specified in the agreement. At present, the subsidiary company is providing the clarification to TOT Public Co., Ltd. In this regard, as at 31 December 2018 and 2017, I-Mobile Plus Co., Ltd. did not set up a provision in the account.
- s) On 22 October 2015, Samart Digital Public Co., Ltd., a subsidiary company, entered into wholesale agreement to provide mobile phone services with CAT Telecom Public Co., Ltd., ("CAT") whereby the subsidiary company will resell mobile phone services to end-users. CAT is to commence providing service within 90 days after the agreement has been signed and until 3 August 2025. Under the terms of the agreement, the subsidiary company is obliged to pay minimum wholesale service fees at a stipulated rate.

However, due to a delay in the distribution of mobile phone numbers by the Office of The National Broadcasting and Telecommunications Commission (“NBTC”) and technical delays, the subsidiary company was unable to commence the service within the stipulated timeframe. On 22 April 2016, the subsidiary company sent a letter to CAT informing the commencement date to be 3 May 2016.

On 26 June 2017, the subsidiary company submitted a letter to CAT to notifying it of the cancellation of the wholesale agreement to provide mobile phone services, OPEN by i-mobile, because the telecommunications industry has remained intensely competitive over the past 2-3 years and there are no signs that the situation will improve in the future. The subsidiary company is unable to implement its plans and in line with its newly-developed business plan. On 11 July 2017 and 14 July 2017, the subsidiary company submitted a letter to notify NBTC and CAT, respectively, of the cancellation of the wholesale agreement to provide mobile phone services with CAT, requested permission to close the mobile phone signal for the OPEN by i-mobile service and sent a recovery plan for users of OPEN by i-imbibe. On 14 December 2017, the NBTC notified the subsidiary company regarding the approval for the return allocated numbering of the mobile phone service under brand OPEN by i-mobile and approved the subsidiary company to cancel the connection of such allocated numbering on 20 December 2017 which was agreed with CAT.

- t) On 10 March 2017, Samart Digital Public Co., Ltd., a subsidiary company, entered into an agreement to enter into a consortium with Samart Communication Services Co, Ltd. named SISC Consortium, for the purpose of entering into an alliance service agreement for Digital Trunked Radio System with CAT Telecom Public Co., Ltd. Samart Digital Public Co., Ltd. was appointed as the lead company of SISC Consortium and is authorised to act on behalf of SISC Consortium. The agreement is effective from the date that the agreement is signed and will terminate when SISC Consortium has fully discharged its responsibilities under the agreement. Samart Digital Public Co., Ltd. is obliged to comply with duties, certain conditions and pay fees for the project as stated in the agreement.

Subsequently, on 24 August 2017, SISC Consortium entered into a business alliance agreement with CAT Telecom Public Co., Ltd. in order to increase its capability to provide Digital Trunked Radio System (DTRS) services. The agreement terminates on 31 July 2025.

On 2 October 2017, Samart Digital Public Co., Ltd. entered into a three-year agreement with CAT Telecom Public Co., Ltd. to resell digital trunked radio system services to end-users. Under the terms of the agreement, Samart Digital Public Co., Ltd. is obliged to pay minimum wholesale service fees at a stipulated rate.

- u) In August 2018, I-Sport Co., Ltd., a subsidiary company had entered into a hire of work agreement with Siam Sport Syndicate Public Co., Ltd., a related company, regarding the organizer of competition of King Power’s Cup 2018. The agreement will be terminated upon the end of the 2018 competition (within March 2019). The subsidiary company has to pay service fees at the rate as stipulated in the agreement.
- v) On 18 December 2018, Samart Digital Public Co., Ltd., a subsidiary, entered into an agreement to enter into a consortium with Samart Telcom Public Co, Ltd., another subsidiary company, named SS Consortium, for the purpose of entering into a price proposal of Mobile Switching Office equipment for Digital Trunked Radio System with CAT Telecom Public Co., Ltd. Samart Digital Public Co., Ltd. was appointed as the lead company of SS Consortium and is authorized to act on behalf of SS Consortium. The agreement is effective from the date that the agreement is signed and will terminate when SS Consortium has fully discharged its responsibilities under the sale agreement or the SS Consortium’s price proposal has not accomplished. Samart Digital Public Co., Ltd. is obliged to comply with certain conditions and pay fees for the project as stated in the agreement.

Subsequently, on 26 December 2018, SS Consortium entered into a sales agreement with CAT Telecom Public Co., Ltd. to sell Mobile Switching Office equipment. The agreement will terminate when SS Consortium has fully discharged its responsibilities under the sale agreement with CAT Telecom Public Co., Ltd.

45.6 Litigation

- a) The Company had been involved in provision of financial support and installation of telecommunication network system to the 13th the Bangkok - Asian Games Organizing Committee (BAGOC) in 1997, for instance by supporting on installation design of telecommunication network system including its equipment and providing financial support at Baht 190 million. However, the Company had encountered with financial difficulties during the massive economic downturn of the country in 1997 which had long term and continuous impacts to the Company. Therefore, the Company had negotiated to cancel such financial support because the Company had waived its rights to use many benefits made under the agreements during the competition games and the Committee further provided such benefits to other sponsors already. Hence, the Company was not liable for such financial support any longer.

During the fourth quarter of 2010, BAGOC had submitted the matter in dispute to the Arbitration Institute requesting the Company to make payment of approximately Baht 332 million (Baht 190 million plus interest).

Subsequently, the Arbitration Institution completed examination of the evidence of both the Company and the Organizing Committee and on 22 August 2013 found in favour of the Company, on the grounds that the Organizing Committee and the Sports Authority of Thailand had submitted the matter in dispute more than 10 years after the dispute arose, meaning that the statute of limitations had already expired. However, on 27 November 2013, the Competition Management Committee and Sports Authority of Thailand submitted a petition to the Civil Court for the revocation of the arbitral award.

On 29 August 2014, the Civil Court rescinded the Arbitration award, without ruling that the Company is obligated to make any payment to the Organizing Committee and the Sports Authority of Thailand. The Company filed an appeal on 28 November 2014, against the Civil Court's judgment with the Supreme Court. On 23 January 2015, the Organizing committee and the Sports Authority of Thailand filed an appeal against the Civil Court's judgment with the Supreme Court. The Supreme Court gave its verdict on 20 September 2016 revoking the arbitration award without ruling the Company to pay any debt to the Organizing Committee and the Sports Authority of Thailand.

On 23 November 2016, the Organizing Committee and the Sports Authority of Thailand lodged a request with the Arbitrator (old panel) requesting the Arbitrator to continue its consideration. On 10 February 2017, the Company filed a claim against the request of the Organizing Committee and the Sports Authority of Thailand. On 5 April 2017, the Company received a letter from the Arbitration Institution regarding the replacement of the Arbitrator who had withdrawn and the Company already appointed the Company's Arbitrator on 13 September 2017.

Subsequently, on 19 January 2018, the Arbitral Tribunal appointed a chairperson of the Arbitral Tribunal and dismissed the above claim. The Company filed an appeal against such order with the Civil Court on 16 February 2018. Subsequently, on 10 July 2018 the Court issued an order dismissing the Company's appeal. The Company's legal advisor has filed an appeal of the order of the Civil Court with the Supreme Court on 8 August 2018. During the filing and appeal, and until the Supreme Court issues a final judgment on the matter, the Arbitral tribunal has suspended consideration.

As at 31 December 2018, this case has not been finalised. The legal advisor of the Company is of the opinion that the Company shall not be liable because the Company can raise the issue about status of limitations has already expired which is more than 10 years.

- b) On 5 January 2004 a civil lawsuit was filed against IT Absolute Co., Ltd., a subsidiary company, with the plaintiff lodging a claim for the return of assets and compensation totaling Baht 15.6 million. The subsidiary company was accused of failure to comply with the terms and conditions of a share sale agreement executed with a customer (the plaintiff). The alleged failure occurred while the subsidiary company was operating under its previous name, Yuanta Securities (Thailand) Company Limited.

The share purchase and sale agreement dated 7 January 2003 between the subsidiary company's former shareholders (the seller) and a bank (the purchaser), states that if any liabilities attributable to the activities of the seller occurred within two years after the shares were transferred to the purchaser and were not presented in the statement of financial position as at 31 December 2002, the seller would, if the case was finalised and the Court ordered the subsidiary company to settle such liabilities, pay compensation to the subsidiary company at a rate of 92.7329 percent of such liabilities.

On 29 September 2005, the Civil Court ordered the subsidiary company to return the securities to the plaintiff or pay Baht 8.4 million if the subsidiary company was unable to do so. Subsequently, the subsidiary company lodged an appeal with the Appeal Court, and on 16 March 2011 the Appeal Court affirmed the judgment of the Court of First Instance. The subsidiary company then lodged an appeal with the Supreme Court on 12 May 2011. Subsequently, the Supreme Court affirmed the judgment of the Appeal Court and the seller had returned the securities to the plaintiff in order to settle this lawsuit. Therefore, there are no contingent liabilities as at 31 December 2018.

46. Fair value hierarchy

The Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated Financial Statements					
	Level 1		Level 2		Total	
	2018	2017	2018	2017	2018	2017
Assets measured at fair value						
Held for trade investments						
Equity instruments	17	17	-	-	17	17
Available-for-sale investments						
Equity instruments	18	39	-	-	18	39
Derivatives						
Foreign currency forward contracts	-	-	1	-	1	-
Investment properties	-	-	84	84	84	84
Land	-	-	556	550	556	550
Assets held for future projects - Land	-	-	23	23	23	23
Financial liabilities measured at fair value						
Debentures	-	-	2,000	3,765	2,000	3,765

(Unit: Million Baht)

	Separate Financial Statements					
	Level 1		Level 2		Total	
	2018	2017	2018	2017	2018	2017
Assets measured at fair value						
Held for trade investments						
Equity instruments	9	10	-	-	9	10
Land	-	-	218	218	218	218
Assets held for future projects - Land	-	-	23	23	23	23
Financial liabilities measured at fair value						
Debentures	-	-	1,250	2,500	1,250	2,500

Valuation techniques and inputs to Level 2 valuations

The fair value of derivatives has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves.

During the year, there were no transfers within the fair value hierarchy.

47. Financial instruments

47.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, loans, investments, debentures, bank overdrafts, short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable, loans and other accounts receivable. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the majority of sales and services of the Company and its subsidiaries are supplied to creditworthy customers such as state enterprises and government agencies. In addition, they have a large customer base. The Company and its subsidiaries do not anticipate material losses from their debt collection. The maximum exposure to credit risk is limited to the carrying amount of receivables, loans and other receivables as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk related primarily to its cash at banks, bank overdrafts, debentures, short-term loans and long-term borrowings. However, since most of their financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rates are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date or the repricing date if this occurs before the maturity date.

(Units: Million Baht)

	Consolidated financial statements								
	Fixed interest rates				Floating interest rate		Non-interest bearing		Total
	Within 1 year		Over 1 - 5 years		2018	2017	2018	2017	
	2018	2017	2018	2017					
Financial Assets									
Cash and cash equivalents	867	462	-	-	1,370	1,707	434	477	2,646
Fixed deposit	60	-	-	-	-	-	-	-	-
Temporary investments	-	-	-	-	-	-	17	17	17
Trade and other accounts receivable	-	-	-	-	-	-	4,017	6,112	6,112
Finance leases receivable	118	124	274	382	-	-	-	-	506
Short-term loans	-	-	-	-	12	12	-	-	12
Restricted bank deposits	235	104	-	-	-	-	-	-	104
Available-for-sale investments	-	-	-	-	-	-	18	39	39
Total	1,280	690	274	382	1,382	1,719	4,486	6,645	9,436
Financial liabilities									
Bank overdrafts	-	-	-	-	-	4	-	-	4
Short-term loans from financial institutions	1,290	4,387	-	-	4,511	1,915	-	-	6,302
Bill of exchange	-	740	-	-	-	-	-	-	740
Trust receipt	-	58	-	-	464	534	-	-	592
Trade and other accounts payable	-	-	-	-	-	-	2,350	1,644	1,644
Short-term loans from unrelated parties	22	22	-	-	-	-	-	-	22
Debentures	750	2,515	1,250	1,250	-	-	-	-	3,765
Long-term loans from financial institutions	-	-	-	-	3,223	988	-	-	988
Liabilities under finance lease agreements	14	16	32	46	-	-	-	-	62
Total	2,076	7,738	1,282	1,296	8,198	3,441	2,350	1,644	14,119

(Units: Million Baht)

	Separate financial statements									
	Fixed interest rates				Floating interest rate		Non-interest bearing		Total	
	Within 1 year		Over 1 - 5 years							
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Financial Assets										
Cash and cash equivalents	-	-	-	-	104	183	6	1	110	184
Temporary investments	-	-	-	-	-	-	9	10	9	10
Trade and other accounts receivable	-	-	-	-	-	-	141	205	141	205
Short-term loans	-	-	-	-	713	2,172	-	-	713	2,172
Total	-	-	-	-	817	2,355	156	216	973	2,571
Financial liabilities										
Short-term loans from financial institution	1,290	935	-	-	-	-	-	-	1,290	935
Bill of exchange	-	740	-	-	-	-	-	-	-	740
Trade and other accounts payable	-	-	-	-	-	-	241	166	241	166
Short-term loans from related parties	-	-	-	-	670	254	-	-	670	254
Debentures	-	1,250	1,250	1,250	-	-	-	-	1,250	2,500
Long-term loans from related parties	-	-	-	-	36	892	-	-	36	892
Liabilities under finance lease agreements	9	8	12	21	-	-	-	-	21	29
Total	1,299	2,933	1,262	1,271	706	1,146	241	166	3,508	5,516

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arises mainly from trading transactions and loans that are denominated in foreign currencies. The subsidiary company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

The Company and its subsidiaries have significant foreign currency assets and liabilities that were unhedged against foreign exchange risk, as summarised below.

Foreign currency	Consolidated financial statements		Separate financial statements		Exchange rate as at 31 December	
	2018	2017	2018	2017	2018	2017
	(Million)		(Million)		(Baht per 1 foreign currency unit)	
Financial assets						
Yen	26	-	-	-	0.2892	-
US dollar	11	6	-	3	32.2848	32.4342
Swiss franc	-	1	-	-	-	32.9867
Euro	1	1	-	-	36.7620	38.5567
Financial liabilities						
Yen	26	26	-	-	0.2970	0.2936
US dollar	78	7	12	10	32.6148	32.8472
Swiss franc	2	2	-	-	33.2639	33.7317
Euro	-	1	-	-	-	39.3938

As at 31 December 2018, Samart Digital Public Co., Ltd., a subsidiary company, had the following outstanding forward exchange contracts (2017: Nil):

Foreign currency	Consolidated financial statements	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
Bought amount			
US dollar	4	32.2550 - 32.5441	March 2019 - June 2019
Sold amount			
US dollar	1	32.5075	April 2019

47.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or loan to/from and debenture bear floating interest rate, their fair value is not expected to be materially different from the amount presented in the statement of financial position.

