



SAMART

THE POWER OF
SAMART



Annual Registration Statement /
Annual Report 2021
(Form 56-1 One Report)

Contents

004 Message from the Board of Directors

006 Board of Directors of SAMART

008 Vision & Mission

010 Report of the Audit Committee

012 Report of the Committees

021 Financial Highlights

023 Changes in the previous year

025 Industry and Competition

Part 1 Business Operation and Operating Performance

028 1. Structure and Operation of the Company

073 2. Risk Management

077 3. Business Sustainability Development

106 4. Management Discussion & Analysis (MD&A)

111 5. General and Other Information

Part 2 Corporate Governance

118 6. Corporate Governance Policy

139 7. Corporate Governance Structure and significant information about the Board of Directors, the Committees, the Management, employees and others

162 8. Report on the significant activities on corporate governance

176 9. Internal Control and Connected Transactions

Part 3 Financial Statements

186 Report and Consolidated Financial Statements

297 Report of the Board of Directors' responsibility on the Company's Financial Statements

298 Attachments which are disclosed in the Company's website



Samart's Power of Sustainability

Samart Group has been operating alongside Thai society for over seven decades. In addition to our encompassing business vision, which has enabled us to grow and get through situations, a few other important factors have been the driving force, allowing us to grow continuously and steadily.

THE POWER OF SAMART



Sustainable

Sustainable growth

Steadfast in investing in promising businesses along with creating benefits for the community, society and environment



Adaptive

Adaptiveness

Adaptive to situations, analyzing and planning effectively in dealing with crises and changes



Management

Organizational management

Operating business with a vision that leads to the organization's steady growth



Ability

Potential development

Promoting and developing professional teams to their optimum potential to always be ready for new challenges



Relationship

Managing good relations

with business partners to jointly present products and services of international standards



Trust

Trust

Committed to delivering the best work, thus earning continued trust from clients




(Dr. Tongchat Hongladaromp)
Chairman
Samart Corporation Public Company Limited

MESSAGE FROM THE BOARD OF DIRECTORS

In 2021, Thai economy was still impacted by COVID-19 pandemic with high numbers of cumulative confirmed cases and death, resulting in the economic growth by 1.6 percent compared with contraction at 6.2 percent in 2020. In 2021, export value of goods expanded at 18.8 percent with growth rate of public and private investment at 3.8 percent and 3.2 percent respectively. Public consumption grew by 3.2 percent while private consumption expanded only 0.3 percent. Moreover, the current account recorded a deficit of 10.9 billion US Dollars and headline inflation was at 1.2 percent. In the past year, government continued to provide several stimulus measures to subsidize living expenses for citizens and financial measures through government financial institutes to solve problems and restore the economy and society affected by the pandemic. Samart Corporation Group (SAMART) has contributed and provided supports for medical personnel, medical agencies, and social work agencies with financial supports, communication devices for collaboration, medical masks, alcohol, and supplies donated to support society including a part of red zone in Siem Reap, Cambodia where a service business of SAMART is located. Additionally, SAMART has strictly complied with COVID-19 control measures and the COVID Free Setting measure. SAMART also provided supports for employees for vaccination and provide information regarding vaccination channels as well as closed cares for employees both infected COVID-19 and at high-risk exposure.

For business operations, SAMART has closely monitored situations and following COVID Free Setting measures has helped prevent the growing transmission of COVID-19 cluster in the office. Employees in every department have been able to work efficiently with no effect to the company's operations. Furthermore, SAMART has constantly followed the operations under risk management plan and performed according to the plan to improve efficiency of operation and capital expenditures and to manage uncertainties due to COVID-19 and economic turbulence. In addition, SAMART has focused on Business Continuity Management to ensure that all clients would continue to receive good services.

In the past year, major activities can be concluded for each line of business as follows:

"Digital"

Samart Digital, with collaboration with the partner, expanded the implementation of Digital Trunked Radio System (DTRS) network to cover more areas in the country and succeeded by achieving contracts for services and supplying of DTRS equipment for a state enterprise and a government agency: Provincial Electricity Authority and Ministry of Interior. Such network is ready to support a large number of user expansion to integrate communication efficiently. Samart Digital, moreover, has implemented communication towers to provide Co-Tower services in the areas authorized by Department of National Parks, Wildlife and Plant Conservation aiming for mobile operators to maximize resource utilization to serve citizens. Furthermore, transforming to provide Digital Services and aiming to become Life Consultant reaching more users in digital age, this line of business launched HoroWorld services and Mobile Security Application strengthening cyber security on mobile phones. "Digital" therefore is the line of business focusing on elevation of people's quality of life with its products, services, and innovation in Digital age.

"ICT Solution & Service"

The ICT Solution & Service line of business is determined in offering products, services, and solutions in ICT and digital technology with social and environmental responsibility, including innovation and value added to customers. In the past year, this line of business succeeded in gaining trusts from customers and generated total revenue of Baht 4,581 million. With efficient management, this line of business



(Mr. Charoenrath Vilailuck)
Executive chairman / CEO
Samart Corporation Public Company Limited

has its operation turning around to make profit with backlog revenue at the end of 2021 at Baht 7,200 million. Customer base has been expanded in the service area regarding Cyber Security with more upsales in banking sector and utility agencies and this line of business is ready to drive competency of the government's digital services as this segment continues to grow. Additionally, this line of business has been appraised "Excellent" in Corporate Governance Report of Thai Listed Company by Thai Institute of Directors (IOD). Such performance indicates strong return of business responding the mission of stable and sustainable growth.

"Utilities and Transportations"

"Utilities and Transportations" was still affected by COVID-19 pandemic during the last year causing decline in number of flights for air traffic management services in Cambodia resulting in lower total revenue compared with that in 2020. However, Cambodia issued a policy to reopen for tourism and removed quarantine restrictions for tourists travelling to the country. Furthermore, Direct Coding Project under supervision of Excise Department had advanced progress with expectation to start the service and recognize revenue in 2022. For the business regarding complete construction of power substations and high-voltage transmission system has continued to grow with backlog value of Baht 3,300 million at the end of 2021. The business continues to study feasibility of power plant and power transmission system projects for both domestic and in neighbor countries to support business expansion Utilities and Transportations segment in the future.

Development toward sustainability

To accomplish the common goal for the Board of Directors, the Executive Board, executives, and all employees of SAMART group in delivery of stable and sustainable growth, SAMART therefore determines to conduct business under good governance and risk management with considerations, responsibility, and responding to all stakeholders suitably together with social responsibility and reduction of environmental impacts. Moreover, SAMART drives collaboration among subsidiaries and partners to increase quality of and values to products and services including creation of innovation to elevate people' quality of life in digital age.

In the past year, SAMART has constantly conducted several social and environmental activities under the guideline of **"Promoting Quality people and Moral society"**, abided accordingly by the company for a long time. Emphasizing **"Promoting Quality People"** on both internal and external resources, SAMART encourages its employees to continually learn and improve their competency with mental and physical health through various projects and social activities such as Angel Fund Thailand 2021 that promotes idea owners and developers in technologies valuable and beneficial to society and environment, educational funds, sports activity supports, etc. For **"Promoting Moral Society"**, the Company encourages its employee to initiate value creations to society by stimulating mindset of volunteering, helping, sharing, and passing merit to society through "Samart D Club" and conducting activities beneficial to society as well as supporting people affected by COVID-19 and carrying out religious support activities.

On behalf of the Board of Directors of Samart Corporation PCL., we would like to express gratitude to all shareholders, valued customers, business partners, financial institutes, all executives and employees, including all relevant parties who constantly have trusted and supported operations of "Samart Group". With our commitment and determination, SAMART will never stop developing quality products and services, never stop responding to technological changes and competition, never stop improving efficiency in business operation under risk management and good governance, and never rest expanding business opportunities together with sustainability development to ensure that the Company will grow strongly and sustainably.



BOARD OF DIRECTORS OF SAMART

1 DR. TONGCHAT HONGLADAROMP

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

2 MR. VICHAI SRIKWAN

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

4 MR. PRINYA WAIWATANA

- Independent Director
- Corporate Governance Committee Member



3 MR. SERI SUKSATHAPORN

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

5 MRS. SIRIPEN VILAILUCK

- Director


6 MR. SIRICHAIRASAMEECHAN

- Director
- Corporate Governance Committee Member

8 MR. WATCHAI VILAILUCK

- Authorized Director
- Executive Vice Chairman - Corporate Strategy & New Business Development
- Executive Director
- Risk Management Committee Member
- Chairman of the Sustainable Development Committee

10 MR. TEERACHAI PHONGPANANGAM

- Authorized Director
- President
- Executive Director
- Sustainable Development Committee Member
- Risk Management Committee Member

7 MR. CHAROENRATH VILAILUCK

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

9 MR. THANANAN VILAILUCK

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



Vision

"Samart Group" is committed to offering technology products and services that promote corporate sustainability and enhance good quality of life.

SAMART DNA



Think Ahead



Customer Focus



Team of Professionals



Commit to Excellence



Mission

**To achieve the vision,
Samart Group, therefore, takes care of the stakeholders
by taking on the mission to do the following:**

"Clients"

To provide high quality technology products and services to fulfill the needs and create the maximum benefit for clients or service users

"Organization"

To manage and operate the business with efficiency, transparency, fairness and responsibility to stakeholders both directly and indirectly

"Allies"

To build and maintain strong and long-lasting relationships with our business allies

"Employees"

To treat employees fairly and promote their potential development and career advancement

"Shareholders"

To create worthwhile returns for shareholders in the long term

"Society, Community and Environment"

To promote "quality people and moral society" through ongoing projects and activities for public benefit and through environmental conservation and intelligent and sustainable use of resources

Report of the Audit Committee

Dear Shareholders of Samart Corporation Public Company Limited

The Audit Committee of Samart Corporation Public Company Limited, which has been appointed by the Board of Directors and the shareholders' meeting, consisted of 3 independent directors and all Audit Committee members are fully qualified as per specified in the Audit Committee Charter and pursuant to the regulations of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

During 2021, the Audit Committee has performed duties as per specified in the Audit Committee Charter, regulations and operating guidelines specified by the SET. In 2021, 4 meetings have been held and the Company's management, Internal Audit Unit including the auditor jointly attended all meetings. The Audit Committee has also attended the meeting with the auditor without any participation of the management. Essence of the meetings could be summarized as follows:

1. Review quarterly and annual financial statements of the Company and its subsidiaries.

The Audit Committee has reviewed accuracy, completeness, and credibility of the quarterly and annual financial statements of the Company and its subsidiaries to ensure that they have been prepared pursuant to the Thai Financial Reporting Standards and material essence of such financial statements has been adequately disclosed.

The Audit Committee deemed that material essence of such financial statements was correctly, reliably, and information has been adequately disclosed and beneficial to the shareholders.

2. Review related transactions or connected transactions.

The Audit Committee has reviewed the related transactions or the connected transactions on compliance with the laws and regulations specified by the Capital Market Supervisory Board and other relevant agencies.

The Audit Committee has an opinion that the connected transactions or the transactions which may have conflict of interest with the Company passed transparent consideration processes and they were for the best interest of the Company with adequate and complete disclosure of information.

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

The Audit Committee has reviewed for the Company to comply with the laws and securities and exchange, regulations of the SET and other laws relevant to the Company's businesses. The disclosure of information was adequate and suitable.

The Audit Committee opined that the Company has strictly complied with principles of the laws and guidelines of the SEC and SET as well as other relevant laws.

4. Review adequacy of internal control system.

The Audit Committee has considered to arrange the audit plan which covered both the Company and its subsidiaries and was suitable with nature of business of each company, by putting emphasis on auditing the important work systems to make certain that the Company has adequate internal control system.

The Audit Committee opined that the Company has prepared the annual audit report by applying internal system and external risk assessment criteria and its overall internal control system were adequate and suitable, no material defects or abnormalities were found, so they can strengthen the Company's operations to attain the specified goals.

5. Review internal audit operations.

The Audit Committee has supervised operations of the Internal Audit Unit and acknowledged the audit result report every quarter by emphasizing that the internal control operations must be performed in circumspect manner adequately to prevent or minimize likelihood of risks. The Audit Committee has also provided recommendation on improvement of internal audit work systems to make them more efficacy and consistent with the International Standards for the Professional Practice of Internal Auditing.

The Audit Committee opined that performance of the Internal Audit Unit achieved as per the specified plan and efficiently as per the international standards.

6. Consideration on selection and proposal on appointment of the Company's auditor for 2021.

The Audit Committee has considered on selection, proposal on appointment of the auditor and remuneration fee for 2021 to the Board of Directors to further propose to the shareholders' meeting by considering from the operating standard, provision of consultancy, suitable remuneration fee as well as auditing expertise of each business line of the Company.

The Audit Committee has considered and selected of the auditors of EY Company Limited as the Company's auditor for 2021 by considering from knowledge, capability, experiences, independency and understanding of the Company's business.

7. Performance assessment of the Audit Committee for 2021.

The Audit Committee has assessed performance of the Committee every year to make certain that the Audit Committee has performed works pursuant to duties within the scope as per specified in the Audit Committee Charter.