48. Capital management

The primary objective of the Company and its subsidiaries' capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2018, the Group's debt-to-equity ratio was 3.34:1 (2017: 2.61:1) and the Company's was 0.54:1 (2017: 1.28:1).

49. Events after the reporting period

- a) On 29 November 2018, the Annual General Meeting of shareholders of The Samart Engineering Company Limited, a subsidiary company, passed a resolution to approve an increase in the share capital from Baht 250 million (2,500,000 ordinary shares of Baht 100 each) to Baht 550 million (5,500,000 ordinary shares of Baht 100 each) through an issuance of additional 3,000,000 ordinary shares of Baht 100 each. The subsidiary company registered the increase in the share capital with the Ministry of Commerce on 15 January 2019. The company paid up the share capital in full in January 2019.
- b) On 14 February 2019, the meeting of Board of Directors of Samart Digital Media Co., Ltd., a subsidiary company, passed a resolution approving an acquisition of increased share capital in proportion to shareholding of Entertainment Tree Co., Ltd., another subsidiary company, and an acquisition of the shares remaining after the share allocation in total of 270,000 shares of Baht 10 per share. The subsidiary fully paid for the share acquisition on 20 February 2019.
- c) On 18 February 2019, the Extraordinary General Meeting of Entertainment Tree Co., Ltd., a subsidiary company, passed a special resolution approving the increase in the registered share capital from Baht 5 million (500,000 ordinary shares of Baht 10 each) to Baht 8 million (800,000 ordinary shares of Baht 10 each) through the issuance of 300,000 additional ordinary shares at par value of Baht 10 each. The subsidiary company registered share capital increased with the Ministry of Commerce on 25 February 2019.

50. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised Directors on 25 February 2019.

Remuneration of the Auditors

1) Audit Fee

In 2018, the Company and subsidiaries paid audit fees to the Company's auditor, EY Office Limited comprised of following details:

- Audit fees for the year ended December 31, 2018 of the Company was Baht 2,450,000 of which excluded other miscellaneous payment of Baht 190,087 (i.e. traveling expenses, photo copy expenses etc.).
- Audit fees for the year ended December 31, 2018 of the subsidiaries pay to audit firm or other persons or firms that related to the audit firm were Baht 18,680,000 of which excluded other miscellaneous payment of Baht 826,156.74 (i.e. traveling expenses, photo copy expenses etc.).

In addition, the 5 overseas subsidiaries in Hong Kong and Cambodia paid audit fees to the auditors from the group of Ernst & Young Global Limited in each countries were Baht 1,886,629.15 excluded miscellaneous payment of Baht 103,494.49 (i.e. travelling expenses, photo copy expenses etc.).

Moreover, the subsidiary in Myanmar paid audit fees to other audit firm which was suitable for its size of business total of Baht 39,846.24 and the 2 subsidiaries which registered the dissolution in 2018, paid audit fees for dissolution and liquidation to other auditors of Baht 48,000. Both subsidiaries finished registering the liquidation in 2018.

2) Non-Audit Fee

In 2018, the Company's subsidiaries paid Non-Audit fee comprised of following details:

- Samart Telcoms Pcl., a direct subsidiary with stakeholding 70.14%, paid professional fee to EY Office Limited for the review of compliance conditions stipulated in the Universal Service Obligation (USO) for submitted to Office of The National Broadcasting and Telecommunications Commission (NBTC) for the period ended December 31, 2018 at Baht 40,000.
- Samart Infonet Co., Ltd., an indirect subsidiary with stakeholding 69.86%, paid professional fee to EY Office Limited for the review of compliance conditions stipulated in the Universal Service Obligation (USO) for submitted to Office of The National Broadcasting and Telecommunications Commission (NBTC) for the period ended December 31, 2018 at Baht 40,000.
- Smarterware Co., Ltd., an indirect subsidiary with stakeholding 70.14%, paid professional fee to EY Office Limited for the review of compliance conditions stipulated in the investment promotion certificate submitted to BOI for the period ended December 31, 2018 at Baht 100,000.
- Samart Ed-Tech Co., Ltd., an indirect subsidiary with stakeholding 70.14%, paid professional fee to EY Office Limited for the review of compliance conditions stipulated in the investment promotion certificate submitted to BOI for the period ended December 31, 2018 at Baht 100,000.

The Board of Directors, Managements, Controlling Person,
The Person Taking the Highest Responsibility in Accounting and Finance,
The Person Supervising Accounting and Company Secretary
of Samart Corporation Public Company Limited

- The Board of Directors of Samart Corporation Public Company Limited as of December 31, 2018

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in Company ⁽¹⁾ (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
1. Dr. Tongchat Hongladaromp - Chairman - Independent Director - Audit Committee Member - Chairman of the Nominating & Compensation Committee <i>(To be appointed as a director on Apr. 25, 2008)</i>	80	- Ph.D (Civil Eng.), Northwestern University, Chicago, USA - M.Eng. (Civil), Asian Institute of Technology Bangkok - B.Eng. (Civil), Chulalongkorn University, Bangkok - National Defence course (Class 32), National Defence College of Thailand in 1989 Training courses from Thai Institute of Directors Association (IOD) : - Director Accreditation Program (DAP) in 2005 - Finance for Non-Finance Director Program in 2005	-	-	2008-Present	Chairman / Independent Director / Audit Committee Member	Samart Corporation Plc.
					2008-Present	Chairman of the Nominating & Compensation Committee	Samart Corporation Plc.
					2007-Present	Position in other listed companies Chairman	Linde (Thailand) Plc.
					1994-Present	Independent Director	Sahaviriya Steel Industries Plc.
					2007-Present	Chairman of the Risk Management Committee	Sahaviriya Steel Industries Plc.
					2003-Present	Senior Advisor	PTT Plc.
					Present	Senior Advisor	PTT Global Chemical Plc.
					Present	Advisor to the Board of Directors	PTT Exploration and Production Plc.
					2013-Present	Position in non-listed companies Chairman / Chairman of the Audit Committee / Independent Director	Thai Light Block & Panel Co., Ltd.
					2007-Present	Chairman	Chuchawal-Royal Haskoning Co., Ltd.
					2006-Present	Chairman	C. T. Land Co., Ltd.
					2002-Present	Chairman	The University Council King Mongkut's University of Technology Thonburi
					1999-Present	Director	West Coast Engineering Co., Ltd.

Remark : ⁽¹⁾ Includes holding by spouse and minor children (See the securities holding information in the topic of the "4. Disclosure and Transparency")
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in Company ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
2. Mr. Pradang Prichayangkun - Vice Chairman - Independent Director - Chairman of the Audit Committee - Corporate Governance Committee Member - Nominating & Compensation Committee Member <i>(To be appointed as a director on Apr. 25, 2008)</i>	83	- Bachelor Degree in Law, Thammasat University - National Defence Course (Class 31), National Defence College of Thailand - Financial reporting to comply with new accounting standard, The Stock Exchange of Thailand Training courses from Thai Institute of Directors Association (IOD) : - Director Certification Program (DCP) in 2004 - Audit Certification Program (ACP) in 2005	0.05% 500,000 shares	-	2008-Present	Vice Chairman / Independent Director / Chairman of the Audit Committee	Samart Corporation Pcl.
					2008-Present	Corporate Governance Committee Member / Nominating & Compensation Committee Member	Samart Corporation Pcl.
						Position in other listed companies -	
						Position in non-listed companies -	
3. Mr. Seri Suksathaporn - Independent Director - Audit Committee Member - Nominating & Compensation Committee Member - Chairman of the Corporate Governance Committee <i>(To be appointed as a director on Feb. 12, 1999)</i>	81	- Master of Public Administration (MPA), University of Southern California, USA - Bachelor Degree in Political Science, Chulalongkorn University Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2003	0.09% 927,750 shares	-	1999-Present	Independent Director / Audit Committee Member	Samart Corporation Pcl.
					2008-Present	Nominating & Compensation Committee Member	Samart Corporation Pcl.
					2008-Present	Chairman of the Corporate Governance Committee	Samart Corporation Pcl.
						Position in other listed companies -	
						Position in non-listed companies Budget Director Level 11 Budget Director for Security Affairs Budget Analyst Level 7 First Grade Budget Officer Public Service Division	Bureau of the Budget Thailand Bureau of the Budget Thailand Bureau of the Budget Thailand Bureau of the Budget Thailand
					Former		
					Former		
					Former		

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the item of the "4. Disclosure and Transparency")
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in Company ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
4. Mr. Prinya Waiwatana - Independent Director - Corporate Governance Committee Member <i>(To be appointed as a director on Apr. 27, 2010)</i>	71	- Bachelor Degree in Accounting, Chulalongkorn University <u>Training courses from Thai Institute of Directors Association (IOD) :</u> - Director Accreditation Program (DAP) in 2005 - Audit Committee Program (ACP) in 2005 - Director Certification Program (DCP) in 2006 - Monitoring the System of Internal Control and Risk Management (MIR) in 2008 - Role of Compensation Committee (RCC) in 2010	-	-	2010-Present	Independent Director / Corporate Governance Committee Member	Samart Corporation Pcl.
					2018-Present	<u>Position in other listed companies</u> Independent Director	Nava Nakorn Pcl.
					2010-Present	Independent Director / Investment Committee Member / Nominating & Compensation Committee Member /	Ira Capital Pcl.
						Chairman of the Risk Management Committee	
					2005-Present	Independent Director / Chairman of the Audit Committee / Nominating & Compensation Committee Member / Chairman of the Corporate Governance Committee	Thai Steel Cable Pcl.
5. Mrs. Siripen Vilailuck - Director <i>(To be appointed as a director on Feb. 25, 1993)</i>	78	- <u>Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2004</u>	0.59% 5,960,250 shares	Mr. Charoenrath's Mr. Watchai's and Mr. Thananan's mother	1993-Present	Director	Samart Corporation Pcl.
						<u>Position in other listed companies</u> -	
					1975-Present Present	<u>Position in non-listed companies</u> Director Director	Samart Engineering Co., Ltd. Vilailuck International Holding Co., Ltd. and its subsidiaries

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the item of the "4. Disclosure and Transparency")
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in Company ⁽¹⁾ (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
6. Mr. Sirichai Rasameechan - Director - Corporate Governance Committee Member <i>(To be appointed as a director on Feb. 20, 1996)</i>	68	- Master of Accounting, Thammasat University - Bachelor Degree in Accounting, Thammasat University Training courses from Thai Institute of Directors Association (IOD) : - Director Certification Program (DCP) in 2000 - Finance for Non-Finance Director Program in 2000	-	-	1996-Present	Director	Samart Corporation Pcl.
					2005-Present	Corporate Governance Committee Member	Samart Corporation Pcl.
					2000-Feb. 2017	Executive Vice Chairman	Samart Corporation Pcl.
					2004-Feb. 2017	Risk Management Committee Member	Samart Corporation Pcl.
					2013-Feb. 2017	Vice Chairman of the Sustainable Development Committee	Samart Corporation Pcl.
					Position in other listed companies		
					1998-Present	Director	Samart Telecoms Pcl.
					May 2017-Present	Corporate Governance Committee Member	Samart Telecoms Pcl.
					2000-Feb. 2017	Executive Director	Samart Telecoms Pcl.
					2016-Feb. 2017	Risk Management Committee Member	Samart Telecoms Pcl.
					2013-Present	Director / Risk Management Committee Member / Corporate Governance Committee Member	One To One Contacts Pcl.
					2013-May 2017	Executive Director	One To One Contacts Pcl.
					2008-May 2016	Nominating & Compensation Committee Member	Samart Digital Pcl.
					Aug. 2014-Dec. 2015	Director	Samart Digital Pcl.
					2005-Dec. 2015	Risk Management Committee Member	Samart Digital Pcl.
					Position in non-listed companies		
					Present	Director	Subsidiaries (as details in Directors and Managements in subsidiaries and related companies).
					Present	Speaker	Thai Institute of Directors Association (IOD)
					2000-2013	Director	One To One Contacts Co., Ltd.

Remark : ⁽¹⁾ Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the item of the "4. Disclosure and Transparency")
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in Company ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
7. Mr. Charoenrath Vilailuck - Authorized Director - Executive Director - Executive Chairman & CEO - Chairman of the Risk Management Committee <i>(To be appointed as a director on Feb. 25, 1993)</i>	58	- Bachelor Degree in Engineering (Electrical Engineering), The University of Newcastle, Australia - Certificate in Advance Master Management Program (AMM), (Class 1), Public Administration, NIDA - Leadership Program (Class 19), Capital Market Academy (CMA) in 2014 - Chief Executive Course for Urban Development Management, class 1, Urban Green Development Institute Bangkok in 2012 - National Defence course for the joint State-Private Sectors (Class 18), National Defence College of Thailand in 2005-2006 - Top Executive Program in Energy Literacy for a Sustainable Future (Class 10), Thailand Energy Academy (TEA) in 2017 Training courses from Thai Institute of Directors Association (IOD) : - Director Certification Program (DCP) in 2004 - Director Accreditation Program (DAP) in 2004	11.20% 112,734,960 shares	Mrs. Sirpen's son and Mr. Watchai's and Mr. Thananan's elder brother	1993-Present	Director	Samart Corporation Pcl.
					1995-Present	Executive Chairman & CEO	Samart Corporation Pcl.
					2008-Present	Chairman of the Risk Management Committee	Samart Corporation Pcl.
					Position in other listed companies		
					2003-Present	Director	Samart Digital Pcl.
					May 2016-Present	Risk Management Committee Member	Samart Digital Pcl.
					1996-Present	Director / Executive Director	Samart Telcoms Pcl.
					2016-Present	Risk Management Committee Member	Samart Telcoms Pcl.
					2013-Present	Director / Executive Director / Risk Management Committee Member	One To One Contacts Pcl.
					Position in non-listed companies		
					Present	Director	Vilailuck International Holding Co., Ltd. and its subsidiaries.
					Present	Director	Subsidiaries and Related Companies (as details in Directors and Managements in subsidiaries and related companies).
					2000-2013	Director	One To One Contacts Co., Ltd.

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the item of the "4. Disclosure and Transparency")
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in Company ⁽¹⁾ (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
8. Mr. Watchai Vilailuck - Authorized Director - President - Executive Director - Chief Operating Member of the Risk Management Committee - Chairman of the Sustainable Development Committee - Acting Chief Operating Officer of Call Center LOB - Acting Chief Operating Officer of Utilities and Transportations LOB and Technology Related Services LOB - Head of Digital LOB <i>(To be appointed as a director on Feb. 25, 1993)</i>	56	- Bachelor Degree in Accounting, Faculty of Commerce and Accounting, Thammasat University - Certificate of Management Program, United Kingdom in 1985 - Certificate of Strategic Planning & Implementation, University of Michigan Business School, Singapore in 2000 - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) in 2004 - Diploma in National Defence for The Joint State-Private Sector Course (Class 21), National Defence College of Thailand in 2008-2009 - Leadership Program (Class 11), Capital Market Academy (CMA) in 2010-2011 - The Programme for Senior Executives on Justice Administration Batch 15, National Justice Academy, Office of Judiciary in 2011-2012 - ASEAN Executive Management Programme (Class 2), The Secretariat of the Prime Minister, Office of the Civil Service Commission (OCSC), Office of the National Economic and Social Development Board, Ministry of Foreign Affairs and Sasin Graduate Institute of Business Administration, Chulalongkorn University in 2013	12.55% 126,305,535 shares	Mrs. Siripen's son and Mr. Charoenrath's younger brother and Mr. Thananan's elder brother	1993-Present	Director / Executive Director	Samart Corporation Pcl.
					2000-Present	President	Samart Corporation Pcl.
					2004-Present	Chief Operating Member of the Risk Management Committee	Samart Corporation Pcl.
					2013-Present	Chairman of the Sustainable Development Committee	Samart Corporation Pcl.
					May 2014-Present	Acting Chief Operating Officer of Call Center LOB	Samart Corporation Pcl.
					Present	Acting Chief Operating Officer of Utilities and Transportations LOB and Technology Related Services LOB	Samart Corporation Pcl.
					Nov. 2016-Present	Head of Digital LOB	Samart Corporation Pcl.
					Position in other listed companies		
					2003-Present	Director	Samart Digital Pcl.
					Nov. 2016-Present	CEO / Executive Chairman / Chairman of the Risk Management Committee	Samart Digital Pcl.
					2003-Dec. 2015	Chief Executive Officer / Executive Chairman	Samart Digital Pcl.
					2005-Dec. 2015	Chairman of the Risk Management Committee	Samart Digital Pcl.
					1996-Present	Director	Samart Telcoms Pcl.
					2000-Present	Executive Chairman / Chief Executive Officer	Samart Telcoms Pcl.
					2016-Present	Chairman of the Risk Management Committee	Samart Telcoms Pcl.
					2013-Present	Director / Chairman of the Risk Management Committee	One To One Contacts Pcl.
					May 2016-Present	Executive Director	One To One Contacts Pcl.
					2013-May 2016	Executive Chairman	One To One Contacts Pcl.

Remark : ⁽¹⁾ Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the item of the "4. Disclosure and Transparency")
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in Company ⁽¹⁾ (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
8. Mr. Watchai Vilailuck (cont.)		<ul style="list-style-type: none"> - The 5th Training Course on Administrative Justice for Executives, Institute of Administrative Justice, The Office of the Administrative Courts of Thailand in 2013-Aug. 2014 - Top Executive Program in Energy Literacy for a Sustainable Future (Class 6), Thailand Energy Academy (TEA) in 2015 - Top Executive Program in Industrial Development and Investment (Class 2), Institute of Business and Industrial Development (IBID) in 2015 - Academy of Business Creativity (ABC) (Class 6), Sripatum University in 2017 - CMA - GMS International Program Class 2017, Third Batch Jul - Aug 2017, Capital Market Academy - Investment Training Course, Ultra Wealth Group (Class 4) in Jan - May 2018 - Top Executive Program in Commerce and Trade (TepCot) (Class 11), Commerce Academy, University of the Thai Chamber of Commerce (UTCC) in Mar - Sep 2018 - Advanced Master of Management Program (AMM) (Class 2), National Institute of Development Administration (NIDA) in Aug - Dec 2018 			Present	Position in non-listed companies Director	Vilailuck International Holding Co., Ltd. and its subsidiaries.
					Present	Director	Subsidiaries and Related Companies (as details in Directors and Managements in subsidiaries and related companies).
					2000-2013	Director	One To One Contacts Co., Ltd.

Remark : ⁽¹⁾ Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the item of the "4. Disclosure and Transparency")
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in Company ⁽¹⁾ (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
9. Mr. Thanan Vialuck - Authorized Director - Executive Director - Risk Management Committee Member - Sustainable Development Committee Member - Executive Vice Chairman-Corporate Strategy <i>(To be appointed as a director on Apr. 20, 2016)</i>	51	- Master of Engineering, University of Florida, USA - Bachelor Degree in Engineering, Kasetsart University - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) in 2004 - The Joint State - Private Sector Course in Public Order Administration Police College Police Education Bureau (Class 4) in 2017	2.71% 27,238,500 shares	Mrs. Siripen's son and Mr. Charoenrath's and Mr. Watchai's younger brother	Apr. 2016-Present	Director	Samart Corporation Pcl.
					Dec. 2015-Present	Executive Vice Chairman-Corporate Strategy	Samart Corporation Pcl.
					2007-Present	Executive Director	Samart Corporation Pcl.
					2009-Present	Risk Management Committee Member	Samart Corporation Pcl.
					2013-Present	Sustainable Development Committee Member	Samart Corporation Pcl.
					2006-Nov. 2015	President of Mobile Multimedia LOB	Samart Corporation Pcl.
					Position in other listed companies		
					2016-Present	Director / Executive Director	Samart Telcoms Pcl.
					2016-Present	Risk Management Committee Member	Samart Telcoms Pcl.
					2013-Present	Director / Risk Management Committee Member	One To One Contacts Pcl.
					2011-Present	Director	Siam Sport Syndicate Pcl.
					2003-Nov. 2015	Executive Director	Samart Digital Pcl.
					2005-Nov. 2015	Risk Management Committee Member	Samart Digital Pcl.
					2013-Nov. 2015	Chairman of the Sustainable Development Committee	Samart Digital Pcl.
					2012-Nov. 2015	Acting Managing Director-Mobile Business	Samart Digital Pcl.
					2006-Nov. 2015	President	Samart Digital Pcl.
					2003-Apr. 2016	Director	Samart Digital Pcl.
					Position in non-listed companies		
					Present	Director	Vialuck International Holding Co., Ltd. and its subsidiaries.
					Present	Director	Subsidiaries and Related Companies (as details in Directors and Managements in subsidiaries and related companies).

Remark : ⁽¹⁾ Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the item of the "4. Disclosure and Transparency")
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in Company ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
10. Mr. Teerachai Phongpanangam - Authorized Director - Sustainable Development Committee Member - Executive Director <i>(To be appointed as a director on Nov 13, 2018)</i>	52	- Bachelor of Engineering (Electronic), King Mongkut's Institute of Technology Ladkrabang - Master of Engineering (Engineering Management), California State University Northridge, USA - <u>Director Accreditation Program (DAP),</u> <u>Thai Institute of Director Association</u> <u>(IOD) in 2018</u>	0.1% 1,020,000 shares	-	2018 - Present	Director	Samart Corporation Pcl.
					2015 - Present	Executive Director	Samart Corporation Pcl.
					2013 - Present	Sustainable Development Committee Member	Samart Corporation Pcl.
					2012 - Present	Executive Vice President Utilities and Transportations LOB	Samart Corporation Pcl.
					2018- Present	<u>Position in other listed companies</u> Director	Samart Digital Pcl.
					Present	<u>Position in non-listed companies</u> Director	Subsidiaries and Related Companies (as details in Directors and Managements in subsidiaries and related companies).

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the item of the "4. Disclosure and Transparency")
% of total number of voting rights

● Executives & Managements of Smart Corporation Public Company Limited as of December 31, 2018

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in Company ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
1. Mr. Charoenrath Vilailuck <i>(To be appointed as an executive director on Feb. 25, 1993)</i>							
- See details in "The Board of Directors of Smart Corporation Pcl." -							
2. Mr. Watchai Vilailuck <i>(To be appointed as an executive director on Feb. 25, 1993)</i>							
- See details in "The Board of Directors of Smart Corporation Pcl." -							
3. Mr. Thananan Vilailuck <i>(To be appointed as an executive director on Feb. 28, 2007)</i>							
- See details in "The Board of Directors of Smart Corporation Pcl." -							

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the item of the "4. Disclosure and Transparency")
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in Company ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
4. Mr. Jong Diloksombat - Executive Director - Sustainable Development Committee Member - President of ICT Solution and Service LOB <i>(To be appointed as an executive director on Mar. 19, 2012)</i>	59	- Master of System Science, University of Louisville, USA - Bachelor Degree in Electrical Engineering, Chulalongkorn University - Certificate of Strategic Planning & Implementation, University of Michigan Business School, Singapore in 2000 - Certificate of Crisis Management Master Class, VMAC Business Group (M) Sdn Bhd Premier Provider of Business Intelligence in 2009 - Certificate of Executive Development Program, Faculty of Commerce and Accountancy, Thammasat University in 2005 - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) in 2004 - Capital Market Leader Program, The Securities and Exchange Commission and Sasin Graduate Institute of Business Administration of Chulalongkorn University in 2014 - National Defence Course (Class 57), National Defence College of Thailand in 2015	-	-	2012-Present	Executive Director	Samart Corporation Pcl.
					2013-Present	Sustainable Development Committee Member	Samart Corporation Pcl.
					2012-Present	President of ICT Solutions and Services LOB	Samart Corporation Pcl.
					2009-May 2016	Risk Management Committee Member	Samart Corporation Pcl.
					Position in other listed companies		
					2012-Present	Director / Executive Director / President / Corporate Governance Committee Member	Samart Telecoms Pcl.
					2013-Present	Chairman of the Sustainable Development Committee	Samart Telecoms Pcl.
					2016-Present	Risk Management Committee Member	Samart Telecoms Pcl.
					2012-2016	Chairman of the Risk Management Committee	Samart Telecoms Pcl.
					2005-May 2016	Corporate Governance Committee Member	Samart Digital Pcl.
					2005-Nov. 2015	Risk Management Committee Member	Samart Digital Pcl.
					2003-Nov. 2015	Director / Executive Director	Samart Digital Pcl.
					Present	Position in non-listed companies Director	Subsidiaries and Related Companies (as details in Directors and Managements in subsidiaries and related companies).

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the item of the "4. Disclosure and Transparency")
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in Company ⁽¹⁾ (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
5. Mr. Wongkrit Jiamsripong - Vice President - Finance <i>(To be appointed as Management on Oct. 1, 2018)</i>	50	- Bachelor of Engineering, Chulalongkorn University - Master of Business Administration Program (MBA), Thammasat University - Management of Public Economics for Executives, King Prajadhipok's Institute	-	-	Oct 2018-Present	Vice President - Finance	Samart Corporation Pcl.
					May 2003-Dec 2013	Position in other listed companies Vice President - Finance	Samart Telecom Pcl.
					Oct 2018-Present Jan 2014-Sep 2018	Position in non-listed companies Director Vice President - Business Development	Samart U-Trans Co., Ltd. Samart U-Trans Co., Ltd.
6. Ms. Namthip Burapapongsanon - Vice President - Accounting <i>(To be appointed as management on Jan. 1, 2008)</i>	56	- Certified Public Accountant (CPA) - Master of Business Administration, Kasetsart University - Bachelor of Accountancy, Ramkhamhaeng University Certified Public Accountant - Inside : Guidelines for Financial Reporting Standards, Dhammiti Seminar & Training Co.Ltd. in 2018 - Revenue from Contract with Customers (TFRS 15) and Lease (TFRS 16), EY Company Limited in 2018 - Training courses from Federation of Accounting Professions Under The Royal Patronage of his Majesty the King in 2018 : - Consolidated Financial Statement : Financial Reporting Standards No.10 (Revision 2017)	-	-	Jan 2008-Present 2003-2008	Vice President - Accounting Assistant Vice President - Accounting	Samart Corporation Pcl. Samart Corporation Pcl.
					1998-2003 1991-1998	Position in other listed companies Senior Accounting Manager Accounting Manager	Samart Telecom Pcl. Samart Telecom Pcl.
						Position in non-listed companies -	

Remark : ⁽¹⁾ Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the item of the "4. Disclosure and Transparency")
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in Company ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
6. Ms. Namthip Burapapongsanon (Cont.)		<ul style="list-style-type: none"> - Separated Financial Statement No.27 (Revision 2017) - Investment in Associate Companies and Joint Ventures No.28 (Revision 2017) - Disclosure of Information about Stakeholders in other Business No.12 (Revision 2017) - Accounting and Tax Planning for General Business - Financial Statement Standards No.8 (Revision 2017, Operation part) - Accounting Policies, Changes in Estimates and Error No.8 (Revision 2017) - Accountant Ethics - Summary of Changes and Important Issues of TFRS (Revision 2017) - Understand the Draft of TFRS 9, TAS 32, TFRS 7, TFRIC 16 and TFRIC 19 - Understand Fair Value Measurements related to TFRS 13 - Create Understanding of the New Standards Draft of TFRS 16 					

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the item of the "4. Disclosure and Transparency")
% of total number of voting rights

● The Person Taking The Highest Responsibility in Accounting and Finance,

The Person Supervising Accounting of Smart Corporation Public Company Limited as of December 31, 2018

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in Company ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department / Type Business
1. Mr. Wongkrit Jiamsripong - Vice President - Finance <i>(To be appointed as Management on Oct. 1, 2018)</i>							
- See details in "Executives & Managements of Smart Corporation Pcl." -							
2. Ms. Namthip Burapapongsanon - Vice President - Accounting <i>(To be appointed as management on Jan. 1, 2008)</i>							
- See details in "Executives & Managements of Smart Corporation Pcl." -							

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the item of the "4. Disclosure and Transparency")
% of total number of voting right

● Company Secretary of Smart Corporation Public Company Limited as of December 31, 2018

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in Company ⁽¹⁾ (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
Mrs. Jirawan Rujisonthi - Assistant Vice President - Corporate Secretary <i>(To be appointed as the Company Secretary on Dec. 19, 2014)</i>	44	- Master of Business Administration (MBA), Kasetsart University - Bachelor Degree in Business Administration, Rajamangala University of Technology Thanyaburi - Effective Minute Taking, Board of Trade of Thailand in 2006 - Fundamental Practice for Corporate Secretary (FPCS - Class 18), Thai Listed Companies Association in 2008 - Operation Excellent Program, Faculty of Commerce and Accountancy, Thammasart University in 2008 - Effective Minute Taking (EMT-Class 14), Thai Institute of Directors Association (IOD) in 2009	0.001% 7,900 shares	-	Dec. 2014-Present	Assistant Vice President - Corporate Secretary	Smart Corporation Pcl.
					May 2015-May 2017	Sustainable Development Committee Member	Smart Corporation Pcl.
					2000-Nov. 2014	Assistant Company Secretary	Smart Corporation Pcl.
						Position in other listed companies - Position in non-listed companies -	

Remark : ⁽¹⁾ Includes holding by spouse and minor children
 % of total number of voting rights

Company Secretary's Role and Responsibilities

The Board of Directors has appointed Mrs. Jirawan Rujisonthi as the Company Secretary.