In overall, for the year 2021, the Audit Committee has completely performed duties as specified in the Audit Committee Charter approved by the Board of Directors and agreed that the financial reports have been prepared pursuant to the general accepted accounting principles, information has been adequately disclosed, and complied with the laws on Securities and Exchange (SEC), regulations of the Stock Exchange of Thailand (SET) and the laws relevant to the Company's businesses, and the internal control system was adequately circumspect.



(Mr. Vichai Srikwan)

Chairman of the Audit Committee
Samart Corporation Public Company Limited

Report of the Executive Board

Dear Shareholders of Samart Corporation Public Company Limited

In 2021, the Company still had to face with big business challenges due to the pandemic of the Coronavirus 2019 (COVID-19) which continues to occur around the world and affecting to economic activities, lifestyle and the changing consumption behavior. This is a challenge for the Company to adapt to the change. The Executive Board managed the Company's businesses under such situation to the best with careful. Also gave any guidance and suggestions about business administration as well as followed up and evaluate the Company and subsidiaries' performance, closely, in order to strengthen the organization's business continuity.

In 2021, the Executive Board held 11 meetings to consider various important 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:

- **Specified and reviewed the Company and its subsidiaries' mission, vision, strategy, and business plan.**
The Executive Board specified and reviewed vision, mission 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. This year, the Executive Board proposed to the Board of Directors' meeting to consider and approve the amendments to the vision and mission to be concise and comply with the Company's business context.
- **Reviewed and monitored performance of the Company and its subsidiaries.**
The Executive Board reviewed and monitored performance of the Company and its subsidiaries every month, so that the operations can be achieved as per the specified targets.
- **Considered and approved the Company's annual budget and investment.**
The Executive Board approved the Company's annual budget and investment including financial transactions and credits which are important for business prior to further approved of the Board of Directors.
- **Specified remuneration's structure policy, forms and criteria of remuneration's payment.**
The Executive Board has considered annual salary increase for 2022, 2021 Bonus and 2022 Bonus Payment Policy, together with Executive Chairman / CEO, prepared for the Nominating and Compensation Committee's consideration prior to further consideration of the Board of Directors' meeting.
- **Self-evaluation of the Executive Board.**
The Executive Board has conducted a self-assessment for the year 2021, that there are 4 topics as 1) the structure and qualifications 2) meeting 3) roles and responsibilities and development and 4) training of the Executive Board. The assessment results are **"Excellent"** in order to use for improving with aims to increase efficiency of the operations.

Although the pandemic situation of COVID-19 will affect the Company, on the other hand, the Executive Board remains committed to perform their duties by taking into account the least benefit of the Company and all stakeholders. As well as supervising an efficient operating system of the Company and following the principles of good corporate governance in order to lead the organization growing steadily and sustainably.



(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 Risk Management Committee of Samart Corporation Public Company Limited has been appointed by the Board of Directors, whereas the Chairman of the Executive Board is the Chairman of the Risk Management Committee and 3 Company's directors are the committee members. Duties and responsibilities of the Risk Management Committees are to specify policy and risk management framework, to oversee risk management operations to make them conform to the Company's strategies and goals, to provide recommendations and guidelines on risk management to the management of the Group of Companies in order to be confident that the strategic operations of the Group move forward to achievement of the Company's objectives and goals and potential loss can be effectively and efficiently prevented.

The Risk Management Committee has performed duties as per specified in the Risk Management Committee Charter and in 2021, 3 meetings have been held to consider material matters which could be summarized as follows:

1. Identify and analyze main risks of the Company, i.e. financial risk, business risk and operational risk, which may impact to the Company's business operations in order to keep the Company's targets achieve as per specified.
2. Consider risk management plans regarding coronavirus disease (COVID-19) pandemic which was the risk factor in 2021 by primarily emphasizing on following the coronavirus prevention and reduction measures stipulated by the government.
3. Follow up and review risk management to ensure that risk management plans and strategies applied could be able to manage risks at acceptable level (risk appetite), in time with the changing situations and conform to the Company's work plans.

In 2021, the Company's Risk Management Committee emphasized on analysis of material risks and all risk factors which impacted the Company's business operations. Material risk management has been constantly monitored to ascertain that risks can be controlled at acceptable level and the organization can be developed for achievement as per the specified business plan.



(Mr. Charoenrath Vilailuck)

Chairman of Risk Management Committee
Samart Corporation Public Company Limited

Report of the Corporate Governance Committee

Dear Shareholders of Samart Corporation Public Company Limited

The Company's Board of Directors believed that good corporate governance processes were the key to success and achieved the goals of business operations in order to maximize the long-term benefits of shareholders and enhance the organization to have a more efficient management system. As a result, 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). However, the CG Committee fully has performed their duties and responsibilities in accordance with the charter assigned by the Board of Directors for the overall benefit of the Company and shareholders, as well as, all stakeholders.

In 2021, the CG Committee held 2 meetings which considered and followed up the good corporate governance operations and reported to the Board of Directors' meeting of which their main points can be concluded as follows:

- **Supervised the operations of the committee to be in accordance with the Corporate Governance policy.**

The CG Committee has supervised the operations of the committee in accordance with the Corporate Governance policy of the Company and specified that every committee has to prepare a performance report for the past year to present to the shareholders in the Annual Registration Statement / Annual Report 2021 (Form 56-1 One Report) of the Company.

- **Reviewed the Corporate Governance Policy, Code of Business Ethics, the Board of Director and the Committee Charters of the Company.**

In 2021, The CG Committee has reviewed and adjusted the policy on corporate governance, code of business ethics, the Board and Committee Charters of the Company to make them consistent with criteria of CG Code. The meeting has considered the amendments on the following main topics as:

1. Amendment of Corporate Governance Policy, Section 4, Disclosure and Transparency on the topic of Information Disclosure Policy by adding the position of Executive Vice Chairman to be the persons who has the right to disclose important information to the public;
2. Amendment of Business Ethic on the topic of "Non-violation of Human rights policies", "Responsibility to environment" and "Sustainable Development Policy".

The Board of Directors has considered that the Company has applied the 8 CG Code principles with the Company's business context. However, regarding to the guidelines in the CG Code that were not suitable for the Company's business operations, the Board of Directors' meeting has assigned the CG Committee to review that matters annually, and proposed appropriate replacement measures for further consideration.

- **Assessed Performance of the Board of Directors, the Committees, the Executive Chairman and the Corporate Secretary.**

In order to comply with the corporate governance principles of the Stock Exchange of Thailand, the CG Committee specified that performance of the Board of Directors, both individually and by the team, the Committees, the Executive Chairman 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.

However, the CG Committee has conducted a self-assessment for the year 2021, that there are 4 topics as 1) the structure and qualifications 2) meeting 3) roles and responsibilities and development and 4) training of the CG Committee. The assessment results are **“Excellent”** in order to use for improving with aims to increase efficiency of the operations.

- **Arranged 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.

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

In order to share knowledge information and understanding of the Company’s Directors, therefore, the CG Committee has specified that information on new laws or change in any laws concerning the directors should be reported.

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”), received corporate governance assessment results in 2021 as follows:

Company	Evaluation	Assessment Result	From
SAMART SAMTEL SDC	Corporate Governance of Thai Listed Companies in 2021	Excellent (5 Stars) with score 93%	Institute of Directors Association (IOD) together with the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand
	Quality on Arrangement of Annual General Meeting of Shareholders for 2021	4 TIA with score 98%	Thai Investors Association

These achievements could clearly reflect the continual efforts of the Company to elevate corporate governance levels as well as efficient management system, transparent, and verifiable. Moreover, the Company has continued to raise the standards of good corporate governance in order to strengthen and long-term growing business to the Company, sustainably.



(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 Company's Board of Directors has appointed the Nominating and Compensation Committee ("NC Committee") to perform duties included recruitment, selection and recommendation of the knowledgeable, competent and qualified candidates suitable for the position of director and top management. Also responsible for specifying the reasonable structure policy, forms and criteria of remuneration payment of the directors, committees, Executive Chairman, top managements, managements as well as the employees fairly and transparently which determines the employee's and managements remuneration policy will be consistent with the Company's performance both short-term and long-term, by taking into consideration the best interests of all parties as the main priority. The NC Committee consists of 3 members, Dr. Tongchat Hongladaromp, Mr. Vichai Srikwan and Mr. Seri Suksathaporn. All of them are the Independent Directors.

In 2021, the NC Committee held 3 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:

- **Recruited and selected the candidates for the position of director and top management.**

The NC Committee has considered, screened, recruited and selected the candidates to hold the position of the Independent Director, the Company's Director and to replace the committee's member who will be retired upon completion of the term and top management in accordance with the criteria and procedures of the Company. In 2021, the Company has considered to select directors and committees, details are in page 018.

- **Specified remuneration of directors and the committee members.**

The NC Committee has considered on remuneration of Directors and the committee members with reasonable and appropriate linked with the compensation and the overall performance of the Company. 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 2021, 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) as detail below;

	Meeting Allowance (Baht/Meeting)	
	Chairman	Member
The Board of Director	30,000	15,000
The Audit Committee	30,000	15,000
The Corporate Governance Committee	20,000	15,000
The Nominating & Compensation Committee	20,000	15,000

However, total remuneration paid to the Board of Directors and the Committees in 2021 were Baht 1.86 million which was still within the amount of Baht 7 million as per approved by the Shareholders' Meeting. Additional details have been disclosed in topic **"Report on the significant activities on corporate governance"** under **"8.1.2 The Board of Directors' Attendance and Remuneration"**.

- **Specified remuneration's structure policy, forms and criteria of remuneration's payment**

In order to motivate and retain the capable and good performance employees, the NC Committee has considered the criteria on salary increase for 2022, bonus allocation for 2021 and bonus payment policy for 2022 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 2021, 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.

- **Self-evaluation of the NC Committee.**

The NC Committee has conducted a self-assessment for the year 2021, that there are 4 topics as 1) the structure and qualifications 2) meeting 3) roles and responsibilities and development and 4) training of the NC Committee. The assessment results are **"Excellent"** in order to use for improving with aims to increase efficiency of the operations.

The NC Committee has fully performed their duties and responsibilities in accordance with the charter and the assigned duties carefully, concisely, transparently and independently pursuant to good corporate governance principles for maximum benefits of all 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 2021

1. Considered and selected directors as well as Audit Committee members who have been retired by rotation as below;
 - Agreed to propose the re-appointment of director as list below to be the Directors of the Company for another term;
 1. Mr. Charoenrath Vilailuck Executive Director
 2. Mrs. Siripen Vilailuck Non - Executive Director
 3. Mr. Sirichai Rasameechan Non - Executive Director
 - Agreed to propose the re-appointment of Mr. Seri Suksathaporn to be the Audit Committee Members for another term;
 - Agreed to propose the appointment of Mr. Vichai Srikwan to be the Vice Chairman / Chairman of the Audit Committee / Independent Director as replacement of Mr. Pradang Prichayangkun;
2. Considered and selected the member of the committees who has been retired by rotation as follows;
 - Agreed to propose the appointment of Mr. Vichai Srikwan as Nominating and Compensation Committee Member;
 - Agreed to propose the re-appointment of all members of the Corporate Governance Committee;
 - Agreed to propose the re-appointment of all members of the Risk Management Committee;
 - Agreed to propose the re-appointment of all members of the Executive Board;
 - Agreed to propose the re-appointment of all members of the Sustainable Development Committee.

List of the Board of Directors and Committees as of December 31, 2021 as follows:

The Board of Directors

- | | |
|------------------------------|---------------------------------|
| 1. Dr. Tongchat Hongladaromp | 6. Mrs. Siripen Vilailuck |
| 2. Mr. Vichai Srikwan | 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. Vichai Srikwan
2. Dr. Tongchat Hongladaromp
3. Mr. Seri Suksathaporn

Nominating and Compensation Committee

1. Dr. Tongchat Hongladaromp
2. Mr. Vichai Srikwan
3. Mr. Seri Suksathaporn

Corporate Governance Committee

1. Mr. Seri Suksathaporn
2. Mr. Prinya Waiwatana
3. Mr. Sirichai Rasameechan

Risk Management Committee

1. Mr. Charoenrath Vilailuck
2. Mr. Watchai Vilailuck
3. Mr. Thananan Vilailuck
4. Mr. Teerachai Phongpanangam

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. Mr. Teerachai Phongpanangam
5. Mrs. Phongsri Saluckpetch
6. Ms. Kanokwan Chanswangpuvana

Report of the Sustainable Development Committee

Dear Shareholders of Samart Corporation Public Company Limited

In the past year was another year that the Company still affected by the Covid-19 pandemic situation. However, the Company continues to develop business along with sustainable growth and society and environment responsibility by setting up the policies and sustainability management goals to respond to all relevant stakeholders, both inside and outside the organization. Presently, the Company's Executive Vice Chairman – Corporate Strategy & New Business Development is the Chairman of the SD Committee.

During 2021, the SD Committee arranged 3 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:

- Considered and monitored operational results on social responsibility activities of the Company in 2021;
- Considered to participate in training program and workshop in the Sustainability Reporting course by industry by the Stock Exchange of Thailand;
- Considered and conducted the SD Committee self-evaluation for 2021, that there are 4 topics as 1) the structure and qualifications 2) meeting 3) roles and responsibilities and development and 4) training of the SD Committee. The assessment results are **"Very Good"** in order to used for improving with aims to have sustainable development and increase efficiency of the operations;
- 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 2021.