Roles and responsibilities of the appointed Company Secretary are as follows:

1. Perform her duty with responsibility, due care and loyalty as well as has to comply by laws and any other related regulations;
2. Support the Board of Directors for their activities including provide consultation with related to Company's Articles of Association, and any other regulations from related authorities;
3. Arrange meetings for Board of Directors, Committees and Shareholders as well as coordinate to ensure all resolutions have been implemented complying with Company's Objectives, Articles of Association, laws and related regulations;
4. Preparing and keeping important documents of the Company, i.e. a register of directors, notices calling directors' and shareholders' meetings as well as the reports of such meeting and the annual report, etc;
5. Keeping the report on interest filed by Directors and executives as well as submit a copy of such report to the Chairman and the Chairman of Audit Committee within 7 business days from the date on which the Company has received the report.

In case where the Company Secretary vacates her position or is incapable of performing her duty, the Nominating & Compensation Committee shall select a new Company Secretary to propose for consideration and approval of the Board of Directors to appoint the new Company Secretary within 90 days from the date on which the Company Secretary has vacated her position or has been incapable of performing her duty; in this regards the Board of Directors shall be empowered to assign any director to perform the duty as the substitutes during such period.

The Company has specified the qualifications of the Company Secretary as follows:

1. Having well-rounded knowledge and understanding of the Company's businesses;
2. Understand roles and duties of the Company Secretary;
3. Having knowledge and understanding concerning legal matters, regulations of the Office of SEC and the Stock Exchange of Thailand;
4. Do not exploit the Company's business opportunity for personal benefits as well as preserve the confidential information of the Company;
5. Having good human relationship and can coordinate and contact with other agencies inside and outside the Company;
6. Possess English proficiency;
7. Having working experiences on the Company Secretary at least 3-5 years.

During the past year, the Company Secretary has attended the training courses and seminars to strengthen knowledge as follows:

- "SEC Conference 2018 : Capital Market for All" from SEC;
- "Corporate Governance Code : CG Code" from SEC in association with SET and Thai Listed Companies Association;
- "CG Code disclosure method of apply or explain" from Thai Listed Companies Association;
- SET Social Impact Day 2018 "Partnership for the Goals : Partnership for Better Impact" from SET;
- Workshop for Professional Development for Company Secretary from Thai Listed Companies Association;
- "Enhance Efficiency and Growth through Process Innovation" from SET;
- "Beyond Regulation : The Evolution of the Company Secretary Role" from Thai Listed Companies Association;
- "Driving Proactive Sustainability" from Thai Listed Companies Association;

[illegible]

Remarks : 1) x = Chairman, / = Director, // = Executive Director, /// = Managements

2) Companies Symbol;

- | | | | | | | | | | | | | | | | |
|------|------------------|------|---|------|-----------------|------|---|------|--------------|---|---|-----|------|---|---|
| 1. | SC | = | Samart Corporation Pcl. | 2. | SDC | = | Samart Digital Pcl. | 3. | SMS | = | Samart Mobile Services Co., Ltd. | 4. | SDM | = | Samart Digital Media Co., Ltd. |
| 5. | IMP | = | I-Mobile Plus Co., Ltd. | 6. | ZA | = | SECUREASIA Co., Ltd. | 7. | S2A | = | SIM2ASSET Co., Ltd. | 8. | TBS | = | Thai Base Station Co., Ltd. |
| 9. | STC | = | Samart Telcoms Pcl. | 10. | SCS | = | Samart Communication Services Co., Ltd. | 11. | SC1 | = | Samart Comtech Co., Ltd. | 12. | SBS | = | Samart Broadband Services Co., Ltd. |
| 13. | TIN | = | Thai Trade Net Co., Ltd. | 14. | PN | = | Posnet Co., Ltd. | 15. | SIF | = | Samart Infonet Co., Ltd. | 16. | STW | = | Smarterware Co., Ltd. |
| 17. | SAET | = | Samart eD-Tech Co., Ltd. | 18. | PTN | = | Portanet Co., Ltd. | 19. | SCI | = | Secureinfo Co., Ltd. | 20. | OTW | = | One To One Contacts Pcl. |
| 21. | OTP | = | One To One Professional Co., Ltd. | 22. | OTOC | = | One To One (Cambodia) Co., Ltd. | 23. | INH | = | Inno Hub Co., Ltd. | 24. | CATS | = | Cambodia Air Traffic Services Co., Ltd. |
| 25. | KPP | = | Kampot Power Plant Co., Ltd. | 26. | SUT | = | Samart U-Trans Co., Ltd. | 27. | SEC | = | Suvarnabhumi Environment Care Co., Ltd. | 28. | VSS | = | Vision and Security System Co., Ltd. |
| 29. | SE | = | Samart Engineering Co., Ltd. | 30. | CIO | = | Contact-In-One Co., Ltd. | 31. | SIH | = | Samart Inter Holding Co., Ltd. | 32. | SRT | = | Samart Raditech Co., Ltd. |
| 33. | TEDA | = | Teda Co., Ltd. | 34. | TS | = | Transec Power Services Co., Ltd. | 35. | SGE | = | Samart Green Energy Co., Ltd. | 36. | SUM | = | Samart U-Trans (Myanmar) Co., Ltd. |
| 37. | STR | = | Samart Transolutions Co., Ltd. | 38. | ITAB | = | IT Absolute Co., Ltd. | 39. | I-SPORT | = | I-Sport Co., Ltd. | 40. | CS | = | Cambodia Samart Co., Ltd. |
| 41. | ENT | = | Entertainment Tree Co., Ltd. | 42. | SLA | = | SLA Asia Co., Ltd. | 43. | NST | = | Net Service (Thailand) Co., Ltd. | 44. | SSTV | = | Siam Sport Television Co., Ltd. |
| 45. | VIH | = | Vilalluck International Holding Co., Ltd. | | | | | | | | | | | | |
| 3) | Listed Companies | (2) | Held by SDC | (3) | Held by STC | (4) | Held by SCT | (5) | Held by OTO | | | | | | |
| (6) | Held by STR | (7) | Held by SIH | (8) | Held by SE | (9) | Held by SUT | (10) | Held by TEDA | | | | | | |
| (11) | Held by SBS | (12) | Held by SDM | (13) | Held by I-SPORT | (14) | Held by SCS | | | | | | | | |

Board of Directors & Committees' list

Directors of Sub-Committees	Board of Directors	Executive Board	Audit Committee	Risk Management Committee	Corporate Governance Committee	Nominating and Compensation Committee	Sustainable Development Committee
1. Dr. Tongchat Hongladaromp	x		/			x	
2. Mr. Pradang Prichayangkun	/		x		/	/	
3. Mr. Seri Suksathaporn	/		/		x	/	
4. Mrs. Siripen Vilailuck	/						
5. Mr. Charoenrath Vilailuck	/	x		x			
6. Mr. Watchai Vilailuck	/	/		/			x
7. Mr. Sirichai Rasameechan	/				/		
8. Mr. Prinya Waiwatana	/				/		
9. Mr. Thananan Vilailuck	/	/		/			/
10. Mrs. Sukanya Vanichjakvong							/
11. Mr. Jong Diloksombat		/					/
12. Mr. Teerachai Phongpanangam	/	/					/
13. Mrs. Phongsri Saluckpetch		/					/
14. Ms. Kanokwan Chanswangpuvana		/					/
15. Ms. Chotika Kamloonwesaruch		/					

Remark : x = Chairman, / = Director, Committee Member

Directors' list of Major Subsidiaries

Name of Directors	Subsidiaries				
	Samart Digital Pcl.	Samart Telecoms Pcl.	Samart Comtech Co., Ltd.	Cambodia Air Traffic Services Co., Ltd.	Teda Co., Ltd.
1. Mr. Charoenrath Vilailuck	/	//	x	x	
2. Mr. Watchai Vilailuck	//	//	/	/	
3. Mr. Sirichai Rasameechan		/			
4. Mr. Piyapan Jumpasut	x				
5. Dr. Chotivid Chayavadhanangkur	/				
6. Mr. Kunthit Arunyananda	/				
7. General Sumpun Boonyanun		x			
8. Ms. Rapeepan Luangaramrut		/			
9. Mr. Vichai Pokasamrit		/			
10. Mr. Kajornvut Tayanukorn		/			
11. Mr. Thananan Vilailuck		//			x
12. Mr. Jong Diloksombat		//	/		
13. Mrs. Sukanya Vanichjakvong	//				
14. Mr. Teerachai Phongpanangam	//			/	/
15. Mr. Pornchai Krivichian			/		
16. Mr. Suchart Duangthawee			/		
17. Ms. Chotika Kamloonwesaruch			/		
18. Mr. Threeraphat Kulkijkamjorn				/	
19. Mr. Thongchai Petchyim					/
20. Mr. Krongkiat Udomratanachaiyakul					/

Remarks : x = Chairman, / = Director, // = Executive Director

● Directors, Managements and Company Secretary of Core Business Subsidiaries
Samart Digital Public Company Limited (“SDC”)

The Board of Directors of Samart Digital Public Company Limited as of December 31, 2018

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SDC ⁽¹⁾ (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
1. Mr. Piyan Chamrasut - Chairman of the Board - Independent Director - Audit Committee Member <i>(To be appointed as a director on Mar. 1, 2016)</i>	70	- Honorary Doctorate of Philosophy, Ramkhamhaeng University - Honorary Master of Laws, Ramkhamhaeng University - Honorary Master of Arts (Public Administration), the National Institute of Development Administration (NIDA) - Bachelor of Laws, Chulalongkorn University - Environmental Governance for Executive Office (Class 6) Department of Environmental Quality Promotion (DEQP) in 2018 - Advanced Master of Management Program (AMM) (Class 1), Public Administration, NIDA in 2018 - Chief Information Office (Class 5), National Electronics and Computer Technology Center (NECTEC) in 2008 - Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2008	-	-	Mar. 2016-Present	Chairman of the Board of Directors / Independent Director / Audit Committee Member	Samart Digital Pcl.
					2009-2011	Position in other listed companies Chairman of the Board of Directors	Airports of Thailand Public Company Limited (AOT)
					2012-Present	Position in non-listed companies Chairman of the Board of Directors	Terabyte Net Solution Public Company Limited.
					1996-Present 2008-2011	Chairman of the Board of Directors	P S Member Co., Ltd.
					2006-2011	Chairman of the Board of Directors	Bangkok Mass Transit Authority The Transport Co., Ltd.

Remarks : ⁽¹⁾ Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2018 of Samart Digital Pcl.)
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SDC ⁽¹⁾ (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
2. Dr. Chotivud Chayavadhanangkur - Independent Director - Chairman of the Audit Committee - Chairman of the Corporate Governance Committee - Nominating & Compensation Committee Member (To be appointed as a director on Sep. 30, 2003)	71	- Doctorate of Ph.D. in Electrical Engineering, University of Minnesota, USA - Master Degree in M.S. Electrical Engineering, University of Minnesota, USA - Bachelor Degree in Engineering (1 st Class Honour), Chulalongkorn University - <u>Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) in 2004</u>	0.08% 9,000,000 shares	-	2009-Present	Chairman of the Audit Committee	Samart Digital Pcl.
					2003-2009	Audit Committee Member	Samart Digital Pcl.
					2003-Present	Independent Director	Samart Digital Pcl.
					2008-Present	Chairman of the Corporate Governance Committee	Samart Digital Pcl.
					2005-Present	Nominating & Compensation Committee Member	Samart Digital Pcl.
3. Mr. Kunthit Arunyananda - Independent Director - Audit Committee Member - Chairman of the Nominating & Compensation Committee - Corporate Governance Committee Member (To be appointed as a director on Sep. 30, 2003)	52	- Mini MBA, Business Administration, Thammasat University - Bachelor Degree in Accounting, The Rajamongkol Institute of Technology - <u>Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2004</u>	0.00% 800,000 Shares	-	2005-Present	Director	Greens Spot Co., Ltd.
					2005-Present	Director	BITC Co., Ltd.
					2002-Present	Chairman of the Board of Directors	Bangkok Servex Co., Ltd.
					2009-Present	Chairman of the Nominating & Compensation Committee	Samart Digital Pcl.
					2008-2009	Nominating & Compensation Committee Member	Samart Digital Pcl.
					2003-Present	Independent Director / Audit Committee Member	Samart Digital Pcl.
					2008-Present	Corporate Governance Committee Member	Samart Digital Pcl.
					2005-2008	Chairman of the Corporate Governance Committee	Samart Digital Pcl.
					2014-Present	Executive Director	Kuang Pei San Food Product Plc.
					2001-Present	Director	Sam Nak-Non A.M.C. Co., Ltd.