The SD Committee, the Managements, and relevant staffs still fully perform their duties including supported various operations in economic, social, and environmental dimensions to enable the Company growing together along with sustainably society.



(Mr. Watchai Vilailuck)

Chairman of the Sustainable Development Committee
Samart Corporation Public Company Limited

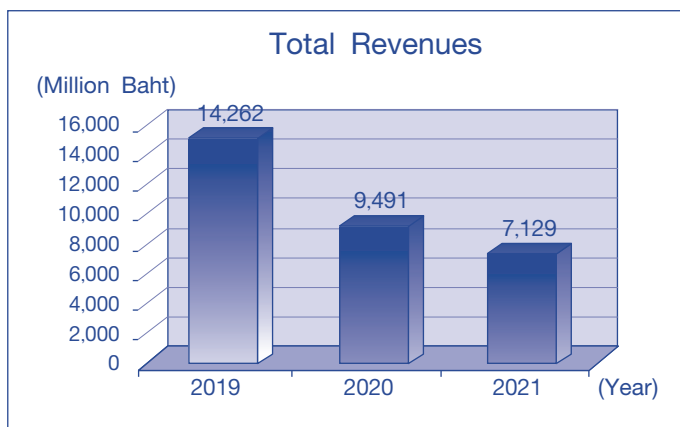
Financial Highlights

Samart Corporation Public Company Limited and Subsidiaries

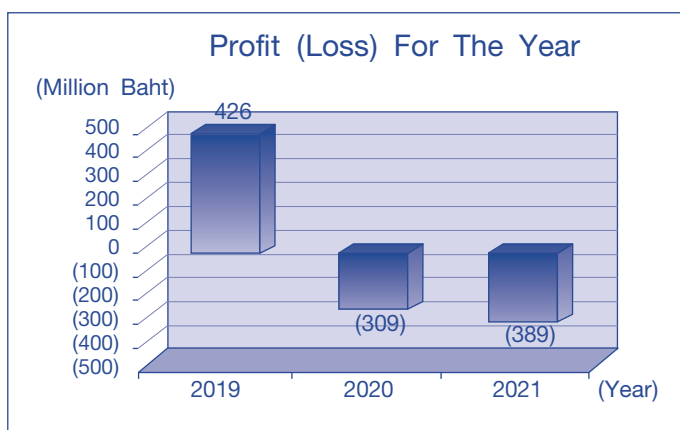
(Unit : Million Baht)

Information from consolidate Financial Statements	2021	2020	2019
Total Asset	18,149	18,031	21,225
Total Liabilities	13,423	13,797	15,893
Non-controlling interests of the subsidiaries	1,342	1,193	1,662
Equity attributable to owners of the Company	3,384	3,041	3,670
Total Revenue	7,129	9,491	14,262
Revenues from sales, contract work and service	6,955	9,106	14,134
Gross Profit	987	1,112	2,766
Profit (loss) for the year (Equity holder of the Company)	(389)	(309)	426

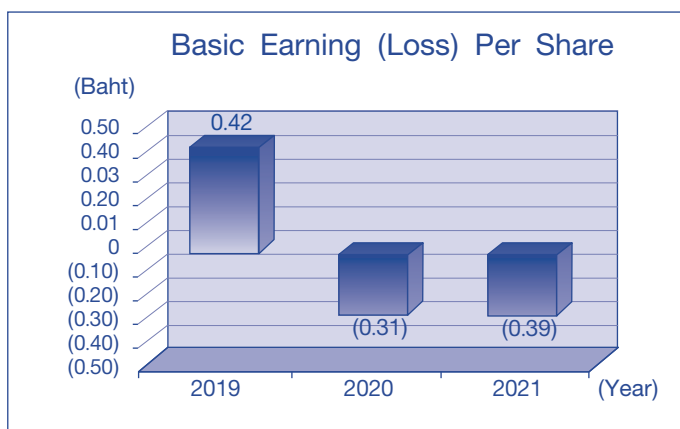
Financial Ratios	2021	2020	2019
Basic earnings (loss) per share (Baht)	(0.39)	(0.31)	0.42
Book Value Per Share (Baht)	3.36	3.02	3.65
Dividend Per Share (Baht)	-	-	0.15
Profit (loss) Margin	(5.46)	(3.26)	2.99
Return on Equity	(12.11)	(9.21)	12.20
Return on Total Assets	(2.15)	(1.58)	2.00



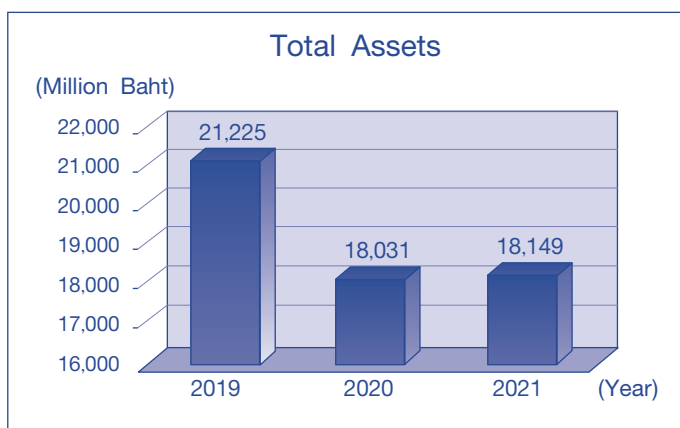
In 2021, total revenues was Baht 7,129 million, decreased from 2020 by Baht 2,362 million or 24.88%. The decrease was due to the COVID-19 impact to the ICT Solution & Service and Utilities and Transportation business, especially the air traffic management business in Cambodia.



Loss for 2021 was Baht 389 million. The key contribution to the Company loss was Digital business.



In 2021, earnings (loss) per share was decreased to Baht -0.39 per share.



Total assets were Baht 18,149 million in 2021.

Changes in the previous year

2021 was another year of challenges, particularly COVID-19 outbreak that still affected all dimension, e.g., troubles of living and impacts from internal as well as external factors on economy and the society. One of industries hugely affected by COVID-19 was domestic tourism industry, resulting in severe impacts on a number of businesses, e.g., airlines, domestic transportation, hotels, restaurants, much higher rate of unemployment in tourism business.

For Samart Group, we adjusted strategies in several aspects to deal with COVID-19. For example, the Work From Home policy, which facilitated employees to work from their homes, and helped reduce a risk of COVID-19 infection. Besides, we also provided welfare in several aspects for all employees to help relieve their troubles.

In 2021, Samart Corporation Pcl. had total revenue of Baht 7,129 million, with the loss of Baht 389 million. Changes of the following 4 business lines are described as follows.

ICT Solution and Service

ICT Solution and Service, operated by Samart Telcoms Pcl., is one of Thailand's large ICT solution and service providers. In 2021, COVID-19 caused the government allocated the budget to solve COVID-19 situation which delay of the new investment from the government sector and destroy the confidence of the business sector, resulting in retarded investment from part of the private sector.

In 2021, Samart Telcoms Pcl. signed the contracts of the new projects valued at Baht 4,500 million from different agencies, e.g., Provincial Electricity Authority, Social Security Office, Bangkok Metropolitan Administration. At the end of 2021, the backlog was valued at Baht 7,200 million.

Moreover, the Company has still adhered to service standards and developed preparedness of technological knowledge and specialization to personnel. This creates confidence in our systems and operation, regarded as a strength in the long run. It also brings success from auctions of key projects.

Digital

The Company provides communication through digital systems. The Company is partner with National Telecom Pcl. ("NT") of Digital Trunked Radio System or "DTRS" to increase our competency in DTRS service. It has been installed with coverage in different areas across the country. The key target includes government agencies focusing on telecommunication and their communication security. In 2021, the Company got 2 new customers which are Ministry of Interior and Provincial Electricity Authority. Furthermore, Co-Towers are also provided for long-term tower rental to mobile operators in national parks across the country, too. Both projects aim to create recurring revenues for the Company in the future.

The Company also provides Digital Platform service to support changing lifestyles of consumers. Apart from information of eat, drink and travel, we also provide full-service travel planning. For our sports line, it moves forward to become "Digital Sport" for full-service sports business, conforming to trends in the digital age and transition to the age of sports and health; with the aim to enhance quality of life and living by our quality products and service from the operation process, technological development, and excellent innovation creation in the digital age.

Utilities and Transportations

To conform to the policy of recurring revenue creation for the group, Utilities and Transportations still move on to examine possibilities of power plant projects in Thailand and neighboring countries, i.e., coal power plants and hydro power plants; including the expansion of transmission line business and infrastructure business for travel. The key goal is to support the expansion of Utilities and Transportations in future.

Samart Aviation Solutions Pcl. (“SAV”) and Cambodia Air Traffic Services Co., Ltd. (“CATS”)

In 2021, One of industries most affected by COVID-19 is global airline industry. Thai government and all governments across the world still have announced travel restrictions to stop the outbreak. This results airline industry across the world have not been recovered.

For an impact of COVID-19, the number of flights under Cambodia Air Traffic Services Co., Ltd. (CATS), an air traffic management company in Cambodia, have reduced to 30,876 flights (by 37.08%), less than the previous year that contained 49,071 flights.

Teda Co., Ltd. (“TEDA”)

Teda Co., Ltd. or “TEDA” is a company under Samart U-Trans Co., Ltd., the leader in construction design of substations and transmission lines. The key customers include 3 electricity authorities, i.e., Metropolitan Electricity Authority (MEA), Provincial Electricity Authority (PEA), and Electricity Generating Authority of Thailand (EGAT). In 2021, TEDA signed contracts of several projects, e.g., Rayong 4 Sub Station of EGAT, valued at Baht 1,090 million. At the end of 2021, the backlog was valued at Baht 3,300 million.

Technology Related Services

Samart Corporation Pcl.

Samart Corporation Pcl. made the contract of a project on increasing efficiency of excise tax (Direct Coding) collection management for domestic beers. The project is valued at Baht 8,032 million, totally for 7 years. In 2021, The Company has installed the equipment in every beer manufacturer. The revenue will start to be recognised in the middle of 2022 onwards.

The Samart Engineering Co., Ltd. (“SE”)

The Samart Engineering Co., Ltd., a digital TV antenna and box manufacturer as well as distributor. SE also expand the business scope to Digital Head-end, together with cell phone booster cabinet manufacturing and distribution.

Vision and Security System Co., Ltd. (“VSS”)

VSS conducts the business in full-service security system, with achievements of security system design and installation for the government and private sectors.

Industry and Competition

In 2021, global economy expanded by 5.6 percent growing from contraction by 3.1 percent in 2020, while the Thai economy in 2021 grew by 1.6 percent compared with contraction at 6.2 percent in 2020 considered good recovery. Thai's value of exports expanded by 18.8 percent. Private and public investment increased by 3.4 percent and 3.8 percent respectively. Public consumption expanded by 3.2 percent while private consumption grew only 0.3 percent. The current account registered a deficit of 2.2 percent of Gross Domestic Product (GDP) and the headline inflation was at 1.2 percent compared with -0.8 percent in 2020¹.

For 2021, global economy is projected to expand by 4.5 percent while the Thai economy is forecasted to grow in the range of 3.5 - 4.5 percent mainly supported by value of export expanding by 4.9 percent with private and public investment growing by 3.8 and 4.6 percent respectively. Private consumption is projected to increase by 4.5 percent while government consumption expenditure is projected to decline by 0.2 percent. Growth of the Thai economy is mainly supported by recovery of global economy, global trade growth, tourism sector recovery, and drivers from public investment. The current account is projected to record a surplus of 1.5 percent of GDP and the headline inflation will be in the range of 1.5 - 2.5 percent¹.

Gartner, Inc. (Gartner), the world leading research and consulting company, estimated worldwide IT spending in 2021, which included spending Communications Services, at total \$4.24 trillion, an increase of 9.5 percent from 2020. Gartner, Inc. also forecasted worldwide IT spending in 2022 to total \$4.45 trillion, an increase of 5.1 percent from 2021².

Thailand's ICT spending in 2021, according to the Gartner's forecast, is estimated to total of Baht 819,428 million, an increase of 7.4 percent from 2020, comprising spending values in Communications Services segment at Baht 465,345 million or 0.9 percent growth, Devices segment at Baht 202,028 million or 21.7 percent growth, IT Services segment at Baht 77,866 million or growth of 10.1 percent, Enterprise Software segment at Baht 53,480 million or 16.8 percent growth, and Data Center segment at Baht 20,709 million or expansion of 6.6 percent³.

Gartner also forecasts that Thailand's ICT spending is projected to reach Baht 871,453 million in 2022, an increase of 6.4 percent from 2021, from value of Communication Services segment at Baht 482,844 million growing by 3.8 percent, Devices segment Baht 220,106 million expanding by 9.0 percent from 2021 but at lower growth rate from 2020, IT Services segment at Baht 85,466 million increasing by 9.8 percent, Enterprise Software segment at Baht 61,381 million growing by 14.8 percent, and Data Center segment at Baht 21,656 million expanding by 4.6 percent³. The forecast indicates that Enterprise software is the segment with highest growth and Communication Services segment shows lowest growth (3.8 percent), increasing growth rate from 2020 at 0.9 percent. Continued growth shown indicates that enterprises and users has increasingly adopted technologies especially due to COVID-19 situations that accelerate technology adoption.