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SDC ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
4. Mr. Charoenrath Vilailuck - Director - Risk Management Committee Member <i>(To be appointed as a director on Sep. 30, 2003)</i>		- See details in "The Board of Directors of Samart Corporation Pcl." -	-				- See details in "The Board of Directors of Samart Corporation Pcl." -
5. Mr. Watchai Vilailuck - Authorized Director - Chief Executive Officer - Executive Chairman - Chairman of the Risk Management Committee <i>(To be appointed as a director on Sep. 30, 2003)</i>		- See details in "The Board of Directors of Samart Corporation Pcl." -	0.21 % 23,343,000 shares				- See details in "The Board of Directors of Samart Corporation Pcl." -

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2018 of Samart Digital Pcl.)
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SDC ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
6. Mrs. Sukanya Vanichjakhong - Authorized Director - Executive Director - Risk Management Committee Member - Corporate Governance Committee Member - Nominating and Compensation Committee Member - Chairman of the Sustainable Development Committee <i>(To be appointed as a director on Nov. 12, 2015)</i>	52	- Master Degree in International Marketing, Chuo University Tokyo, Japan - Bachelor Degree in Journalism and Mass Communication, Thammasat University - Tourism Management Program for Executives (TME) in 2018 - Top Executive Program in Commerce and Trade : TEPCoT 10 in 2017 - Advanced Security Management Program, National Defense College in 2016 - The 6 th Training Course on Administrative Justice for Executives, Institute of Administrative Justice, The Office of the Administrative Courts of Thailand in 2014 - <u>Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2013</u>	0.13% 14,900,000 shares	Mr. Charoenrath's and Mr. Watchai's younger sister	May 2016-Present	Corporate Governance Committee Member / Nominating and Compensation Committee Member	Samart Digital Pcl.
					Nov. 2015-Present	Director / Executive Director / Chairman of the Sustainable Development Committee / Risk Management Committee Member	Samart Digital Pcl.
					Nov. 2015-May 2018	President	Samart Digital Pcl.
					Jun. 2018-Present	<u>Position in other listed companies</u> Managing Director	One To One Contracts Pcl.
					May 2016-Present	Executive Chairman	One To One Contracts Pcl.
					2013-Present	Director / Risk Management Committee Member / Chairman of the Sustainable Development Committee	One To One Contracts Pcl.
					May 2016-Present	Sustainable Development	Samart Corporation Pcl. Committee Member
					Present	<u>Position in non-listed companies</u> Director	Subsidiaries and Related Companies (as shown in The Position of Directors of the Company in Subsidiaries and Related Companies in 56-1 Form and the Annual Report 2018 of Samart Digital Pcl.)

Remark : ^() Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2018 of Samart Digital Pcl.)*

% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SDC ⁽¹⁾ (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
7. Mr. Teerachai Phongpanangam - Director (To be appointed as a director on Nov. 13, 2018)		- See details in "The Board of Directors of Smart Corporation Pcl." -	0.00% 50,000 shares				- See details in "The Board of Directors of Smart Corporation Pcl." -

Remark : ⁽¹⁾ Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2018 of Smart Digital Pcl.)
% of total number of voting rights

● Executives & Managements of Samart Digital Public Company Limited as of December 31, 2018

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SDC ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
1. Mr. Watchai Vilailuck (To be appointed as Executive Director on Sep. 30, 2003)	- See details in “The Board of Directors of Samart Corporation Pcl.” -	0.21 % 23,343,000 shares			- See details in “The Board of Directors of Samart Corporation Pcl.” -		
2. Mrs. Sukanya Vanichjakkong - Authorized Director - Executive Director - Risk Management Committee Member - Corporate Governance Committee Member - Nominating and Compensation Committee Member - Chairman of the Sustainable Development Committee (To be appointed as a Executive Director on Nov. 12, 2015)	52	- Master Degree in International Marketing, Chuo University Tokyo, Japan - Bachelor Degree in Journalism and Mass Communication, Thammasat University - Tourism Management Program for Executives (TME) in 2018 - Top Executive Program in Commerce and Trade : TEPCoT 10 in 2017 - Advanced Security Management Program, National Defense College in 2016 - The 6 th Training Course on Administrative Justice for Executives, Institute of Administrative Justice, The Office of the Administrative Courts of Thailand in 2014 - <u>Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2013</u>	0.13% 14,900,000 shares	Mr. Charoenrath’s and Mr. Watchai’s younger sister	May 2016-Present	Corporate Governance Committee Member / Nominating and Compensation Committee Member	Samart Digital Pcl.
					Nov. 2015-Present	Director / Executive Director / Chairman of the Sustainable Development Committee / Risk Management Committee Member	Samart Digital Pcl.
					Nov. 2015-May 2018	President	Samart Digital Pcl.
					Jun. 2018-Present May 2016-Present 2013-Present	Position in other listed companies Managing Director Executive Chairman Director / Risk Management Committee Member / Chairman of the Sustainable Development Committee Sustainable Development Committee Member	One To One Contracts Pcl. One To One Contracts Pcl. One To One Contracts Pcl.
					May 2016-Present	Committee Sustainable Development Committee Member	Samart Corporation Pcl.
					Present	Position in non-listed companies Director	Subsidiaries and Related Companies (as shown in The Position of Directors of the Company in Subsidiaries and Related Companies in 56-1 Form and the Annual Report 2018 of Samart Digital Pcl.)

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2018 of Samart Digital Pcl.)
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SDC ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
3. Mrs. Sumonthip Simek - Vice President - Account <i>(To be appointed as a Executive Director on Sep. 30, 2003)</i>	59	- Master Degree, Business Administration, Kasetsart University - Bachelor Degree in Accounting, Chiang Mai University - Thai Financial Reporting Standards of Financial Instruments. (IAS 32, TFRS 7) in 2018 - Update Tax and Accounting in 2018 - All Thai Financial Reporting Standards (All TFRS) in 2018 - Thai Financial Reporting Standards of Revenue from Contract with Customers (TFRS 15) in 2018	-	-	2004-Present	Vice President - Account	Samart Digital Pcl.
						<u>Position in other listed companies</u> -	
						<u>Position in non-listed companies</u> -	
4. Mr. Suchat Satprasert - Vice President - Network Community <i>(To be appointed as Management on Jul. 1, 2017)</i>	52	- Master Degree in Business Administration, the National Institute of Development Administration (NIDA) - Bachelor Degree in Electronic Engineering, King Mongkut's Institute of Technology Ladkrabang	0.01% 1,265,600 shares	-	Jul. 2017-Present	Vice President - Network Community	Samart Digital Pcl.
						<u>Position in other listed companies</u> -	
					2007-Jun. 2017	<u>Position in non-listed companies</u> Assistant Vice President	Samart Communication Service Co., Ltd.
5. Ms. Sirintra Saipavun - Vice President - Digital Network <i>(To be appointed as Management on Jul. 1, 2017)</i>	39	- Master Degree in Business Administration, with major in Marketing, University of the Thai Chamber of Commerce - Bachelor Degree in Accounting, with major in Cost Accounting, University of the Thai Chamber of Commerce	-	-	Jul. 2017-Present	Vice President - Digital Network	Samart Digital Pcl.
					Dec. 2016-Jun. 2017	Vice President - Corporate Marketing	Samart Digital Pcl.
					2008-2014	<u>Position in other listed companies</u> Device Channel Management Manager	Total Access Communication Plc.
					2014-2016	<u>Position in non-listed companies</u> Business Manager	Intel Microelectronics (Thailand) Co., Ltd.

Remark : ^(*) includes holding by spouse and minor children (See the securities holding information in the Annual Report 2018 of Samart Digital Pcl.)

% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SDC ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
6. Mr. Hiran Phanbanlaem - Assistant Vice President-Finance <i>(To be appointed as Management on Jul 1, 2017)</i>	55	- Master Degree in Business Administration, with major in Finance, Ramkhamhaeng University - Bachelor of Business Administration (General Management), Sukhothai Thammathirat Open University - Opportunities to increase returns for choosing Aproved fund in 2018 - Thai Financial Reporting Standards Revenue from Contract with Customers (TFRS 15) in 2018	0.00% 20,000 shares	-	2015-Present 2012-2014	Assistant Vice President-Finance Sr. Manager Finance	Samart Digital Pcl. Samart Digital Pcl.
						Position in other listed companies -	
						Position in non-listed companies -	

Remark : ^(*) includes holding by spouse and minor children (See the securities holding information in the Annual Report 2018 of Samart Digital Pcl.)
% of total number of voting rights

● Company Secretary of Samart Digital Public Company Limited as of December 31, 2018

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SDC (*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
Ms. Boonrut Mongkolratanakorn - Company Secretary of SDC - Secretary to Sub-Committees - Sustainable Development Committee Member - Head of Internal Audit - Secretary to the Audit Committee <i>(To be appointed as the Company Secretary on Oct. 31, 2003)</i>	56	- Mini MBA, Business Administration, Thammasat University - Bachelor Degree in Accounting, Thammasat University - Law and regulations for Company Secretary, Chulalongkorn University in 2003 - Internal Auditing Certificate Program, Federation of Accounting Professions in 2003 - Graduation certificate in Advanced Accounting, Thammasat University in 1986 (Role and responsibilities of the SDC Company Secretary, please see in the SDC Annual Report 2018 of Samart Digital Pcl.)	0.00% 70,000 shares	-	Nov. 2018-Present	Head of Internal Audit & Secretary to the Audit Committee	Samart Digital Pcl.
					Nov. 2013-Present	Sustainable Development Committee Member	Samart Digital Pcl.
					Aug. 2013-Present	Company Secretary of SDC	Samart Digital Pcl.
					2003-July 2013	Head of Internal Audit and Company Secretary of SDC	Samart Digital Pcl.
					2003-Present	Secretary to Sub-Committees	Samart Digital Pcl.
					Position in other listed companies		
					-		
					Position in non-listed companies		
					-		

Remark : ^(*) Includes holding by spouse and minor children
% of total number of voting rights

Directors and Managements in Major Subsidiaries (*)

Samart Digital Public Company Limited

Directors and Managements in Subsidiaries and Related Companies as of December 31, 2018

[illegible]

Remarks : 1) x = Chairman, / = Director, // = Executive Director, /// = Audit Committee/Independent Director, //// = Management

2) Companies Symbol;

- | | | | | | | | |
|------------|---|----------|--|----------|--|----------|---------------------------------------|
| 1. SDC | = Smart Digital Pol.* | 2. SMS | = Samart Mobile Services Co., Ltd. | 3. SDM | = Samart Digital Media Co., Ltd.** | 4. ZA | = ZECUREASIA Co., Ltd. |
| 5. I-SPORT | = I-Sport Co., Ltd. | 6. ENT | = Entertainment Tree Co., Ltd.*** | 7. IMP | = I-Mobile Plus Co., Ltd. | 8. SSTV | = Siam Sport Television Co., Ltd.**** |
| 9. SZA | = SIM2ASSET Co., Ltd. | 10. TBS | = Thai Base Station Co., Ltd. | 11. SC | = Samart Corporation Pcl. | 12. STC | = Samart Telecoms Pcl. |
| 13. SCT | = Samart Comtech Co., Ltd. | 14. SBS | = Samart Broadband Services Co., Ltd. | 15. OTO | = One To One Contacts Pcl. | 16. SE | = Samart Engineering Co., Ltd. |
| 17. PN | = Posnet Co., Ltd. | 18. SCS | = Samart Communication Service Co., Ltd. | 19. SIF | = Samart Infonet Co., Ltd. | 20. SAET | = Samart eD-Tech Co., Ltd. |
| 21. SUT | = Samart U-Trans Co., Ltd. | 22. SEC | = Suvannabumi Environment Care Co., Ltd. | 23. CATS | = Cambodia Air Traffic Service Co., Ltd. | 24. KPP | = Kampot Power Plant Co., Ltd. |
| 25. CS | = Cambodia Smart Co., Ltd. | 26. CIO | = Contact-In-One Co., Ltd. | 27. TTN | = Thai Trade Net Co., Ltd. | 28. STW | = Smarterware Co., Ltd. |
| 29. SH | = Samart Inter Holding Co., Ltd. | 30. SRT | = Samart Raditech Co., Ltd. | 31. OTP | = One To One Professional Co., Ltd. | 32. PTN | = Portalnet Co., Ltd. |
| 33. VH | = Vlaluck International Holding Co., Ltd. | 34. VSS | = Vision and Security System Co., Ltd. | 35. OTOC | = One To One (Cambodia) Co., Ltd. | 36. TEDA | = Teda Co., Ltd. |
| 37. TS | = Transec Power Services Co., Ltd. | 38. SUM | = Samart U-Trans (Myanmar) Co., Ltd. | 39. SGE | = Samart Green Energy Co., Ltd. | 40. SLA | = SLA Asia Co., Ltd. |
| 41. NST | = Net Service (Thailand) Co., Ltd. | 42. ITAB | = IT Absolute Co., Ltd. | 43. SCI | = Secureinfo Co., Ltd. | 44. STR | = Samart Transolutions Co., Ltd. |
| INH | = Inno Hub Co., Ltd. | | | | | | |

(3) Formerly known as Smart I-Mobile Public Company Limited (SIM)

²⁾ Direct held by Smart Digital Media Co., Ltd.

³⁾ Direct held by I-Sport Co., Ltd

Samart Digital Public Company Limited

Board of Directors and Committees' list

Directors of Committees' Member	Board of Directors	Executive Committee	Audit Committee	Risk Management Committee	Corporate Governance Committee	Nominating and Compensation Committee	Sustainable Development Committee
1. Mr. Piyapan Champasut	x		/				
2. Dr. Chotivid Chayavadhanangkur	/		x		x	/	
3. Mr. Kunthit Aranyakananda	/		/		/	x	
4. Mr. Charoenrath Vilailuck	/			/			
5. Mr. Watchai Vilailuck	/	x		x			
6. Mrs. Sukanya Vanichjakvong	/	/		/	/	/	x
7. Mr. Teerachai Phongpanangam	/						
8. Ms. Boonrut Mongkolratanakorn							/

Remark : x = Chairman / = Director

Directors' list of Major Subsidiaries^(*)

- N/A -

Remark : ^() Subsidiaries which its revenue represent over 10% of Group revenue. (SDC)*

Samart Telcoms Public Company Limited (“SAMTEL”)

- The Board of Directors of Samart Telcoms Public Company Limited as of December 31, 2018

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SAMTEL ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
1. General Sumpun Boonyanun - Independent Director - Authorized Director - Chairman - Chairman of the Nominating & Compensation Committee - Audit Committee Member <i>(To be appointed as a director on Apr. 24, 2008)</i>	75	- Bachelor Degree in Science, Chulachomklao Royal Military Academy, Class 15 - The regular main course, Command and General Staff College, Class 55 - National Defence Course, Class 35 National Defence College of Thailand Training courses from Thai Institute of Directors Association (IOD) : - Director Certification Program (DCP) in 2009 - Director Accreditation Program (DAP) in 2008 - Role of Compensation Committee (RCC) in 2008 - Audit Certification Program (ACP) in 2008 - Anti-Corruption for Executive Program (ACEP) in 2014	0.016% 100,000 shares	-	Dec. 2017-Present	Chairman	Samart Telcoms Pcl.
					2008-Present	Independent Director	Samart Telcoms Pcl.
					Dec. 2017-Present	Audit Committee Member	Samart Telcoms Pcl.
					2008-Present	Chairman of the Nominating & Compensation Committee	Samart Telcoms Pcl.
					2008-Nov. 2017	Chairman of the Audit Committee	Samart Telcoms Pcl.
					2008-Nov. 2017	Corporate Governance Committee Member	Samart Telcoms Pcl.
					Position in other listed companies		
					-		
					Position in non-listed companies		
					2016-Present	Director	Tipwarin Watana Co., Ltd.
					2016-Present	Consulting	GML Exhibition (Thailand) Co., Ltd.

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2018 of Samart Telcoms Pcl.)
 % of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SAMTEL ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
2. Mr. Vichai Pokasamrit - Independent Director - Chairman of the Audit Committee Member - Chairman of the Corporate Governance Committee - Nominating & Compensation Committee Member <i>(To be appointed as a director on Apr. 21, 2011)</i>	69	- Master of Arts in Political Science, Western Michigan University, U.S.A. - Bachelor Degree in Laws, Thammasat University - National Defence Program for Government, Public and Political Sectors, The National Defence College in 2004 - Certificate of Urban Development Management, Australia - <u>Director Certification Program</u> <u>(DCP), Thai Institute of Directors</u> <u>Association (IOD) in 2011</u>	0.016% 100,000 shares	-	2011-Present	Independent Director	Samart Telcoms Pcl.
					Dec. 2017-Present	Chairman of the Audit Committee	Samart Telcoms Pcl.
					2011-Present	Nominating & Compensation Committee Member	Samart Telcoms Pcl.
					2012-Present	Chairman of the Corporate Governance Committee	Samart Telcoms Pcl.
					2011-Nov. 2017	Audit Committee Member	Samart Telcoms Pcl.
					<u>Position in other listed companies</u>		
					<u>Position in non-listed companies</u>		

Remark : ⁽¹⁾ Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2018 of Samart Telcoms Pcl.)
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SAMTEL ⁽¹⁾ (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
3. Ms. Rapeepan Luangaramrut <div><div>- Independent Director</div><div>- Audit Committee Member</div><div>- Corporate Governance Committee Member</div><div>- Nominating & Compensation Committee Member</div></div> <i>(To be appointed as a director on Apr. 24, 2008)</i>	62	<div><div>- Master of Business Administration, Chulalongkorn University</div><div>- Bachelor Degree in Business Administration, Silpakorn University</div><div>- Certificate of Competition & Strategy Program, Harvard Business School, USA.</div><div>- Certificate of Advanced Management Program (AMP), Harvard Business School, USA.</div><div>- <u>Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2003</u></div><div>- Leadership Program (Class 9), Capital Market Academy</div><div>- National Defence Course (Class 22)</div><div>- National Defence College of Thailand</div><div>- Advanced Political and Electoral Development Institute (Class 3)</div><div>- Chief Executive Course for Urban Development Management (Class 1), Urban Green Development Institute Bangkok</div><div>- The 4th Training Course on Administrative Justice for Executive, Institute of Administrative Justice</div><div>- Top Executive Program in Energy Literacy (Class 6), Thailand Energy Academy</div><div>- RE-CU CEO-PREMIUM IN MODERN REAL-ESTATE BUSINESS (Class 2), The Real Estate Executive Association of Chulalongkorn University</div></div>	-	-	<div>2008-Present Independent Director / Audit Committee Member</div> <div>2013-Present Nominating & Compensation Committee Member</div> <div>Dec. 2017-Present Corporate Governance Committee Member</div> <div>2008-2013 Corporate Governance Committee Member</div> <div>2004-Present Food Consultant</div> <div>2010-Present Director</div> <div>2016-Present Consulting</div> <div><u>Position in non-listed companies</u> Consulting President</div> <div>2012-Present Director</div> <div>2005-Present Director</div> <div>2004-Present Executive Chairman</div> <div>2000-Present Executive Chairman</div> <div>2005-Present Director</div>	<div>Smart Telcoms Pcl.</div> <div>Smart Telcoms Pcl.</div> <div>Smart Telcoms Pcl.</div> <div>Smart Telcoms Pcl.</div> <div>CP All Pcl.</div> <div>TPT Petrochemicals Pcl.</div> <div>Gunkul Engineering Pcl.</div> <div>Dream House Co., Ltd.</div> <div>Entertainment Tree Co., Ltd.</div> <div>R Property Co., Ltd.</div> <div>Khun Reed Corporation Co., Ltd.</div> <div>110 Vipa Co., Ltd.</div> <div>Siam Solvay Foundation</div>	

Remark : (*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2018 of Samart Telcoms Pl.)
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SAMTEL ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
4. Mr. Kajornvut Tayanukorn - Director - Corporate Governance Committee Member <i>(To be appointed as a director on Apr. 29, 2004)</i>	63	- Master of Business Administration, Thammasat University - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) in 2005	0.081% 500,000 shares	-	2004-Present	Director	Samart Telcoms Pcl.
					2013-Present	Corporate Governance Committee Member	Samart Telcoms Pcl.
					2008-2013	Nominating & Compensation Committee Member	Samart Telcoms Pcl.
					2001-Present	Position in other listed companies Executive Vice President	Bangkok Bank Pcl.
					2013-Present	Position in non-listed companies Executive Director	Processing Center Co., Ltd.
5. Mr. Sirichai Rasameechan - Director - Corporate Governance Committee Member <i>(To be appointed as a director on Jul. 1, 1998)</i>		- See details in "The Board of Directors of Samart Corporation Pcl." -	0.024% 150,000 shares		- See details in "The Board of Directors of Samart Corporation Pcl." -		
6. Mr. Charoenrath Vilailuck - Authorized Director - Executive Director - Risk Management Committee Member <i>(To be appointed as a director on Jul. 26, 1996)</i>		- See details in "The Board of Directors of Samart Corporation Pcl." -	0.462% 2,854,600 shares		- See details in "The Board of Directors of Samart Corporation Pcl." -		
7. Mr. Watchai Vilailuck - Authorized Director - Executive Chairman & Chief Executive Officer - Chairman of the Risk Management Committee <i>(To be appointed as a director on Jul. 26, 1996)</i>		- See details in "The Board of Directors of Samart Corporation Pcl." -	0.267% 1,650,010 shares		- See details in "The Board of Directors of Samart Corporation Pcl." -		

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2018 of Samart Telcoms Pcl.)
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SAMTEL ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
8. Mr. Thanan Vilailuck - Director - Executive Director - Risk Management Committee Member <i>(To be appointed as a director on Apr. 29, 2016)</i>		- See details in "The Board of Directors of Samart Corporation Pcl." -	0.008% 50,000 shares				- See details in "The Board of Directors of Samart Corporation Pcl." -
9. Mr. Jong Diloksonbat - Authorized Director - Executive Director - President - Chairman of the Sustainable Development Committee - Corporate Governance Committee Member - Risk Management Committee Member <i>(To be appointed as a director on Jan. 11, 2012)</i>		- See details in "Executives and Managements of Samart Corporation Pcl." -	0.065% 400,000 shares				- See details in "Executives and Managements of Samart Corporation Pcl." -

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2018 of Samart Telcoms Pcl.)
% of total number of voting rights

● Executives & Managements of Samart Telcoms Public Company Limited as of December 31, 2018

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SAMTEL ^(*) (%)	Relationship	Working Experience last 5 years	
					During	Position / Company / D Type Business
1. Mr. Watchai Vilailuck (To be appointed as management on Mar. 16, 2000)		- See details in "The Board of Directors of Samart Corporation Pcl." -	0.267% 1,650,010 shares		- See details in "The Board of Directors of Samart Corporation Pcl." -	
2. Mr. Jong Diloksombat (To be appointed as management on Jan. 11, 2012)		- See details in "Executives and Managements of Samart Corporation Pcl." -	0.065% 400,000 shares		- See details in "Executives and Managements of Samart Corporation Pcl." -	
3. Mr. Pornchai Krivichian - Executive Vice President - Network Solutions Business Group - Sustainable Development Committee Member (To be appointed as a director on Mar. 1, 2005)	53	- Master of Engineering, Bridgeport University, USA.	0.007% 42,000 shares	-	2015-Present 2013-Present 2005-2016 2012-2015 Present	Executive Vice President - Network Solutions Business Group Sustainable Development Committee Member Risk Management Committee Member Executive Vice President - Network Services Business Group and System Integration Business Group <u>Position in non-listed companies</u> <u>Position in non-listed companies</u> Director Subsidiaries and Related Companies (as details in the second table attached in 56-1 Form and the Annual Report 2018 of Samart Telcoms Pcl.)

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2018 of Samart Telcoms Pcl.)
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SAMTEL ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
4. Ms. Chotika Kamloonsesaruch - Executive Vice President- Enhanced Technology Solutions Business Group - Sustainable Development Committee Member <i>(To be appointed as management on Mar. 15, 2016)</i>	51	- Master of Engineering, King Mongkut's University of Technology North Bangkok	0.023% 140,000 shares	-	2016-Present	Executive Vice President- Enhanced Technology Solutions Business Group	Samart Telecoms Pcl.
					2013-Present	Sustainable Development Committee Member	Samart Telecoms Pcl.
					2010-2016	Risk Management Committee Member	Samart Telecoms Pcl.
					May 2018-Present	Position in other listed companies Director in Executive Director	Samart Corporation Pcl.
5. Mr. Suchart Duangthavee - Executive Vice President- Business Application Business Group - Sustainable Development Committee Member <i>(To be appointed as management on Mar. 15, 2016)</i>	60	- Bachelor Degree of Engineering, King Mongkut's University of Technology North Bangkok	0.075% 466,000 shares	-	Present	Position in non-listed companies Director	Subsidiaries (as details in the second table attached in 56-1 Form and the Annual Report 2018 of Samart Telecoms Pcl.)
					Feb. 2017-Present	Executive Vice President-Business Application Business Group	Samart Telecoms Pcl.
					2016-Jan. 2017	Senior Vice President-Business Application Business Group	Samart Telecoms Pcl.
					2016-Present	Sustainable Development Committee Member	Samart Telecoms Pcl.
					2010-2016	Risk Management Committee Member	Samart Telecoms Pcl.
					Present	Position in other listed companies Director	Subsidiaries (as details in the second table attached in 56-1 Form and the Annual Report 2018 of Samart Telecoms Pcl.)

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2018 of Samart Telecoms Pcl.)
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SAMTEL ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
6. Mr. Dhiokpat Nisamanevong - Senior Vice President-Finance & Investor Relations (To be appointed as management on Feb. 1, 2014)	49	- Master of Business Administration, Major Finance, Long Island University, School of Business, Booklyn Campus, New York - Bachelor of Business Administration, concentration of Finance, Kasetsart University - Digital Economy for Management Course (Class 5), Institute of Research and Development for Public Enterprises (IRDPE) in 2017	0.002% 15,000 shares	-	May 2018-Present	Senior Vice President - Finance & Investor Relations	Samart Telcoms Pcl.
					2014-Apr 2018	Vice President-Finance & Investor Relations	Samart Telcoms Pcl.
					2014-2016	Risk Management Committee Member	Samart Telcoms Pcl.
					2002-2014	Position in other listed companies Vice President - Lob Finance	Samart Digital Pcl.
7. Mrs. Aroonluck Dilokwanich - Vice President - Corporate Accounting (To be appointed as management on Sep. 1, 2003)	60	- Master of Accounting, Bridgeport University, USA. - Bachelor of Accounting, Thammasat University	-	-	Present	Position in non-listed companies Director	Subsidiaries (as details in the second table attached in 56-1 Form and the Annual Report 2018 of Samart Telcoms Pcl.)
					2003-Present	Vice President-Corporate Accounting	Samart Telcoms Pcl.
						Position in other listed companies -	
						Position in non-listed companies -	

● Company Secretary of Smart Telcoms Public Company Limited as of December 31, 2018

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SAMTEL ⁽¹⁾ (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
Mr. Somchai Bunsupaporn - Vice President - Internal Audit and Company Secretary of SAMTEL <i>(To be appointed as Vice President - Internal Audit and Company Secretary on Oct. 28, 2003)</i>	61	- Master of Business Administration, Kasetsart University - Bachelor of Accounting, Chulalongkorn University - Internal Audit operations Course 1 (Class 27), The Institute of certified Accountants and Auditors of Thailand (Federation of Accounting Professions) - Laws and regulations for company secretary course 3, Research Center for Law and Development, Faculty of Law, Chulalongkorn University. (Role and responsibilities of the SAMTEL Company Secretary, please see in the Annual Report 2018 of Smart Telcoms Pcl.)	0.007% 46,200 shares	-	Jul. 2017-Present	Vice President - Internal Audit and Company Secretary of SAMTEL	Smart Telcoms Pcl.
					2003-Jun. 2017	Assistant Vice President - Internal Audit and Company Secretary of SAMTEL	Smart Telcoms Pcl.
					2013-2016	Sustainable Development Committee Member	Smart Telcoms Pcl.
						Position in other listed companies -	
						Position in non-listed companies -	

Remark : ⁽¹⁾ Includes holding by spouse and minor children
% of total number of voting rights

Samart Telcoms Public Company Limited

Board of Directors & Committees' list

Directors of Sub-Committees	Board of Directors	Executive Board	Audit Committee	Risk Management Committee	Corporate Governance Committee	Nominating and Compensation Committee	Sustainable Development Committee
1. General Sumpun Boonyanun	x		/			x	
2. Mr. Vichai Pokasamrit	/		x		x	/	
3. Miss Rapeepan Luangaramrut	/		/		/	/	
4. Mr. Kajornvut Tayanukorn	/				/		
5. Mr. Charoenrath Vilailuck	/	/		/			
6. Mr. Watchai Vilailuck	/	x		x			
7. Mr. Thananan Vilailuck	/	/		/			
8. Mr. Sirichai Rasameechan	/				/		
9. Mr. Jong Diloksombat	/	/		/	/		x
10. Mr. Pornchai Krivichian							/
11. Miss Chotika Kamloonwesaruch							/
12. Mr. Suchart Duangthawee							/
13. Mr. Dhilokpat Nisamaneevong							/
14. Mrs. Nisachol Udomwongwiwat							/
15. Miss Kanokwan Chanswangpuvana							/

Remark : x = Chairman, / = Director, Committee Member

Major Subsidiaries' Directors

Directors	Samart Communication Services Co., Ltd.	Samart Comtech Co., Ltd.	Portalnet Co., Ltd.
1. Mr. Charoenrath Vilailuck	x	x	x
2. Mr. Watchai Vilailuck	/	/	/
3. Mr. Jong Diloksombat	/	/	/
4. Mr. Pornchai Krivichian	/	/	
5. Mr. Suchart Duangthawee		/	/
6. Miss Chotika Kamloonwesaruch		/	
7. Mr. Dhilokpat Nisamaneevong			/

Remark : x = Chairman, / = Director

Samart Comtech Company Limited (“SCT”)

● The Board of Directors of Samart Comtech Company Limited as of December 31, 2018

Name-Surname / Position / Date of Appointment	Age	Education / Training	Shareholding in SCT ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
1. Mr. Charoenrath Vilailuck - Chairman <i>(To be appointed as a Director on May 3, 1995)</i>	- See details in “The Board of Directors of Samart Corporation Pcl.” -	0.00008% 2 Shares	- See details in “The Board of Directors of Samart Corporation Pcl.” -				
2. Mr. Watchai Vilailuck - Director <i>(To be appointed as a Director on May 3, 1995)</i>	- See details in “The Board of Directors of Samart Corporation Pcl.” -	0.00008% 2 Shares	- See details in “The Board of Directors of Samart Corporation Pcl.” -				
3. Mr. Jong Diloksombat - Director <i>(To be appointed as a Director on Dec. 28, 2012)</i>	- See details in “The Executives and Managements of Samart Corporation Pcl.” -	-	- See details in “The Executives and Managements of Samart Corporation Pcl.”				