Gartner also conducted survey on CIO across the world and found that, in 2022, CIOs expect IT budget to grow 3.6 percent to help business survive among economy turbulence from the pandemic, trade wars, climate changes, including several internal and external factors. Moreover, the IT budget is for obtaining information for decision making and increasing competitiveness. Areas of technologies CIO will invest are, for example, Artificial Intelligence, Distributed Cloud, Cyber Security, Edge Computing, 5G, and Digital Twin⁴.

For the growth of Thailand's ICT industry, TMB Analytics anticipated some degree of growth with supportive factors from government policies such as Thailand 4.0, 5G development enhancing business adopting ICT and creating more demands for smart devices, Eastern Economic Corridor Digital Innovation Zone (EECd) development, smart city development⁵. Furthermore, the policy regarding promotion of Bio-Circular-Green Economy (BCG) will adapt ICT and digital technology in design, planning, management, analysis, including development platform to manage such policy efficiently. Additionally, Krungsri Research indicated that new technologies will play key roles in various industries. Such technologies are 5G, Internet of Things (IoT) applied for almost every industry, Artificial Intelligence (AI) deployed in every system of all industries enabling smarter works, Edge Computing system, Drone, etc⁶. Moreover, Big Data Analytics will continue to grow. Technologies regarding identity proofing including Block Chain will be applied to variety of platforms and application for transaction validation and Digital Asset supports. Furthermore, enterprises tend to adopt XaaS (Anything-as-a-Service) for ability to provide Digital Services to customers more quickly, resulting in growth of Cloud Computing. Cybersecurity technology will also increase due to the laws regarding cybersecurity, the Personal Data Protection Act enforcing by 2022, and demands for protection of growing cyber threats. Furthermore, Digital Economy Promotion Agency (DEPA) forecasted that digital content industry will continue to expand with expected value at Baht 59,136 million in 2022 and Baht 72,703 million in 2023⁷. Besides, Virtual Reality (VR) technology connecting virtual world will be more widely adopted in several industries.

Although, ICT and digital technology market is expected to expand, several factors to closely monitor will affect economic growth. These factors such as prevention and containment of Covid-19, turbulence of world economy and global monetary, issues in manufacturing supply chain and international logistics, and the increase in oil price and commodities will affect market to grow lower than forecasted resulting in more intense competition. Currently, enterprises in every industry such as banking, retails, media, and more are moving to be technology companies. Such moves increase competition for ICT providers directly and indirectly. In order to compete, players in the market will develop new business models, innovation, and others to meet customer demands in several perspectives such as price, quality, and good customer experiences. Providers will develop their own Digital Platform for competition and conduct intense marketing campaigns. Collaboration among and across business network has emerged to increase values in products and services. Furthermore, more providers and Digital Tech Startups abroad have entered the Thai market. All mentioned factors will result in more intense competition in Thailand's ICT market and Digital industry.

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Part
1

Business Operation and Operating Performance

1. Structure and Operation of the Company
2. Risk Management
3. Business Sustainability Development
4. Management Discussion & Analysis (MD&A)
5. General and Other Information

1. Structure and Operation of the Company

1.1 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 provides air traffic control services in Cambodia. Samart Corporation Public Company Limited, a parent company also has policies to have its own business in order to maximize the value added for shareholders. Its current business structure has been divided into 4 LOBs as follows: ICT Solution and Service, Digital, 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 4 LOBs as follows: 1) ICT Solution and Service 2) Digital 3) Utilities and Transportations and 4) Technology Related Services with subsidiaries in each LOBs business operation as follows:

- | | |
|---|---|
| 1. ICT Solution and Service | Conducting business to provide ICT and digital solutions regarding Network Solutions, Enhanced Technology Solutions, and Business Application with total solutions and services ranging from consulting services, system design, implementation, and project management, including maintenance services for public and private organizations. |
| 2. Digital | Provide integrated businesses in digital network, solution and content. |
| 3. 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. |
| 4. 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 2002 - 2034). On December 8, 2017, CATS 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 CATS has to additionally invest in project assets as condition stipulated in the extend agreement.

1.1.1 Corporate Vision, Mission, Culture, Goals and Strategies

- **Vision**

“Samart Group” is committed to offering technology products and services that promote corporate sustainability and enhance good quality of life.

- **Mission**

To achieve the vision, Samart Group, therefore, takes care of the stakeholders by taking on the mission to do the following:

“Clients”

To provide high quality technology products and services to fulfill the needs and create the maximum benefit for clients or service users.

“Organization”

To manage and operate the business with efficiency, transparency, fairness and responsibility to stakeholders both directly and indirectly.

“Allies”

To build and maintain strong and long-lasting relationships with our business allies.

“Employees”

To treat employees fairly and promote their potential development and career advancement.

“Shareholders”

To create worthwhile returns for shareholders in the long term.

“Society, Community and Environment”

To promote “quality people and moral society” through ongoing projects and activities for public benefit and through environmental conservation and intelligent and sustainable use of resources.

- **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.
Utilities and Transportations and Technology Related Services :	Preparing for new business opportunities to be an important part of driving the country through leap forward development including the CLMV regions, which the Company focuses on the development of infrastructure systems, aviation industry development, other transport system and energy development.

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

Year 2021

- **On 27 April 2021**, the ordinary general meeting of shareholders of the Company passed a resolution to approve an increase of the Company's registered capital for an additional amount of Baht 168 million, from the exiting amount of Baht 1,342 million to be the new registered capital of Baht 1,510 million, by issuing 168 million new ordinary shares at the par value of Baht 1 each, in order to accommodate the exercises of the warrants No. 3 (SAMART-W3) to the existing shareholders proportionate to their respective shareholdings (Right offering), at the allocation ratio of 6 existing ordinary shares to 1 newly-issued ordinary shares, at Baht 10 per share.
- **On 27 April 2021**, the ordinary general meeting of shareholders of Samart Telcoms Public Co., Ltd., a subsidiary company, passed a resolution to approve as following:

1) *Changes in share capital*

To approve the reduction of the subsidiary company's registered capital by cancelled 120 million authorised but unissued shares amounted to Baht 120 million from the current registered capital of Baht 738 million to be the new registered share capital of Baht 618 million, comprising ordinary shares of 120 million shares with a par value of Baht 1 per share.

In addition, the meeting passed a resolution to approve an increase of the subsidiary company's registered capital for an additional amount of not exceeding Baht 103 million from the existing amount of Baht 618 million to be the new registered capital of Baht 721 million, by issued and allocation of not exceeding 103 million newly-issued ordinary shares, at the par value of Baht 1 per share, in order to accommodate the exercises of the warrants No. 1 (SAMTEL-W1) to the existing shareholders proportionate to their respective shareholdings (Right Offering).

2) *Warrants issuance*

To issue and offering of warrants representing the right to purchase the newly issued ordinary shares (SAMTEL-W1) of the subsidiary to the existing shareholders proportionate to their respective shareholdings (Right Offering) in the amount of not exceeding 103 million units, without any cost at the ratio of 6 existing issued shares to 1 warrant. The warrants have a period of 3 years from the first issuance date. The exercise ratio is 1 warrant:1 share, with an exercise price of Baht 12 each, which may be adjusted pursuant to the conditions for the adjustment of the rights and the allotment of up to 103 million warrants (SAMTEL-W1) to the subsidiary company's existing shareholders proportionate to their respective shareholdings. The warrants are exercisable on the last business day of May and November throughout the life of the warrants, commencing from 30 November 2021 and last exercise dates is 17 May 2024.

- **On 19 July 2021**, the Extraordinary General Meeting of shareholders of SLA Asia Co., Ltd., a subsidiary company, passed a resolution to dissolve such company. The subsidiary company filed the application for deregistration with the Ministry of Commerce on 19 July 2021 and its liquidation was registered with the Ministry of Commerce on 29 July 2021.
- **On 8 June 2021**, an extraordinary meeting of shareholders of Samart Digital Public Co., Ltd., a subsidiary company, passed a resolution to approve as following:

1) Changes in share capital

To approve the reduction of the subsidiary company's registered capital of Baht 234 million from Baht 1,540 million to the new registered capital of Baht 1,306 million by cancelled of 2,345 million ordinary shares with par value of Baht 0.10 remaining from the allocation to the shareholders in proportionate to their respective shareholding (Rights offering) and the exercise of warrants in 2018. The subsidiary company registered the decrease in share capital with the Ministry of Commerce on June 17, 2021.

In addition, the meeting passed a resolution to approve the increase of the subsidiary company's registered capital of Baht 370 million from Baht 1,306 million to the new registered capital of Baht 1,676 million by issuing 3,704 million ordinary shares with par value of Baht 0.1 in order to reserve for the exercise of the conversion right of the Convertible Debentures. The subsidiary company registered the decrease in share capital with the Ministry of Commerce on June 21, 2021.

2) Issuance and offering of the Convertible Debentures

The Extraordinary General Meeting of the subsidiary company's Shareholders No. 1/2021, held on June 8, 2021, passed a resolution to issue convertible debentures of not exceeding Baht 1,000,000,000 by private placement to Advance Opportunities Fund ("AO Fund") and Advance Opportunities Fund 1 ("AO Fund 1") who are not related persons of the Company. The purpose of this issuance is for working capital and operations of the Company, investment in project and repayment of loan from banks. The Convertible Debentures are unsubordinated without warranty and has a maturity of 3 years with interest rate of 0.50% per annum. In addition, the meeting also passed a resolution to increase the Company's registered capital of Baht 370,370,370.40 by issuing 3,703,703,704 ordinary shares with par value of Baht 0.10 in order to reserve for the exercise of the conversion rights of the Convertible Debentures.

As of December 31, 2021, the Company offered and issued the Convertible Debentures totaling Baht 700,000,000. The Debenture holders exercised their conversion rights totaling Baht 670,000,000 received 1,175,420,524 ordinary shares. The remaining ordinary shares reserved for the exercise of the conversion rights are 2,528,283,180 shares.

Year 2020

- **On 11 May 2020**, an Extraordinary Meeting of shareholders of Samart U-Trans (Myanmar) Co., Ltd., a subsidiary company held by Samart U-Trans Co., Ltd. (another subsidiary company), passed a resolution to dissolve the subsidiary company. The liquidation is currently in progress.
- **On 30 June 2020**, an Extraordinary Meeting of shareholders of Contact-In-One Co., Ltd., a subsidiary company held by The Samart Engineering Co., Ltd. (another subsidiary company), passed a resolution to dissolve the subsidiary company. The subsidiary company registered its dissolution with the Ministry of Commerce on 9 July 2020, and its subsequent liquidation is currently in progress.

- **On 16 October 2020**, the Extraordinary General Meeting of the shareholders of SLA Asia Co., Ltd.'s, a subsidiary company, passed a special resolution approving a decrease in the subsidiary's registered share capital from Baht 30 million (300,000 ordinary shares of Baht 100 per share) to Baht 7.5 million (75,000 ordinary shares of Baht 100 per share). The subsidiary company registered the decrease in share capital with the Ministry of Commerce on 23 November 2020.
- **On 20 November 2020**, the meeting of the Company's Board of Directors, passed a resolution approving the disposal of investment of 193.7 million ordinary shares of One to One Contacts Public Co., Ltd., the subsidiary company, hold by the Company and The Samart Engineering Co., Ltd., another subsidiary company, to third party at a price of Baht 2.4 per share.

Year 2019

- **On 7 January 2019**, the Extraordinary General Meeting of Samart Engineering Co., Ltd., a subsidiary company, passed a special 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.
- **On 18 January 2019**, the meeting of Board of Directors of Samart Aviation Solutions Public Co., Ltd. ("SAV") (formerly known as "Samart Transolutions Co., Ltd."), a subsidiary company held by Samart U-Trans Co., Ltd. ("SUT"), passed a resolution to approve a dividend payment in respect of retained earnings for an increase in the share capital of Cambodia Air Traffic Services Co., Ltd., another subsidiary company, from USD 2.5 million (250,000 ordinary shares of USD 10 each) to USD 10 million (1,000,000 ordinary shares of USD 10 each). The subsidiary company registered the increase in the share capital with the Ministry of Commerce of Cambodia on 11 March 2019.
- **On 14 February 2019**, the meeting of Board of Directors of Samart Digital Media Co., Ltd. ("SDM"), a subsidiary company, passed a resolution approving an acquisition of increased share capital in proportion to shareholding of Entertainment Tree Co., Ltd. ("ENT"), 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.

As a result of the acquisition of increased share capital, the percentage of shareholding of SDM in ENT increased from 44.99 percent to 61.87 percent.

- **On 18 February 2019**, the Extraordinary General Meeting of ENT, 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 the increase in the share capital with the Ministry of Commerce on 25 February 2019.
- **On 26 February 2019**, the meeting of the Company's Board of Directors passed the following resolutions:
 1. To approve the establishment of a new subsidiary under the name "Gateway Service Co., Ltd.", to provide technology services related to the screening of electronic documents for visa applicants (Electronic visa on arrival), as well as all businesses related to these operations, with a registered share capital of Baht 50 million (consisting of 5 million ordinary shares of Baht 10 each) in which the Company holds a 100 percent interest. The Company registered the establishment of the new company with the Ministry of Commerce on 27 February 2019 and 25 percent of which have been called up. On 22 February 2019, the Company paid for such share capital of Baht 12.5 million.