Remark : ^(*) Includes holding by spouse and minor children
% of total number of voting rights

Name-Surname / Position / Date of Appointment	Age	Education / Training	Shareholding in SCT ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
4. Mr. Pornchai Krivichian - Director <i>(To be appointed as a Director on Oct. 12, 2007)</i>	53	- Master of Engineering, Bridgeport University, USA.	-	-	2007-Present	Director	Samart Comtech Co., Ltd.
					2015-Present	Position in other listed companies Executive Vice President-Network Solutions Business Group	Samart Telcoms Pcl.
					2013-Present	Sustainable Development Committee Member	Samart Telcoms Pcl.
					2005-2016	Risk Management Committee Member	Samart Telcoms Pcl.
					2012-2015	Executive Vice President-Network Services Business Group and System Integration Business Group	Samart Telcoms Pcl.
					Present	Position in non-listed companies Director	Subsidiaries and Related Companies (as details in the second table attached in 56-1 Form and the Annual Report 2018 of Samart Telcoms Pcl.)

Remark : ^(*) Includes holding by spouse and minor children
% of total number of voting rights

Name-Surname / Position / Date of Appointment	Age	Education / Training	Shareholding in SCT ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
5. Ms. Chotika Kamloonsaruch - Director - Managing Director and Vice President - Sales Group <i>(To be appointed as a Director on Dec. 21, 2010)</i>	51	- Master of Engineering, King Mongkut's University of Technology North Bangkok.	-	-	2010-Present	Director	Samart Comtech Co., Ltd.
					2013-Present	Managing Director and Vice President-Sales Group	Samart Comtech Co., Ltd.
					2004-2013	Vice President-Engineering Consultant	Samart Comtech Co., Ltd.
					2016-Present	Position in other listed companies Executive Vice President-Enhanced Technology Solutions Business Group	Samart Telecoms Pcl.
					2013-Present	Sustainable Development Committee Member	Samart Telecoms Pcl.
					2010-May 2016 May 2018-Present	Risk Management Committee Member Director in Executive Director	Samart Telecoms Pcl. Samart Corporation Pcl.
6. Mr. Suchart Duangthavee - Director - Vice President - Airport Business Management <i>(To be appointed as a Director on Dec. 1, 2006)</i>	60	- Bachelor Degree of Engineering, King Mongkut's University of Technology North Bangkok.	-	-	Present	Position in non-listed companies Director	Subsidiaries Companies (as details in the second table attached in 56-1 Form and the Annual Report 2018 of Samart Telecoms Pcl.)
					2006-Present	Director	Samart Comtech Co., Ltd.
					2013-Present	Vice President-Airport Business Management	Samart Comtech Co., Ltd.
					2011-2013	General manager	Samart Comtech Co., Ltd.
					Feb. 2017-Present	Position in other listed companies Executive Vice President-Business Application Business Group	Samart Telecoms Pcl.
					2016-Jan. 2017	Senior Vice President-Business Application Business Group	Samart Telecoms Pcl.
					2016-Present	Sustainable Development Committee Member	Samart Telecoms Pcl.
					2010-2016	Risk Management Committee Member	Samart Telecoms Pcl.
					Present	Position in non-listed companies Director	Subsidiaries Companies (as details in the second table attached in 56-1 Form and the Annual Report 2018 of Samart Telecoms Pcl.)

Remark : ^(*) Includes holding by spouse and minor children
% of total number of voting rights

● Executives & Managements of Samart Comtech Company Limited as of December 31, 2018

Name-Surname / Position / Date of Appointment	Age	Education / Training	Shareholding in SCT ⁽¹⁾ (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
1. Ms. Chotika Kamloonwesaruch - Managing Director - Managing Director and Vice President - Sales Group <i>(To be appointed as a Management on Oct. 1, 2013)</i>	51	- Master of Engineering, King Mongkut's University of Technology North Bangkok.	-	-	2010-Present	Director	Samart Comtech Co., Ltd.
					2013-Present	Managing Director and Vice President-Sales Group	Samart Comtech Co., Ltd.
					2004-2013	Vice President-Engineering Consultant	Samart Comtech Co., Ltd.
						Position in other listed companies	
					2016-Present	Executive Vice President-Enhanced Technology Solutions Business Group	Samart Telecoms Pcl.
					2013-Present	Sustainable Development Committee Member	Samart Telecoms Pcl.
					2010-May 2016	Risk Management Committee Member	Samart Telecoms Pcl.
					May 2018-Present	Director in Executive Director	Samart Corporation Pcl.
					Present	Position in non-listed companies Director	Subsidiaries Companies (as details in the second table attached in 56-1 Form and the Annual Report 2018 of Samart Telecoms Pcl.)

Remark : ⁽¹⁾ Includes holding by spouse and minor children
% of total number of voting rights

Name-Surname / Position / Date of Appointment	Age	Education / Training	Shareholding in SCT ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
2. Mr. Suchart Duangthavee - Director - Vice President - Airport Business Management (To be appointed as a Management on Oct. 1, 2013)	60	- Bachelor Degree of Engineering, King Mongkut's University of Technology North Bangkok.	-	-	2006-Present	Director	Samart Comtech Co., Ltd.
					2013-Present	Vice President-Airport Business Management	Samart Comtech Co., Ltd.
					2011-2013	General manager	Samart Comtech Co., Ltd.
					<u>Position in other listed companies</u>		
					Feb. 2017-Present	Executive Vice President-Business Application Business Group	Samart Telcoms Pcl.
					2016-Jan. 2017	Senior Vice President-Business Application Business Group	Samart Telcoms Pcl.
					2016-Present	Sustainable Development Committee Member	Samart Telcoms Pcl.
3. Mr. Danaisak Khonsue - Vice President-Engineering Consultant (To be appointed as a Management on Dec. 1, 2013)	47	- Bachelor Degree of Engineering, Saint John's University	-	-	2010-2016	Risk Management Committee Member	Samart Telcoms Pcl.
					Present	<u>Position in non-listed companies</u> Director	Subsidiaries Companies (as details in the second table attached in 56-1 Form and the Annual Report 2018 of Samart Telcoms Pcl.)
					2013-Present	Vice President-Engineering Consultant	Samart Comtech Co., Ltd.
					2009-2013	Assistant Vice President-Engineering Consultant	Samart Comtech Co., Ltd.
					<u>Position in other listed companies</u> -		
<u>Position in non-listed companies</u> -							

Remark : ^(*) Includes holding by spouse and minor children
 % of total number of voting rights

Name-Surname / Position / Date of Appointment	Age	Education / Training	Shareholding in SCT ⁽¹⁾ (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
4. Korn Vajanapoom, Ph.D. - Vice President-Implementation (To be appointed as a Management on Feb. 1, 2016)	42	- Doctor of Telecommunications Engineering, University of Pittsburgh	-	-	2016-Present	Vice President-Implementation	Samart Comtech Co., Ltd.
					2015-2016	Acting Vice President-Implementation	Samart Comtech Co., Ltd.
					2013-2015	Assistance Vice President- Implementation	Samart Comtech Co., Ltd.
						<u>Position in non-listed companies</u>	-

Remark : ^(*) Includes holding by spouse and minor children
% of total number of voting rights

Remark : 1) x = Chairman , / = Director , // = Executive Director , # = Management

2) The Companies' name

2) The Companies' name

- | (3) | (1) | (2) | |
|-----|------------------|-----|-------------|
| | Listed Companies | | Held by SBS |
| | | (9) | Held by STR |
| | Held by SIH | | |

Cambodia Air Traffic Services Company Limited (“CATS”)

- The Board of Directors of Cambodia Air Traffic Services Company Limited as of December 31, 2018

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in CATS ⁽¹⁾ (%)	Relationship	Working Experience last 5 years	
					During	Position / Company / Type Business
1. Mr. Charoenrath Vilailuck - Chairman <i>(To be appointed as a director on Apr. 5, 2001)</i>		- See details in “The Board of Directors of Samart Corporation Pcl.” -	-			- See details in “The Board of Directors of Samart Corporation Pcl.” -
2. Mr. Watchai Vilailuck - Director <i>(To be appointed as a director on Apr. 5, 2001)</i>		- See details in “The Board of Directors of Samart Corporation Pcl.” -	-			- See details in “The Board of Directors of Samart Corporation Pcl.” -
3. Mr. Teerachai Phongpanangam - Director <i>(To be appointed as a director on Apr. 5, 2001)</i>	52	- Bachelor of Engineering (Electronic), King Mongkut’s Institute of Technology Ladkrabang - Master of Engineering (Engineering Management), California State University Northridge, USA - Director Accreditation Program (DAP), Thai Institute of Director Association (IOD) in 2018	-	-	2015-Present 2001-2015 2018-Present 2015-Present 2013-Present 2012-Present 2018-Present	Director Managing Director Position in other listed companies Director Executive Director Sustainable Development Committee Member Executive Vice President Utilities and Transportations LOB Director Position in non-listed companies Director / Managing Director Director Director
						Cambodia Air Traffic Services Co., Ltd. Cambodia Air Traffic Services Co., Ltd. Samart Corporation Pcl. Samart Corporation Pcl. Samart Corporation Pcl. Samart Corporation Pcl. Samart Digital Pcl. Samart Transolutions Co.,Ltd. Kampot Power Plant Co., Ltd. Transec Power Services Co. Ltd.

Remark : ⁽¹⁾ Includes holding by spouse and minor children
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in CATS ⁽¹⁾ (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
4. Mr. Theeraphat Kulkijakajorn - Director - Managing Director <i>(To be appointed as a director on Sep. 30, 2017)</i>	49	- Bachelor of Industrial Education (Electrical Engineering), King Mongkut's University of Technology North Bangkok - Master of Economics, University of the Thai Chamber and Commerce - Director Accreditation Program (DAP), Thai Institute of Director Association (IOD) in 2018	-	-	2013-Present	Director	Teda Co.,Ltd.
					Sep. 2017-Present	Director	Cambodia Air Traffic Services Co., Ltd.
					2016-Present	Managing Director	Cambodia Air Traffic Services Co., Ltd.
					2010-2015	Senior Vice President	Cambodia Air Traffic Services Co., Ltd.
						Position in other listed companies	
						-	
						Position in non-listed companies	
					2016-Present	Managing Director	Kampot Power Plant Co., Ltd.
					2010-2015	Senior Vice President	Kampot Power Plant Co., Ltd.

Remark : ⁽¹⁾ Includes holding by spouse and minor children
% of total number of voting rights

● Executives & Managements of Cambodia Air Traffic Services Company Limited as of December 31, 2018

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in CATS ⁽¹⁾ (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
1. Mr. Theeraphat Kulkijakorn - Director - Managing Director <i>(To be appointed as a management on Jan. 1, 2016)</i>	49	- Bachelor of Industrial Education (Electrical Engineering), King Mongkut's University of Technology North Bangkok - Master of Economics, University of the Thai Chamber and Commerce - <u>Director Accreditation Program (DAP), Thai Institute of Director Association (IOD) in 2018</u>	-	-	Sep. 2017-Present	Director	Cambodia Air Traffic Services Co., Ltd.
					2016-Present	Managing Director	Cambodia Air Traffic Services Co., Ltd.
					2010-2015	Senior Vice President	Cambodia Air Traffic Services Co., Ltd.
2. Mr. Saichon Pinsakul - ATS Operation Director <i>(To be appointed as a management on Mar. 1, 2010)</i>	71	- Bachelor of Education, Phranakhon Rajabhat University	-	-		<u>Position in other listed companies</u>	
					2016-Present	Managing Director	Kampot Power Plant Co., Ltd.
					2010-2015	Senior Vice President	Kampot Power Plant Co., Ltd.
3. Mr. Kirikchai Thanon - Engineering Director <i>(To be appointed as a management on Jan. 1, 2016)</i>	44	- Bachelor of Electrical Engineering (Telecommunication), Mahanakorn University of Technology	-	-	2010-Present	ATS Operation Director	Cambodia Air Traffic Services Co., Ltd.
						<u>Position in other listed companies</u>	
						<u>Position in non-listed companies</u>	
					2016-Present	Engineering Director	Cambodia Air Traffic Services Co., Ltd.
					2012-2015	Engineering Senior Manager	Cambodia Air Traffic Services Co., Ltd.
						<u>Position in other listed companies</u>	
						<u>Position in non-listed companies</u>	
						<u>Position in non-listed companies</u>	

Remark : ⁽¹⁾ Includes holding by spouse and minor children
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in CATS ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
4. Ms. Siriporn Jannuch - Accounting and Finance Director <i>(To be appointed as a management on Jan. 1, 2016)</i>	51	- Bachelor of Accounting, Siam University	-		2016-Present 2011-2015	Accounting and Finance Director Accounting and Finance Senior Manager	Cambodia Air Traffic Services Co., Ltd. Cambodia Air Traffic Services Co., Ltd.
						<u>Position in other listed companies</u> -	
						<u>Position in non-listed companies</u> -	
5. Ms. Kamonrat Chanmee - Human Resource Director <i>(To be appointed as a management on Jan. 1, 2016)</i>	49	- Bachelor of Accounting, Ramkhamhaeng University	-		2016-Present 2014-2015	Human Resource Director Human Resource Senior Manager	Cambodia Air Traffic Services Co., Ltd. Cambodia Air Traffic Services Co., Ltd.
						<u>Position in other listed companies</u> -	
					2007-2013	<u>Position in non-listed companies</u> Finance and Admin Division Manager	PTT (Cambodia) Co., Ltd.
6. Mr. Kamon Kongsang - Administrative Director <i>(To be appointed as a management on Jan. 1, 2014)</i>	51	- Bachelor of Law, Ramkhamhaeng University	-		2014-Present 2010-2013	Administrative Director General Affair Director	Cambodia Air Traffic Services Co., Ltd. Cambodia Air Traffic Services Co., Ltd.
						<u>Position in other listed companies</u> -	
						<u>Position in non-listed companies</u> -	

Remark : ^(*) Includes holding by spouse and minor children
% of total number of voting rights

Cambodia Air Traffic Services Company Limited

Directors and Management in Related Companies as of December 31, 2018

[illegible]

Remarks : 1) x = Chairman, / = Director, // = Executive Director, /// = Managements

2) Companies Symbol;

- [illegible]

(1) Listed Comp
(8) Held by SE

Teda Company Limited (“TEDA”)

- The Board of Directors of Teda Company Limited as of December 31, 2018

Name-Surname / Position / Date of appointment	Age	Education / Training	Shareholding in TEDA ⁽¹⁾ (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
1. Mr. Thananan Vilailuck - Chairman <i>(To be appointed as a director on Feb 28, 2017)</i>	- See details in “The Board of Directors of Samart Corporation Pcl.” -		-	- See details in “The Board of Directors of Samart Corporation Pcl.” -			
2. Mr. Teerachai Phongpanangam - Director <i>(To be appointed as a director on Feb 4, 2013)</i>	- See details in “The Board of Directors of Samart Corporation Pcl.” -		-	- See details in “The Board of Directors of Samart Corporation Pcl.” -			
3. Mr. Thongchai Petchyim - Managing Director <i>(To be appointed as a director on Jan 24, 2014)</i>	63	- Bachelor of Engineering (Electrical Engineering), Chulalongkorn University	5% 2,034,065 Shares	-	2014-Present 2010-2013	Managing Director General Manager Position in other listed companies -	Teda Co., Ltd. Teda Co., Ltd.
					2018-Present	Position in non-listed companies Director	Transec Power Services Co., Ltd.

Remark : ⁽¹⁾ Includes holding by spouse and minor children
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in TEDA ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
4. Mr. Krongkiet Udomratnachayakul - General Manager (To be appointed as a director on Jan 24, 2014)	50	- Bachelor of Engineering (Electrical Engineering), Chulalongkorn University - Master of Business Administration, Thammasat University	-	-	2014-Present	General Manager	Teda Co., Ltd.
						<u>Position in other listed companies</u> -	
					2014-Present	<u>Position in non-listed companies</u> Director	Transec Power Services Co., Ltd.

Remark : ^(*) Includes holding by spouse and minor children
% of total number of voting rights

● Executives & Managements of Teda Company Limited (“TEDA”) as of December 31, 2018

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in TEDA ⁽¹⁾ (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
1. Mr. Thongchai Petchyim - Managing Director <i>(To be appointed as a management on Jan 24, 2014)</i>							
- See details in “The Board of Directors of Teda Co., Ltd.” -							
2. Mr. Krongkiat Udomratanachaiyakul - General Manager <i>(To be appointed as a management on Jan 24, 2014)</i>							
- See details in “The Board of Directors of Teda Co., Ltd.” -							
3. Mr. Chamchai Tiptanasap - Marketing Manager <i>(To be appointed as a management on Mar 1, 2016)</i>	62	- Bachelor of Engineering (Electrical Engineering), Chulalongkorn University	-	-	2016-Present	Marketing Manager	Teda Co., Ltd.
						<u>Position in other listed companies</u>	
						<u>Position in non-listed companies</u>	

Remark : ⁽¹⁾ Includes holding by spouse and minor children
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in TEDA ⁽¹⁾ (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
4. Mr. Chaitawat Ratanawimon - Project Manager #1 <i>(To be appointed as a management on Aug 1, 2012)</i>	61	- Bachelor of Engineering (Electrical Engineering), Chulalongkorn University	-	-	2012-Present	Project Manager #1 (Power Substation Projects)	Teda Co., Ltd.
						<u>Position in other listed companies</u> -	
						<u>Position in non-listed companies</u> -	
5. Mr. Wichai Assavapoositkul - Project Manager #2 <i>(To be appointed as a management on May 1, 2013)</i>	57	- Bachelor of Engineering (Electrical Engineering), Chulalongkorn University	-	-	2013-Present	Project Manager #2 (Power Substation Projects)	Teda Co., Ltd.
						<u>Position in other listed companies</u> -	
						<u>Position in non-listed companies</u> -	
6. Mr. Kittikun Chuerkikunmorn - Project Manager #3 <i>(To be appointed as a management on Jul 1, 2013)</i>	58	- Bachelor of Engineering (Electrical Engineering), Rajamangala University of Technology	-	-	2013-Present	Project Manager #3 (Power Transmission Projects)	Teda Co., Ltd.
						<u>Position in other listed companies</u> -	
						<u>Position in non-listed companies</u> -	

Remark : ⁽¹⁾ Includes holding by spouse and minor children
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in TEDA ⁽¹⁾ (%)	Relationship	Working Experience last 5 years		
					During	Position	Department / Company / Type Business
7. Ms. Wannarat Chanpiyakul - Back Office Manager (To be appointed as a management on Oct 1, 2015)	47	- Bachelor of Business Administration (Accounting), Dhurakij Pundit University	-	-	2015-Present	Back Office Manager	Teda Co., Ltd.
						<u>Position in other listed companies</u>	
						<u>Position in non-listed companies</u>	

Remark : ⁽¹⁾ Includes holding by spouse and minor children
% of total number of voting rights

Teda Company Limited

Directors and Management in Related Companies as of December 31, 2018

	Company	Related Companies																																													
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	
Directors and Managements	TEDA ⁽¹⁾	SDC ⁽¹⁾	SMS ⁽²⁾	SDM ⁽²⁾	IMP ⁽²⁾	ZA ⁽²⁾	S2A ⁽²⁾	TBS ⁽²⁾	STC ⁽¹⁾	SCS ⁽³⁾	SCT ⁽³⁾	SBS ⁽³⁾	TTN ⁽³⁾	PN ⁽³⁾	SIF ⁽³⁾	STW ⁽³⁾	SAET ⁽³⁾	PTN ⁽³⁾	SCI ⁽⁴⁾	OTO ⁽¹⁾	OTP ⁽³⁾	OTOC ⁽⁵⁾	INH ⁽⁵⁾	SC ⁽¹⁾	KPP ⁽⁷⁾	SUT	SEC	VSS	SE	CIO ⁽⁸⁾	SIH	SRT	CATS ⁽⁵⁾	TS ⁽¹⁰⁾	SGE ⁽⁹⁾	SUM ⁽⁹⁾	STR ⁽⁹⁾	ITAB ⁽¹¹⁾	I-SPORT ⁽¹²⁾	CS	ENT ⁽¹²⁾	SLA ⁽¹⁴⁾	NST ⁽¹⁴⁾	SSTV ⁽¹³⁾	VIH		
	1. Mr. Thanan Vilailuck	x							///											/	/	/	/	///	/				x	/	/	/	/	x						/				/	/	/	
	2. Mr. Teerachai Phongpanangam	/	///																				///	///	/										/					/							
	3. Mr. Thongchai Petchyim	/, ///																																													
	4. Mr. Krongkiat Udomratanachaiyakul	/, ///																																													
	5. Mr. Charnchai Tiptanasap	///																																													
	6. Mr. Chaitawat Ratanawimon	///																																													
	7. Mr. Wichai Assavapoositkul	///																																													
	8. Mr. Kittikun Chuekitkumchorn	///																																													
	9. Ms. Wannarat Chanpiriyakul	///																																													

Remarks : 1) x = Chairman, / = Director, // = Executive Director, /// = Managements

2) Companies Symbol:

1. TEDA = Teda Co. Ltd.
2. SDC = Samart Digital Pcl.
3. SMS = Samart Mobile Services Co., Ltd.
4. SDM = Samart Digital Media Co., Ltd.
5. IMP = I-Mobile Plus Co., Ltd.
6. ZA = ZECUREASIA Co., Ltd.
7. S2A = SIM2ASSET Co., Ltd.
8. TBS = Thai Base Station Co., Ltd.
9. STC = Samart Telcons Pcl
10. SCS = Samart Communication Services Co., Ltd.
11. SCT = Samart Comtech Co., Ltd.
12. SBS = Samart Broadband Services Co., Ltd.
13. TTN = Thai Trade Net Co., Ltd.
14. PN = Posnet Co., Ltd.
15. SIF = Samart Infonet Co., Ltd.
16. STW = Smarterware Co., Ltd.
17. SAET = Samart eD-Tech Co., Ltd.
18. PTN = Portanet Co., Ltd.
19. SCI = Secureinfo Co., Ltd.
20. OTO = One To One Contacts Pcl.
21. OTP = One To One Professional Co., Ltd.
22. OTOC = Inno Hub Co., Ltd.
23. INH = Inno Hub Co., Ltd.
24. SC = Samart Corporation Pcl.
25. KPP = Kampot Power Plant Co., Ltd.
26. SUT = Suvarabhumi Environment Care Co., Ltd.
27. SEC = Samart Inter Holding Co., Ltd.
28. VSS = Vision and Security System Co., Ltd.
29. SE = Samart Engineering Co., Ltd.
30. CIO = Contact-In-One Co., Ltd.
31. SIH = Samart Green Energy Co., Ltd.
32. SRT = Samart Raditech Co., Ltd.
33. CATS = Cambodia Air Traffic Services Co., Ltd.
34. TS = Transec Power Services Co., Ltd.
35. SGE = Samart Green Energy Co., Ltd.
36. SUM = Samart U-Trans (Myanmar) Co., Ltd.
37. STR = Samart Transolutions Co., Ltd.
38. ITAB = IT Absolute Co., Ltd.
39. I-SPORT = I-Sport Co., Ltd.
40. CS = Cambodia Samart Co., Ltd.
41. ENT = Entertainment Tree Co., Ltd.
42. SLA = SLA Asia Co., Ltd.
43. NST = Net Service (Thailand) Co., Ltd.
44. SSTV = Siam Sport Television Co., Ltd.
45. VIH = Vialluc International Holding Co., Ltd.

Curriculum Vitae Head of Internal Audit

Educational background and work experience as follow :

Name : - Miss. Nantana Khangui, Manager - Internal Audit

Education : - Bachelor Degree in Business Administration, Secretary Branch at Bangkok University

Training :

1. Course from The Institute of Internal Auditors of Thailand

- 2018 - Ready for Business Continuity and Resilience
- New Gen : Hybrid IA can Audit Business and IT
- 2017 - Auditor-in-Charge Tools and Techniques
- Cybersecurity in e-payment and fintech
- How Modern IA Audit Fraud in New Technology World
- 2016 - Raise the Red Flag : IA Guide to Prevent & Detect Fraud
- Internal Audit and Sustainable Development
- Analytical Thinking for Professional Internal
- 2015 - Core competencies internal auditor in best practice in concept
- Fraud case study and knowledge sharing for Internal Audit
- Internal Audit Technology at Forefront
- IT Governance and Business impact
- 2014 - Certified Professional Internal Audit of Thailand (CPIAT) Course.
- Tools and Techniques for the Audit Manager
- Auditing method to achieve the Audit Plan
- Fraud Auditing for the Internal Auditor
- Audit Techniques with Internal Audit work
- 2012 - Audit Report Writing according to international Standards

2. Course from NSTDA

- 2013 - IT Audit for Non - IT Auditor Master class (IT audit with COBIT5)

3. Training and seminar of concerned for internal auditing

- 2017 - Enterprise Risk Management : Inhouse Training by Samart Corporation PLC.
- Smart Disclosure Program (SDP) from The Stock Exchange of Thailand
- 2016 - CG Forum : "The Threat of Internal Fraud can prevention and control" from The Stock Exchange of Thailand
- Internal Control of the company prepared to be listed in Stock Exchange of Thailand from Dharmniti Seminar and Training
- Smart Disclosure Program (SDP) from The Stock Exchange of Thailand
- 2015 - Preparation for Collective Action Coalition Against Corruption Project (CAC) form Thai Listed Companies Association
- Anti - Corruption in practice form PACT Network
- CG Forum : "Risk Oversight : High Priority Roles of the Board" from The Stock Exchange of Thailand

Work Experience :

2014 - Present	Manager - Internal Audit	Samart Corporation Pcl.
2011 - 2014	Sr. Officer- Internal Audit	Samart Corporation Pcl.
1999 - 2011	Sr. Officer -Debt Management Center	Samart Corporation Pcl.

General and Other Information

General Information

Company	:	Samart Corporation Public Company Limited
Head Office	:	99/1 Moo 4 Software Park, 35 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120, Thailand
Registration No.	:	0107536000188
Home Page	:	http://www.samartcorp.com
Telephone	:	0-2502-6000
Fax.	:	0-2502-6186
Registered Capital	:	Baht 1,342,005,213
Number of shares sold	:	1,006,503,910 shares
Par Value	:	Baht 1 per share

Other Information

Company registrar	:	Thailand Securities and Depository Co., Ltd. 93, The Stock Exchange of Thailand Building, 14 th Floor, Ratchadaphisek Road, Dindaeng, Bangkok 10400 Tel. 0-2009-9000, 0-2009-9378 Fax. 0-2009-9476
Auditor	:	Mrs. Sarinda Hirunprasurtwutti Certified Public Accountant (C.P.A.) license No. 4799 EY Office Limited 33 rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek road, Klongtoey, Bangkok 10110 Tel. 0-2264-0777 Fax. 0-2264-0789-90
Investor Relations	:	Mr. Pongthep Vichaikul Email: Pongthep.V@samartcorp.com Tel. 0-2502-6583 Fax. 0-2502-6186
Corporate Secretary	:	Mrs. Jirawan Rujisonthi Email: Jirawan.R@samartcorp.com Tel. 0-2502-6042 Fax. 0-2502-6043
Internal Audit	:	Ms. Nantana Khangui Email: Nantana.K@samartcorp.com Tel. 0-2502-6192 Fax. 0-2502-6186

More information have been disclosed on Company's website (www.samartcorp.com) via Annual Information Disclosure of the Company (56-1 Form) and SEC's website (www.sec.or.th)



SAMART

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www.samartcorp.com