2. To approve the transfer of the business related to the screening of electronic documents for visa applicants (Electronic visa on arrival) from the Company to Gateway Service Co., Ltd. in order to increase mobility and support business expansion, including an increase in future fundraising channels.
- **On 26 April 2019**, the meeting of the Company's Board of Directors passed a resolution approving the disposal of investment in 4,999,997 ordinary shares of Gateway Service Co., Ltd., a subsidiary company, at a price of Baht 2.50 per share, or a total of Baht 12.5 million, with 2,499,999 shares sold to Southern Green Bay Co., Ltd., 1,499,999 shares sold to China Travel Service Head Office (Thailand) Co., Ltd. and 999,999 shares sold to Elephant Emperor Co., Ltd. (At disposal of investment date, Gateway Service Co., Ltd. has a registered capital of Baht 50 million, divided into 5 million ordinary shares with a par value of Baht 10 per share, which is 25 percent paid-up).
 - **On 30 August 2019**, the Extraordinary General Meeting of SAV (formerly known as "Samart Transolutions Co., Ltd."), a subsidiary company held by SUT, passed the following special resolutions:
 1. To approve the transformation from a limited company to a public company and list SAV on the Stock Exchange of Thailand (SET). The subsidiary company registered with the Ministry of Commerce the change of its name from **"Samart Transolutions Company Limited"** to **"Samart Aviation Solutions Public Company Limited"** on 9 September 2019.
 2. To approve the change in par value of ordinary shares from Baht 10 per share to Baht 0.50 per share, resulting an increase in number of shares after the change in par value from 27 million shares to 540 million shares.
 3. To approve the increase in the registered share capital from Baht 270 million (540 million ordinary shares of Baht 0.50 per share, after the par value is changed as discussed in 2. above) to Baht 320 million (640 million ordinary shares of Baht 0.50 per share) through the issuance of 100 million new ordinary shares with a par value of Baht 0.50 each. Of these shares, 36 million shares valued at Baht 18 million were issued to the existing shareholders (Samart U-Trans Co., Ltd. and Samart Inter Holding Co., Ltd.) in proportionate to their current shareholdings. The remaining 64 million shares are reserved for the initial public offering to be launched after the subsidiary company lists on the SET.

The subsidiary company registered its decrease in the par value of ordinary shares and the increase in share capital with the Ministry of Commerce on 9 September 2019 and the subsidiary company received full payment for share subscription from existing respective shareholdings in September 2019.

1.1.3 Propose of Fund Raise

The Company has not raised funds from issuing debt or equity instruments during the year 2021.

1.1.4 Obligations Pledged by the Company in the Registration Statement (if any)

-Non-

1.1.5 General Information of the Company

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
Business type	:	Operate business related to telecommunication systems both domestically

and internationally. The business structure is divided into 4 business lines as follows: 1) ICT Solution and Service 2) Digital 3) Utilities and Transportations and 4) Technology Related Services, with subsidiaries operating in each business line.

Registration No.	: 0107536000188
Home Page	: http://www.samartcorp.com
Telephone	: 0-2502-6000
Fax.	: 0-2502-6186
Registered Capital	: Baht 1,509,755,864 (As of December 31, 2021)
Share type	: Ordinary share
Number of shares sold	: 1,006,504,143 shares (As of December 31, 2021)
Par Value	: Baht 1 per share

1.2 Nature of Business

1.2.1 Revenue Structure

(Unit : Million Baht)

Business Group	Operation by Company	% of Holding 2021 ⁽¹⁾	2019		2020		2021	
			Revenue ⁽²⁾	%	Revenue ⁽²⁾	%	Revenue ⁽²⁾	%
1) ICT Solution and Service	Samart Comtech Co., Ltd.	70.14	3,223.0	22.8	2,039.6	22.4	1,386.8	19.9
	Samart Telcoms Pcl.	70.14	1,008.7	7.1	856.3	9.4	867.4	12.5
	Portalnet Co., Ltd.	70.14	2,864.6	20.3	1,104.7	12.1	802.1	11.5
	Samart Communication Services Co., Ltd.	70.14	1,445.1	10.2	965.3	10.6	788.7	11.3
	Other subsidiaries	-	452.4	3.2	405.1	4.5	521.2	7.6
	Sub Total		8,993.8	63.6	5,371.0	59.0	4,366.2	62.8
2) Digital	Samart Digital Pcl.	73.52	472.1	3.3	399.2	4.4	241.0	3.5
	Other subsidiaries	-	482.4	3.4	198.9	2.2	130.3	1.8
	Sub Total		954.5	6.7	598.1	6.6	371.3	5.3
3) Call Center	One To One Contacts Pcl.	-(³)	730.5	5.2	623.1	6.8	-	-
	Other subsidiaries	-	7.1	-	19.7	0.2	-	-
	Sub Total		737.6	5.2	642.8	7.0	-	-
4) Utilities and Transportations	Teda Co., Ltd.	94.35	937.9	6.6	1,102.0	12.1	1,167.4	16.8
	Cambodia Air Traffic Services Co., Ltd.	100	2,005.8	14.2	714.1	7.8	455.8	6.6
	Other subsidiaries	-	288.4	2.1	296.9	3.3	344.5	4.9
	Sub Total		3,232.1	22.9	2,113.0	23.2	1,967.7	28.3
5) Technology Related Services	Vision and Security System Co., Ltd.	73.00	86.0	0.6	293.9	3.2	208.6	3.0
	Samart Engineering Co., Ltd.	99.99	78.6	0.6	86.0	1.0	39.7	0.6
	Company and Other subsidiaries	-	51.6	0.4	0.9	-	1.0	-
	Sub Total		216.2	1.6	380.8	4.2	249.3	3.6
Total Sales and Services income			14,134.2	100.0	9,105.7	100.0	6,954.5	100.0

Remarks: ⁽¹⁾ Direct & Indirect stake holding on December 31, 2021;

⁽²⁾ Sales and Services income after connected transactions;

⁽³⁾ The Company and the subsidiary disposed all of ordinary shares held in One To One Contacts Pcl. to third parties on December 9, 2020.

1.2.2 Business Operation of the Company based on main business segments

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.

For management purposes, the group is organized into line of businesses based on its operations and has 4 reportable lines of business as follows:

No.	Group of Business	Nature of Business	Percentage of Income ⁽¹⁾ 2021
1	ICT Solution and Service	Provide solutions and services in Information and Communication Technology, and Digital Solutions including Network Solutions, Enhanced Technology Solutions and Business Application ranging from consulting, system design, installation and implementation, operations, and maintenance as Total Solutions and Services for clients in government and private sectors.	62.8%
2	Digital	Provide integrated businesses in digital network, solution and content.	5.3%
3	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.	28.3%
4	Technology Related Services	Manufacture and distribution of television and radio antennas and satellite dishes, distribution, installation and maintenance of communication and security systems.	3.6%

Remark: ⁽¹⁾ Percentage of 2021 consolidated revenue from sales, contract work and service.

The Company and subsidiaries have revenue from sales, contract work and service in 2021 was Baht 6,955 million with gross profit of Baht 987 million equivalent to 14.18%, other incomes were Baht 175 million. Selling, distribution and administrative including others expenses were Baht 1,142 million. Finance cost was Baht 388 million and the loss attributable to equity holders of the Company was Baht 389 million.

ICT Solution and Service's revenue proportion was 62.8%, while Digital was 5.3%, Utilities and Transportations was 28.3%, and Technology Related Services was 3.6%.

Details of business operations of each line of business are as follows:

1.2.2.1 ICT Solution & Service Business

This Line of Business has conducted business to provide services regarding information and communication technology including digital solutions diversifying in three Business Groups covering complete technologies and advanced solutions. This Line of Business comprises Network Solutions Business Group, Enhanced Technology Solutions Business Group, and Business Application Business Group, operating through subsidiaries in various services ranging from consultancy, design, implementation, project management, and maintenance the system for enterprises, state enterprises, and government agencies. In 2021, this Line of Business generated revenue of Baht 4,366.2 million equivalent to 62.8% of the SAMART group's total revenue. This Line of Business consists of 13 companies: 1) Samart Telcoms Public Company Limited

2) Samart Communication Services Company Limited 3) Samart Comtech Company Limited 4) Samart Broadband Services Company Limited 5) Thai Trade Net Company Limited 6) Posnet Company Limited 7) Samart Infonet Company Limited 8) Smarterware Company Limited 9) Samart eD-Tech Company Limited 10) Portalnet Company Limited 11) IT Absolute Company Limited 12) Net Service (Thailand) Company Limited 13) and SecureInfo Company Limited.

a) Nature of Products or Services

ICT Solution & Service Line of Business can be divided into 3 Business Groups as follows:

1. Network Solutions Business Group

This Business Group operates in areas of telecommunication systems and advanced data communication networks ranging from consulting services, survey, complete design, installation and implementation, management services along with maintenance services. Under professional project management, this Business Group elevates confidence in delivery of work quality and high level of service quality with ISO 20000, the standard for information technology service management and ISO 9001, the standard for service quality control, including 30 service centers nationwide with Network Operation Center (NOC) ready to support incident calls, analysis problems and troubleshoot for customers 24/7 with service mind focusing on customer satisfactions. Solutions and services in this Business Groups are:

- Solutions and technologies for high-speed wireline-based network
 - Complete services in design, implementation, and maintenance of high-speed fiber optic networks through the advanced technologies such as DWDM (Dense Wavelength Division Multiplexing) and FTTX (Fiber to the X).
 - High-speed solutions and services in various types of technology such as Lease Line, MPLS, DSL (Digital Subscriber Line), Frame Relay, ATM (Asynchronous Transfer Mode), Software-Defined WAN (SD-WAN), and more.
- Solutions and Services on wireless technologies
 - Solutions for 4G, LTE, and 5G technologies.
 - Solutions and services on Digital Trunked Radio System (DTRS) and handset devices.
 - Satellite Communication services through VSAT (Very Small Aperture Terminal), SCPC (Single Channel Per Carrier), and iPStar technologies.

The Network Solutions Business Group led by Samart Communication Services Company Limited comprises Samart Telcoms Public Company Limited, Samart Infonet Company Limited, Samart Broadband Services Company Limited, and IT Absolute Company Limited.

Moreover, Samart Telcoms Public Company Limited has partnership with technology leaders, for example, Cisco, Huawei, Nokia, Juniper Networks, Paloalto, etc. The partnership elevates marketing strategy and improves staff competency in providing services in order to strengthen long-term competitiveness.

Projects in progress

As at 31 December 2021, this Business Group had projects in progress such as projects regarding supply of digital trunked radio handsets, implementation of microwave equipment, improvement on Mediation Devices and system, rental of computer system for branch offices and rental of satellite equipment and supply of satellite communication channel including other maintenance projects.

2. Enhanced Technology Solutions Business Group

Conducting business in providing information and communication technologies including digital solutions that integrate and apply various technologies to serve customer needs, this Business Group provides solutions and advanced, specialized technologies to support customers' critical tasks requiring accuracy, reliability, and stability. For each customer, such solutions are customized specifically for suitability and efficiency, ranging from consulting, engineering design and software development, and implementation under professional project management, including outsourcing services and maintenance services for both government and private customers. This Business Group maintains international standard regarding service quality, ISO 9001, and CMMI Level 3, international standard for development of quality software widely accepted in the software industry. Samart Comtech Company Limited is the leading company in this Business Group. Further, Samart Telcoms Public Company Limited together with Smarterware Company Limited has been certified for CMMI Level 3, and SecureInfo Company Limited has been certified for ISO 27001, international standard for Information Security Management Systems (ISMS). Solutions and services by this Business Group are:

- Automatic Meter Reading (AMR) and Advanced Metering Infrastructure (AMI)
- Multimedia Solutions: IPTV, Video Conference System, and more
- Security Solutions: CCTV with Suspect Alert/Search features, Fingerprint/Face Recognition Security, and Cyber Security Operation Center (CSOC) Services
- Geographic Information System (GIS)
- Airport Solutions such as Common Use Terminal Equipment (CUTE)
- Digital TV Solutions: Transmission, Media Asset Management, Studio & Control Room
- Energy Savings: Building Energy Management System (BEMS), Smart Photovoltaic (PV) Solutions, etc.
- Intelligent Robotic and Automation System
- Cloud Computing, Data Center, and Big Data Analytic Solutions

Other than Samart Comtech Company Limited, the leading company for this Business Group, the Enhanced Technology Solutions Business Group comprises Samart Telcoms PCL, Smarterware Company Limited, Net Service (Thailand) Company Limited, and SecureInfo Company Limited.

Projects in progress

As at 31 December 2021, this Business Group had projects in progress such as projects regarding supply of network security equipment, Cyber Security Operation Center Services, closed-circuit television for security escalation and air pollution monitoring system, including maintenance projects.

3. Business Application Business Group

This Business Group provides solutions and services regarding advanced software application to enhance capability and operation efficiency through the form of electronic services for government agencies to serve citizens, and for corporate clients to improve competitiveness and increase satisfactions of customers and end-users.

This Business Group offers various software application services by the group of subsidiaries certifying CMMI Level 3, the standard for development of quality software. Moreover, this Business Group also provides services in software design and complete development. Led by Samart Telcoms PCL, this Business Group provide solutions and services regarding:

- Enterprise Resource Planning (ERP), Enterprise Asset Management (EAM), and Robotic Process Automation (RPA) by Portalnet Company Limited.
- Core Banking System and Banking & Financial Solutions by Samart Telcoms PCL.
- E-Payment Solution, Electronic Data Capture (EDC) System, Electronic Signature Capture System, E-Receipt Platform, Smart Card System, Loyalty Services, QR Payment, Kiosk Application for selling product and services, and Point of Sales (POS) system by Posnet Company Limited.
- Electronic Data Interchange (EDI), Supply Chain Financing, and Supply Chain Management System, including Cloud Computing by Thai Trade Net Company Limited.
- e-Learning system, e-Courseware and Digital Content development, and Mobile Application development by Samart eD Tech.

Projects in progress

As at 31 December 2021, this Business Group had projects in progress, for example, Core Business System phase 2 for Provincial Electricity Authority, maintenance of Core Banking System for Government Housing Bank, and other maintenance projects, including ongoing services for customers.

b) Marketing and Competitive Situations

In 2021, global economy expanded by 5.6 percent growing from contraction by 3.1 percent in 2020, while the Thai economy in 2021 grew by 1.6 percent compared with contraction at 6.2 percent in 2020 considered good recovery. Thai's value of exports expanded by 18.8 percent. Private and public investment increased by 3.4 percent and 3.8 percent respectively. Public consumption expanded by 3.2 percent while private consumption grew only 0.3 percent. The current account registered a deficit of 2.2 percent of Gross Domestic Product (GDP) and the headline inflation was at 1.2 percent compared with -0.8 percent in 2020¹.

For 2021, global economy is projected to expand by 4.5 percent while the Thai economy is forecasted to grow in the range of 3.5 - 4.5 percent mainly supported by value of export expanding by 4.9 percent with private and public investment growing by 3.8 and 4.6 percent respectively. Private consumption is projected to increase by 4.5 percent while government consumption expenditure is projected to decline by 0.2 percent. Growth of the Thai economy is mainly supported by recovery of global economy, global trade growth, tourism sector recovery, and drivers from public investment. The current account is projected to record a surplus of 1.5 percent of GDP and the headline inflation will be in the range of 1.5 - 2.5 percent¹.

Gartner, Inc. (Gartner), the world leading research and consulting company, estimated worldwide IT spending in 2021, which included spending Communications Services, at total \$4.24 trillion, an increase of 9.5 percent from 2020. Gartner, Inc. also forecasted worldwide IT spending in 2022 to total \$4.45 trillion, an increase of 5.1 percent from 2021².

Thailand's ICT spending in 2021, according to the Gartner's forecast, is estimated to total of Baht 819,428 million, an increase of 7.4 percent from 2020, comprising spending values in Communications Services segment at Baht 465,345 million or 0.9 percent growth, Devices segment at Baht 202,028 million or 21.7 percent growth, IT Services segment at Baht 77,866 million or growth of 10.1 percent, Enterprise Software segment at Baht 53,480 million or 16.8 percent growth, and Data Center segment at Baht 20,709 million or expansion of 6.6 percent³.

Gartner also forecasts that Thailand's ICT spending is projected to reach Baht 871,453 million in 2022, an increase of 6.4 percent from 2021, from value of Communication Services segment at Baht 482,844 million growing by 3.8 percent, Devices segment Baht 220,106 million expanding by 9.0 percent from 2021 but at lower growth rate from 2020, IT Services segment at Baht 85,466 million increasing by 9.8 percent, Enterprise Software segment at Baht 61,381 million growing by 14.8 percent, and Data Center segment at Baht 21,656 million expanding by 4.6 percent³. The forecast indicates that Enterprise software is the segment with highest growth and Communication Services segment shows lowest growth (3.8 percent), increasing growth rate from 2020 at 0.9 percent. Continued growth shown indicates that enterprises and users has increasingly adopted technologies especially due to COVID-19 situations that accelerate technology adoption.

Gartner also conducted survey on CIO across the world and found that, in 2022, CIOs expect IT budget to grow 3.6 percent to help business survive among economy turbulence from the pandemic, trade wars, climate changes, including several internal and external factors. Moreover, the IT budget is for obtaining information for decision making and increasing competitiveness. Areas of technologies CIO will invest are, for example, Artificial Intelligence, Distributed Cloud, Cyber Security, Edge Computing, 5G, and Digital Twin⁴.

For the growth of Thailand's ICT industry, TMB Analytics anticipated some degree of growth with supportive factors from government policies such as Thailand 4.0, 5G development enhancing business adopting ICT and creating more demands for smart devices, Eastern Economic Corridor Digital Innovation Zone (EECd) development, smart city development⁵. Furthermore, the policy regarding promotion of Bio-Circular-Green Economy (BCG) will adapt ICT and digital technology in design, planning, management, analysis, including development platform to manage such policy efficiently. Additionally, Krungsri Research indicated that new technologies will play key roles in various industries. Such technologies are 5G, Internet of Things (IoT) applied for almost every industry, Artificial Intelligence (AI) deployed in every system of all industries enabling smarter works, Edge Computing system, Drone, etc⁶. Moreover, Big Data Analytics will continue to grow. Technologies regarding identity proofing including Block Chain will be applied to variety of platforms and application for transaction validation and Digital Asset supports. Furthermore, enterprises tend to adopt XaaS (Anything-as-a-Service) for ability to provide Digital Services to customers more quickly, resulting in growth of Cloud Computing. Cybersecurity technology will also increase due to the laws regarding cybersecurity, the Personal Data Protection Act enforcing by 2022, and demands for protection of growing cyber threats. Furthermore, Digital Economy Promotion Agency (DEPA) forecasted that digital content industry will continue to expand with expected value at Baht 59,136 million in 2022 and Baht 72,703 million in 2023⁷. Besides, Virtual Reality (VR) technology connecting virtual world will be more widely adopted in several industries.

Although, ICT and digital technology market is expected to expand, several factors to closely monitor will affect economic growth. These factors such as prevention and containment of Covid-19, turbulence of world economy and global monetary, issues in manufacturing supply chain and international logistics, and the increase in oil price and commodities will affect market to grow lower than forecasted resulting in more intense competition. Currently, enterprises in every industry such as banking, retails, media, and more are moving to be technology companies. Such moves increase competition for ICT providers directly and indirectly. In order to compete, players in the market will develop new business models, innovation, and others to meet customer demands in several perspectives such as price, quality, and good customer experiences. Providers will develop

their own Digital Platform for competition and conduct intense marketing campaigns. Collaboration among and across business network has emerged to increase values in products and services. Furthermore, more providers and Digital Tech Startups abroad have entered the Thai market. All mentioned factors will result in more intense competition in Thailand's ICT market and Digital industry.

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c) Procurement of Products or Services

ICT Solution & Service Line of Business sources products in information system, computer system, and networking system from business partners as manufacturers, technology owners, and authorized dealers both domestic and international in order to apply and implement each project serving the customer's objectives. Most equipment and systems are imported from abroad due to advanced, complex technologies and hardly any domestic manufacturer. Moreover, systems delivered must comply with customers' requirement specifications. The company has no issue over monopoly suppliers because it can purchase from various vendors in Europe, United State of America, and Asia. With no policy to purchase products and services in advance, the company will purchase products and services from vendors when receiving purchase order from or hiring to implement the projects by customers. The company conducts several projects that specify different qualifications and/or specifications of products and services sold and delivered to customers. The company also develops software application and business intelligence to create values added on communication and information systems, including digital solutions. With efficient collaboration among business partners and subsidiaries, the company is successfully capable of finding valuable solutions and leverages advanced digital technologies to increase competency in service to customers and differentiate the company from other providers.

For implementation, project management, and after-sales services, the company conducts most of implementation tasks using well-trained, experienced internal teams, expertise in implementation of telecommunication and information systems. The company also provides advanced data center and network of technical supports and maintenance nationwide covering 24 x 7 services with 30 service centers across the country. The company has partners in various technologies, for example,

Network solutions	: Cisco Systems (Thailand) Company Limited (Cisco), Nokia (Thailand) Company Limited (Nokia), Huawei Technologies (Thailand) Company Limited (Huawei), Motorola Solutions (Thailand) Company Limited (Motorola), Fortinet Security Network (Thailand) Company Limited.
Satellite communications	: Thaicom PCL, TC Broadcasting Company Limited.
Network providers	: National Telecom PCL, True Corporation PCL, JasTel Network Company Limited, United Information Highway Company Limited (UIH), Symphony Communication PCL.
Wireless network providers	: Advanced Info Services PCL, Total Access Communication PCL, True Corporation PCL.
Computer system	: IBM Thailand Company Limited, HP Inc (Thailand) Limited, Dell Corporation (Thailand) Company Limited, EMC Information Systems (Thailand) Company Limited, Hitachi Vantara (Thailand) Company Limited, Acer Computer Company Limited, Huawei.
Software Application	: SAP (Thailand) Company Limited, Oracle Corporation (Thailand) Company Limited, Silverlake Thailand Company Limited.

Please see more detail in 2021 One Report of Samart Telcoms Public Company Limited

1.2.2.2 Digital Business

This Line of Business has conducted business to provide integrated businesses in digital network, solution and content. This Line of Business consists of 10 companies : 1) Samart Digital Pcl. 2) Samart Mobile Services Co., Ltd. 3) I-Mobile Plus Co., Ltd. 4) ZECUREASIA Co., Ltd. 5) LUCKY HENG HENG Co., Ltd. 6) Samart Digital Media Co., Ltd. 7) Entertainment Tree Co., Ltd. 8) Thai Base Station Co., Ltd. 9) I-Sport Co., Ltd. and 10) Siam Sport Television Co., Ltd. The core businesses of this line of business are Samart Digital Pcl. and Samart Digital Media Co., Ltd.. In 2021, the Digital Business has a revenue proportion of Baht 371.3 million or 5.3 percent of the total revenue of the group of companies.

The Company and subsidiaries have 2 lines of business as follows:

1. Digital Network

The Company is engaged in the distribution of communications and electronics equipment as well as provides integrated businesses in digital network and solution. Since 2017, the Company has transformed the business into a full digital service such as Digital Trunked Radio System (DTRS) services and Co-Tower rentals for Mobile Operators in the Nationwide National Parks in collaboration with CAT Telecom Public Company Limited (Currently, CAT Telecom Public Co., Ltd. has been merged with TOT Public Co., Ltd. into National Telecom Public Co., Ltd.). The Company still focuses on doing business with recurring income.

2. Digital Content

The Company provides varieties of most updated information, news and edutainment contents that address to everyone's need and fit with their lifestyles in the form of voice and non-voice including Multimedia in various forms of VDO Streaming, Real-time Service, and One-on-One Service through multi-channel communication devices. The sample of services are sports update reporting and fortune - teller and horoscope.

Business operations of each line of businesses**1. Digital Network****1.1 Products and services**

- **Digital Trunked Radio System**

On March 10, 2017, the 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. (Currently, CAT Telecom Public Co., Ltd. has been merged with TOT Public Co., Ltd. into National Telecom Public Co., Ltd.). The Company was appointed as the lead company of SISC Consortium which 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. The Company is obliged to comply with certain conditions and pay fees for the project as stated in the agreement.

Subsequently, on August 24, 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 will terminate on July 31, 2025.

On October 2, 2017, the Company entered into a three-year agreement with CAT Telecom Public Co., Ltd. to resell digital trunked radio system services to end-users. The term shall be automatically extended for another one-year term, unless either party provide the other with written notice of its election not to extend on before the date of expiration. Under the terms of the agreement, the Company is obliged to pay minimum wholesale service fees at a stipulated rate.

The Company provides digital services in the Digital Trunked Radio System Project (DTRS), which is a digital radio communication services in collaboration with National Telecommunications Public Company Limited (NT), the only and largest operator of digital trunked in Thailand. The Company has expected to install network stations of Digital Trunked covering most villages nationwide. Most of the target customers are regional agencies or local government agencies of the Government.

In 2021, the National Telecommunication Public Company Limited signed a contract with Provincial Electricity Authority (PEA) to lease DTRS service for use in nine districts cover the Northern, Northeastern and Southern regions for a period of 48 months. NT also signed a contract to provide radio communication system for commanding of the Ministry of the Interior for a period of 36 months. The revenue sharing from airtime of the Company as a partner in the Business Alliance Agreement in order to enhance the capabilities in the provision of Digital Trunked Radio System Service (DTRS) from both projects with NT is

approximately Baht 1,200 million including VAT. The Company will receive revenue sharing from airtime on a monthly basis throughout the contracts, the services will begin in 2022. The revenue will depend on the procurement and installation of equipment of the National Telecommunication Public Company and partners in the agreement. In addition, the Company expects to have revenue from sale of radio communication equipment from both projects approximately Baht 2,500 million including VAT, which will gradually recognize some of the revenue from the end of 2021.

- **Co Tower**

Co-Tower is a business under Thai Base Station Company Limited (TBS), a subsidiary of the Company. TBS was cooperated as a business alliance with CAT Telecom Public Company Limited (Currently, CAT Telecom Public Co., Ltd. has been merged with TOT Public Co., Ltd. into National Telecom Public Co., Ltd.) to provide telecommunication towers in various national parks throughout the country for a period of 10 years. Tourists in the national parks can use mobile phone signal to their full potential as well as reducing the duplication of investment in building telecommunication towers and the obscuring scenery in the national park area.

1.2 Marketing and Competitive Situations

Marketing of products and services

1) Marketing policy in the past year

The Company has developed services in accordance with the current customers' behavior using the Digital Trunked Radio system to reach their customers that used for specific missions. The Company will create value added services by providing services along with radio communication equipment to customers.

The Company also build a good relationship with customers and selection of qualified business partners. Therefore, it is necessary to compete with other competitors. The Company must have good support from customers and partners to meet customers' needs with competitive prices and within the budget set by the customers.

2) Target customers

Digital Trunked Radio System

- Government organizations and state enterprises
- Private sector, Industry and service sector such as transport and travel, factory and industrial estates, hospital, oil business, etc.
- Related companies

Co Tower

- Mobile operators such as TRUE, AIS , DTAC
- Business alliances of NT

3) Distribution channels

- G2G : sell through business alliances of NT
- B2C : sell through dealers
- B2B : sell through dealers and sell directly to public and private customers

4) Competition**Digital Trunked Radio System**

- There is no direct market competition because NT has been a sole authorized provider by NBTC to provide services in Thailand.
- The indirect market competition is quite high because the price of indirect competitors such as Huawei e-LTE, True SMART 4G Adventure is cheaper. It also has a function that can transmit images and sounds.

Co Tower

The construction of telecommunications towers in each area depends on the demand of only three major mobile operators, and the demand for telecommunications towers depends on the number of tourists in each park. Therefore, the competition in each area may vary to the number of tourists. There will have a high demand for telecommunication towers in tourist-heavy areas. Areas with few tourists or able to use telecommunication towers from outside the park will have low demand or no need at all.

5) Industry Trends and Future Competitive Conditions**Digital Trunked Radio System**

With the market opportunity and outstanding features of the DTRS system, the Company is confident that this business will continue to grow and to be an important source of recurring revenue for the Company.

After the network expansion to cover most of the country, this will allow the expansion of the use of DTRS services to be more comprehensive and widespread. The target customers will be government organizations, state enterprises, private businesses, industrial groups and service business groups such as logistics business, Industrial estates, hospitals, rescue centers and security companies, etc. The Company is confident that these organizations still have need to use a large number of DTRS services.

Co Tower

It depends on the policy of the National Park and alliance service agreement with NT.

1.3 Procurement of products and services**Digital Trunked Radio System**

For procurement of products, the Company has been appointed as the authorized distributor of Motorola, which are standardized and trusted by world-class organizations with expertise and long experience.

For after-sales service, the Company focuses on maintenance and system maintenance to ensure maximum stability. Therefore, the competitive strategy adopted by the Company is to establish a Service Level Agreement-SLA that is suitable for the customer's usage conditions and technology features. Customers can use the maximum service through service centers (Teleports) throughout the country, providing 24x7 services within the service quality standards ISO 9001 and ISO 20000 and Certification of Availability of the service system, etc.

Co Tower

The Company hired a tower manufacturer to carry out the design of the towers to suit each area including the installation and improvement of the landscape to suit that area.

2. Digital Content

2.1 Products and services

The Company is a service provider of variety information through various media as follows:

- BUG1900 is variety entertainment on the phone through automation. The subscriber can call the number of each type of service from both fixed and mobile phones including services in the form of mixed media.
- HoroWorld is the center of forecasters and the largest horoscope in Thailand. The service is available via website and telephone.

On December 16, 2021, the Company launched HoroWorld on a new platform, Mobile Application, to adapt to the digital transformation era and to expand the new customer base with the following features:

1. Horo Live 24 hours
2. Event Bidding, fortune telling with famous fortune tellers
3. Physiognomy Scan
4. Recommended Services such as name change, surname change, auspicious occasion, signature change, feng shui, fortune telling, car registration, and telephone numbers, etc.

In addition, the Company also has a television program production “Delicious with Khun Reed” that is managed by Entertainment Tree Co., Ltd. This television program focuses on selecting good restaurants recommended and guaranteed quality by Khun Reed or Ms. Rapeephan Lueangaramrat.

2.2 Marketing and Competitive Situations

Marketing of products and services

1) Marketing policy in the past year

With the rapidly evolving technology, the pattern of digital media consumers has changed. Consumers can choose to consume a variety of media, and choose to consume only the interested media in line with changing consumption patterns. Therefore, the Company canceled the production of sports programs broadcasting via satellite channels, and canceling the segment that provides information about eating, drinking, traveling via the website, focusing on producing content that the Company has expertise on providing services through mobile phones such as sports and life style. The Company also aims to be a Digital Sport that operates a full range of sports business. In addition, the Company has increased its sport technology service segment by being a provider of VAR (Visual Assistant Referee) system for the Football Association of Thailand, which is the first country to fully use the VAR system in Southeast Asia.

In addition to B2C customers, HoroWorld also plans to expand its B2B2C customer base by targeting 5 businesses as follows:

1. Automotive Business
2. Pre-wedding business
3. Real Estate and Banking Business
4. Beauty business
5. Hospital business

2) Target customers

The Company's target customers are users of all genders and ages who want to access news and information to meet daily use whether it is general information in the form of voice (Voice) and services in the form of text or images (Non-Voice) including Multimedia through multiple communication devices such as general sports reporting, fortunes through the center of forecasters and horoscopes. The Company believes that these information is of interest to all groups of customers not limited to occupation, income, or place of residence.

HoroWorld has set a target of 1 million downloads and Baht 100 million in revenue by 2022. The target customer is the person who uses a smartphone and likes horoscopes or believes in astrology. There is a plan to maintain 100% of the old customer base and expand the new customer base to Gen Y and Gen Z. According to the survey, working women aged between 25-45 years are the main customers of this service.

3) Distribution Channels

Due to the recognition that our customers have different needs for accessing information, the Company tries to offer its services through a variety of channels to access information as conveniently as possible as follows:

- BUG1900 is available through an automated telephone answering system and mixed media format.
- HoroWorld provides services via website, telephone and special events. By the end of 2021, the distribution channel has been expanded on a new platform in Mobile Application, while still maintaining the same distribution channel, including the 1900 website system and all social media channels of HoroWorld.

4) Competition

There are many changes of industrial situation in the past year as the technology of mobile devices evolves, changing the market. Users can access similar information or services at a lower cost with more convenience. Thus, competition is not limited to compete between business units only but every company has to compete with changing consumer behavior, which rely less on traditional news sources but pay more attention to the movements on social media and opinions from the experience of users. These factors make every business try to adapt to the ever-changing consumer behavior.

Horoscope or astrology market is a big market, but HoroWorld still has an advantage over competitors in the market as the following reasons:

1. HoroWorld is an expert in horoscope science for more than 25 years from 2015.
2. Provide one stop service for all periods of life from birth, growing up, making merit until the day of death according to HoroWorld's slogan "Every story is prophecy, complete at HoroWorld".
3. There are more than 200 fortune-tellers, all of the forecasting science that customers want. Most importantly, our forecasters are guaranteed by customers to be accurate and reliable and everyone has been certified by the Association of Astrologers of Thailand, International Astrology Society, the team of students Liam Petcharat and many other astrological associations.
4. Provide user friendly services and available 24 hours a day.

5) Industry Trends and Future Competitive Conditions

As mentioned above, today's communication technology has evolved by leaps and bounds, and enabling consumers to access information and entertainment in various forms more conveniently. They also have a much lower cost than before, causing businesses to adapt by creating value added services as well as creating new sources of income that rely less on direct income from consumers but developing new service models and building business alliances.

In addition to the adaptation in the service of HoroWorld, the Company plans to find partners to do B2B2C in this business in order to compete with competitors and have sustainability in the long-term of HoroWorld.

2.3 Procurement of Products or Services

The Company has developed their own content and collected from outside by purchasing a license or cooperation with partners. The Company collects data in the form of a large database and systematically compiled to be consistent with each service channel including a system to connect data with external service providers with specialized expertise to ensure that the information presented is as accurate as possible.

As the Company has expertise in the fortune-telling business for more than 25 years, giving enough data base to understand behavior and the needs of customers who have faith in horoscopes or astrology. Therefore, the information system has been continuously developed.

Please see more detail in 2021 One Report of Samart Digital Public Company Limited

1.2.2.3 Utilities and Transportations Business

Utilities and Transportations Business run business related to air traffic control services and electricity distribution business for Bodaiju Residences in Cambodia and design, construction and installation service business of power transmission systems. In 2021, Utilities and Transportations business has revenue proportion Baht 1,967.7 million or 28.3% of the total revenue of the group of companies. This line of business consists of 9 companies as 1) Samart Inter Holdings Co., Ltd. 2) Cambodia Air Traffic Services Co., Ltd. 3) Kampot Power Plant Co., Ltd. 4) Samart U-Trans Co., Ltd. 5) Teda Co., Ltd. 6) Transec Power Services Co., Ltd. 7) Samart Green Energy Co., Ltd. 8) Samart Aviation Solutions Pcl. and 9) Samart U-Trans (Myanmar) Co., Ltd.

- **Cambodia Air Traffic Services Co., Ltd. ("CATS")**

a) Nature of Products or Services

Provides air traffic management services in Cambodia's airspace. The concession contract was awarded by the Cambodian government for a total period of 32 years (from 2002 - 2034). Later, in December 2017, CATS signed an amendment to the concession agreement with the Cambodian government to extend the concession period further 7 more years from 2034 to the end of 2041. By extending the concession period, CATS has to invest in additional project according to the conditions stipulated in the concession extension contract. By 2021, CATS has total revenue of Baht 455.8 million, representing approximately 6.6 percent of total revenue of the group of companies. There are 3 service categories as follows:

- 1.1) Provides air traffic control services in air traffic service routes throughout the Cambodian airspace. It is the arrangement of air transportation systems according to the international regulations and standards, as well as providing information and advice that are useful for the decision of the pilot (Flight Information Service) and warning service (Alerting Service) to enable the aircraft to reach the destination safely, conveniently and expeditiously. Including cooperating in the search and rescue of accidental and loss of aircraft. The services cover the area of airport provides by aerodrome control service, the air space close to the airport provides by approach control service, and the air space along the air traffic service route of flight provides by area control service.
- 1.2) Provide aviation communication services by receive-transmiss and broadcast news about flight plans, flight schedule including other news necessary for flight operations.
- 1.3) Provide radio navigation aids which is a service to assist in bringing aircraft landing, take off at the airport.

b) Marketing and Competitive Situations

CATS is the sole concessionaire to provide air traffic management services from the Cambodian government, therefore no competitors and do not have to carry out any marketing activities. The target customers are various airlines.

c) Procurement of Products or Services

Objectives of Air Traffic Management Services, in order to the aircraft to arrive at the destination with safety, convenience and expeditious. Therefore, CATS focuses on developing and improving and invests in air traffic control equipment such as Radar Systems, Navigation Systems, Communication Systems and Simulation Systems, etc., in order to optimize the system operation as well as providing training to educate employees to provide users with the highest safety and security.

- **Kampot Power Plant Co., Ltd. ("KPP")**

KPP is a subsidiary of the group of companies to operate the business of distributing and selling electricity to the BODAIJU RESIDENCE residential project in Phnom Penh Cambodia. The term of the electricity distribution contract with the said project is 40 years (2018 - 2058) which has purchased electricity from the Cambodian government, construction of transmission lines and power substations with a total power of 6.5 megawatts to receive and distribute electricity to the project. KPP is the only electricity supplier for the BODAIJU RESIDENCE residential project, so there is no competitor and does not have any marketing activities. In 2021, KPP has total revenue of Baht 8.9 million, representing approximately 0.1 percent of the total revenue of the group of companies.

- **Samart U-Trans Co., Ltd. ("SUT")**

a) Nature of Products or Services

Providing turnkey contracting services for supply of transportation related systems such as railways signaling systems, air traffic management system and etc., including installations, procurement, commissioning as well as providing after-sales service, maintenance and being a representative for warranty service. In 2021, SUT had total income of Baht 235.6 million accounting about 3.4% of the total revenue of SAMART group.

b) Marketing and Competitive Situations

Products and services are produced specifically according to customer need with modern technology. Mainly distribution method is direct sales. Most of them will be bidding on other competitions. SUT focus on keeping good relationship with customer which is a government agency and state enterprises. The products and services that provided to customer have to compete in terms of price and must be within the government budget. Thus, SUT will select business partners who are readiness both in technology and supporting to response customer needs precisely. Regarding to the product is a specific technology, If SUT win the bidding may have a chance to expand products and continually engage in many other projects.

c) Procurement of Products or Services

Regarding to the supply of technology and equipment, mostly SUT has business partners who are ready to produce the aforementioned product. Those alliance will be an overseas manufacturer and their product is well known and already accepted in each industry.

d) Projects in progress

SUT has projects in progress as of December 31, 2021 as follows :

No.	Customer	Project	Contract		Project value (Million Baht)	Progress* (%)
			Start	End		
1	DEPARTMENT OF CIVIL AVIATION (DCA) MINISTRY OF TRANSPORT AND COMMUNICATIONS REPUBLIC OF UNION OF MYANMAR	Air Traffic Control Tower Simulator Project	13/05/2020	06/08/2021	68.96	81.58%
		2 Year Maintenance 21	11/08/2021	10/08/2023	75.60	18.00%
		MSSR for Myitkyina	03/08/2021	29/12/2022	98.33	4.00%
2	Union Development Group Co., Ltd. Cambodia	Darasakor Air Traffic Management System	18/05/2020	14/06/2022	19.37	64.20%

Remark: * Revenue recognition of each project depends on ratio of completion of work (% of progress).

- **Teda Co., Ltd. (“TEDA”)**

a) Nature of Products or Services

A Turnkey Contractor who provides Engineering design, Procurement, Construction and Installation & Commissioning services for High Voltage (HV) Substation and Transmission Line for Electricity Generating Authority of Thailand (EGAT), Metropolitan Electricity Authority (MEA) and Provincial Electricity Authority (PEA). Our services also include maintenance of HV equipments for Power Plants and General Industries. In 2021, TEDA has total revenues of Baht 1,167.4 million or 16.8 percent of the Group’s total revenue.

b) Marketing and Competitive Situations

Although our business requires specialized expertise and experience, it has competition with competitors from both Thai and foreign companies, so TEDA adapts business operations to current marketing situation. We focus on efficiency in management, job quality, and using technology to enhance competitiveness. We are looking for new business opportunities while maintaining and developing good relationships with the Company’s customers and partners.

c) Procurement of Products or Services

We supply high-voltage equipment, which is the main equipment. The customers mostly accept international standard products from international manufacturers that TEDA has partners, who are manufacturers of high voltage equipments both from local and overseas, and we also have team of engineers and technicians who specialize in installation and testing equipments that running cover standards.

d) Projects in progress

TEDA has projects in progress as of December 31, 2021 as follows :

No.	Customer	Project	Contract		Project Value (Million Baht)	Progress* (%)
			Start	End		
1	MEA	Conversion of Overhead Line to Underground System on Charansanitwong Road	26/07/2018	21/02/2022	1,670.66	65.65%
2	MEA	Conversion of Overhead Line to Underground System on RAMAIII Road	21/04/2017	17/03/2022	904.02	54.50%
3	MEA	Supply and Construction of Khlong Dan Substation	21/12/2018	14/07/2022	657.06	85.79%
4	EGAT	Supply and Construction of Singburi Substation	29/05/2019	16/06/2022	342.25	17.25%
5	MEA	Supply and Construction of Khlongtoey Underground Substation	30/09/2019	16/06/2023	319.59	2.30%
6	PEA	Supply and Construction of Hatyai Substation	24/08/2020	22/01/2022	249.54	70.08%
7	PEA	Installation Power Transformer Monitoring System	31/03/2021	24/08/2022	135.61	30.21%
8	PEA	Supply and Construction of Si Satchanalai Substation	16/08/2021	11/08/2022	70.96	40.92%
9	PEA	Additional Construction of Phangan Island, Hatyai 2	01/12/2021	31/12/2022	99.21	0.20%

*Remark: * Revenue recognition of each project depends on ratio of completion of work (% of progress).*

EGAT : Electricity Generating Authority of Thailand

MEA : Metropolitan Electricity Authority

PEA : Provincial Electricity Authority

• **Transec Power Services Co., Ltd. ("TS")**

a) Nature of Products or Services

Provides Engineering design, Procurement, Construction, Installation & Commissioning services for High Voltage (HV) Substation also include maintenance for Power Plants and General Industries. In 2021, TS has total revenues of Baht 100.0 million or 1.4 percent of the Group's total revenue.

b) Marketing and Competitive Situations

TS provides installation and commissioning services for Equipment - Substation High Voltage (HV) and Construction High Voltage (HV) Substation for private clients. We focus on standardized, quality, and responsible. For delivery, we have delivered on schedule so the customers will be trusted and impressed.

c) Procurement of Products or Services

A Contractor will provide equipment, in case of large material and high price. Then, TS will provide the remaining equipment for work. We have partners who are producers from local and overseas. We also have team of engineers and technicians who are sufficient and specialized.

d) Projects in progress

TS has projects in progress as of December 31, 2021 as follows:

No.	Customer	Project	Contract		Project Value (Million Baht)	Progress* (%)
			Start	End		
1	Ratch Cogeneration	Design Supply Equipment, Installation and Test for Expanded Switchyard of Ratch Cogeneration Co., Ltd.	05/05/2021	26/03/2022	20.85	37.21%
2	PEA	Supply and Construction of Outdoor AIS Substation for Safe Skin Medical & Scientific (Thailand) Co., Ltd.	20/08/2021	15/05/2022	15.75	15.16%
3	PEA	Supply and Construction of Outdoor AIS Substation for Top Glove Medical (Thailand) Co., Ltd.	25/03/2021	31/01/2022	63.5	64.29%
4	PEA	Construction Building and Installation Equipment in Substation for NMB-Minebea Thai Co., Ltd. Bang Pa-in factory	23/08/2021	15/04/2022	5.59	1.28%
5	PEA	Supply and Construction of Outdoor AIS Substation for Mercator Medical (Thailand) Co., Ltd.	22/07/2021	01/04/2022	42.00	7.06%
6	PEA	Supply and Construction of Outdoor AIS Substation for MMP Corporation Co., Ltd.	04/11/2021	01/06/2022	16.27	0.56%

Remark: * Revenue recognition of each project depends on ratio of completion of work (% of progress).

- **Samart Green Energy Co., Ltd. ("SGE")**

SGE is a subsidiary which 99.99% stakeholding held by Samart U-Trans Co., Ltd. which Operate business relating to renewable energy management.

- **Samart Aviation Solutions Pcl. ("SAV")**

SAV (formerly known as Samart Transolutions Co., Ltd.) was established on August 22, 2017, a subsidiary of the Company which indirect 66.67% stakeholding held by Samart U-Trans Co., Ltd. and 33.33% held by Samart Inter Holdings Co., Ltd. Engaging in the business of investing in the companies operating in the provision of Air Navigation Service or other business related to the Air Traffic Management. SAV has the direct ownership by 100% stakeholding held in CATS which is a Cambodian company obtaining exclusive right to provide air traffic control services above the Cambodian sky with the Royal Government of the Kingdom of Cambodia.

SAV has transformed into a public company limited on September 9, 2019 with a registered capital of Baht 320 million, divided into 640 million ordinary shares with a par value of Baht 0.50 per share and a paid-up capital of Baht 288 million. The Company was on the preparation of listing our subsidiary, Samart Aviation Solutions Public Company Limited (SAV), in the stock exchange of Thailand.

1.2.2.4 Technology Related Services Business

Technology Related Services business run business about manufacture and distribution of television and radio antennas, System Integration, Distribution and maintenance of Security and Communication Systems and Provision of waste management services in vicinity of Suvarnabhumi Airport. In 2021, Technology Related Services business has revenue proportion Baht 249.3 million or 3.6% of the total revenue of the group of companies. This line of business consists of 6 companies as 1) Samart Corporation Pcl. 2) Vision and Security System Co., Ltd. 3) Suvarnabhumi Environment Care Co., Ltd. 4) Samart Raditech Co., Ltd. 5) Samart Engineering Co., Ltd. and 6) Cambodia Samart Co., Ltd.

- **Samart Engineering Co., Ltd (“SE”)**

a) Nature of Products or Services

1. Manufacture and distribution of Digital TV antennas for both indoor and outdoor type.
2. Provide satellite television network services.
3. Manufacture for various types of metal work e.g., electrical control cabinet, CCTV control cabinet, Racks for IT applications as well as various semi-finished metal parts.

In 2021, SE has total revenue of Baht 39.7 million, accounting for approximately 0.6 percent of the total revenue of SAMART Group.

b) Marketing and Competitive Situations

For manufacturing and distributing Digital TV antennas have used product and price strategies to provide sales and after sales service through a dealer.

The distribution channels are divided into Distribution Representative, Stores across the country (Dealer) and distribution through various discount stores. The majority of SE’s target customers are consumers who want to change TV receiver, Consumers with new residence who want to install television receiver including technicians who services both residence and high-rise buildings. In this year, there has been a decline in demand for Digital TV antennas, or decrease in sales of more than 10% approximately due to the maximum control measures in the COVID-19 pandemic area across country. Places, businesses, shops or activities are temporarily closed during Q2-Q3 of 2021.

Therefore, most of the entrepreneurs will use the price strategy mainly to maintain market share in the current situation because the price is a very important factor for consumers to make decisions in the recession period.

c) Procurement of Products or Services

In 2021, SE faces a problem with higher product costs both of raw materials and operating expenses. This year, the main income came from the production of metal work products such as cable racks, electrical control cabinets, CCTV control cabinets, etc., which are used by the government sector and private company that require specific design focus on the appropriately and convenient to use.

- **Vision and Security System Co., Ltd. (“VSS”)**

a) Nature of Products or Services

Engage in business of distribution, design, contract for installation and maintenance security system, closed circuit television (CCTV) system, general public address sound system, indoor communication system, light and audio system for auditorium, including command & communication system for the operation and command center. VSS’s marketing strategy focused on customers in public sectors and large private sectors, by taking into consideration engineering principle, modern technology of the system for maximum returns of the customers.

In 2021, VSS has total revenues Baht 208.6 million, representing 3.0% of total revenues of Group Companies.

b) Marketing and Competitive Situations

Marketing

VSS focused on the customers in public sectors, state enterprises and large private sectors by keep contacting with the customers constantly in order to understand their actual demands, and to recommend and share experiences on products and technology of the Company with the customers.

Put emphasis on quality of products with regards to modern and durability, as well as fineness on installation, for maximum benefits and satisfaction of the customers.

Emphasis on after-sales-service by constantly taking care of customers during warranty period and offering of maintenance services after expiry of warranty period.

COVID-19 pandemic problems decreased the markets. However, as the government sectors still need to use CCTV to protect security of the public, so it yields quite favorable result to the Company’s business.

Competitive Conditions

Security system markets, particularly CCTV system, grew speedily and continually for many years and they will keep on growing. Hence, VSS focuses on the group of the customers who are needed to use a large amount of investment in the security system, such as government agencies, state enterprises and large private sectors. Such group of customers have lesser competition than customers in building, shopping centers and factories group.

c) Procurement of Products or Services

1. It is a sole distributor of CCTV recording and management system and situation management system for Qognify Brand from Israel.
2. It is a business partner of Robert Bosch (Thailand) Co., Ltd., for distribution of CCTV equipment, general public address sound system and access control system.
3. It is a business partner of Creatus Corporation Co., Ltd., for distribution of X-Ray inspection (weapon detection) system of Astrophysics Brand and metal detector of CEIA Brand.
4. It is a business partner of HP (Thailand) Co., Ltd., for distribution of network switch equipment and computer.
5. It is a business partner of Hikvision Company and Dahua Company from China and it has been appointed as the distributor from time to time pursuant to sales of each project.

d) Backlog Projects

As of December 31, 2021, VSS's backlog projects were as follows:

No.	Customer	Project	Contract		Project Value** (Million Baht)	Progress* (%)
			Start	End		
1	Traffic and Transportation Department, Bangkok Metropolitan Administration (BMA)	Maintenance of Analog CCTV and IP (Internet Protocol Camera) CCTV connecting to control rooms in eastern areas of Bangkok for 12 months	01/12/2021	30/11/2022	71.83	8.33%
2	Samart Comtech Co., Ltd./ Traffic and Transportation Department, BMA	CCTV procurement and installation project in the royal premise (901 Land) (Nang Loeng) Phase 1	13/08/2021	05/01/2023	146.94	73.05%
3	Samart Comtech Co., Ltd./ Traffic and Transportation Department, BMA	CCTV procurement and installation project in the royal premise (901 Land) (Nang Loeng) Phase 2	27/09/2021	05/01/2023	16.00	44.30%
4	Traffic and Transportation Department, BMA	Overhead-to-underground cable project, the 2 nd group for 3 routes	15/01/2020	07/07/2021	25.78	45.08 (BMA requested for work suspension, pending for completion of road expansion)
5	Airports of Thailand Public Co., Ltd.	CCTV Maintenance of CCTV at Phuket Airport for 24 months	01/10/2021	30/09/2023	15.02	12.50%
6	Airports of Thailand Public Co., Ltd.	Maintenance of public address sound system of Phuket Airport for 12 months	01/12/2021	30/11/2022	1.08	8.33%

Remark: * Revenue recognition of each project depends on ratio of completion of work (% of progress).

** Project value excludes VAT (7%).

Main Operating Assets

The Company has main operating assets consist of estate, building, rental assets and important intangible assets as detail in the topic **“Attachment 4 Information of Operating Assets and Asset Assessment”** which is disclosed at the Company's website (www.samartcorp.com).

Investment Policy in Subsidiaries and Associated Companies

The Company has an investment policy that focuses on investing in businesses with high and growth potential, fixed income, low risk and provides a high return on investment to the Company. The Company has set management policy as well as sending representatives to join as directors in proportion to their shareholding and attend the meeting as a shareholder by the representative of the company has responsible for voting at the meeting in accordance with the practices or directions given by the consideration of the Board of Directors.

1.3 Shareholding Structure of the Group Company

1.3.1 Shareholding Structure of the Group Company

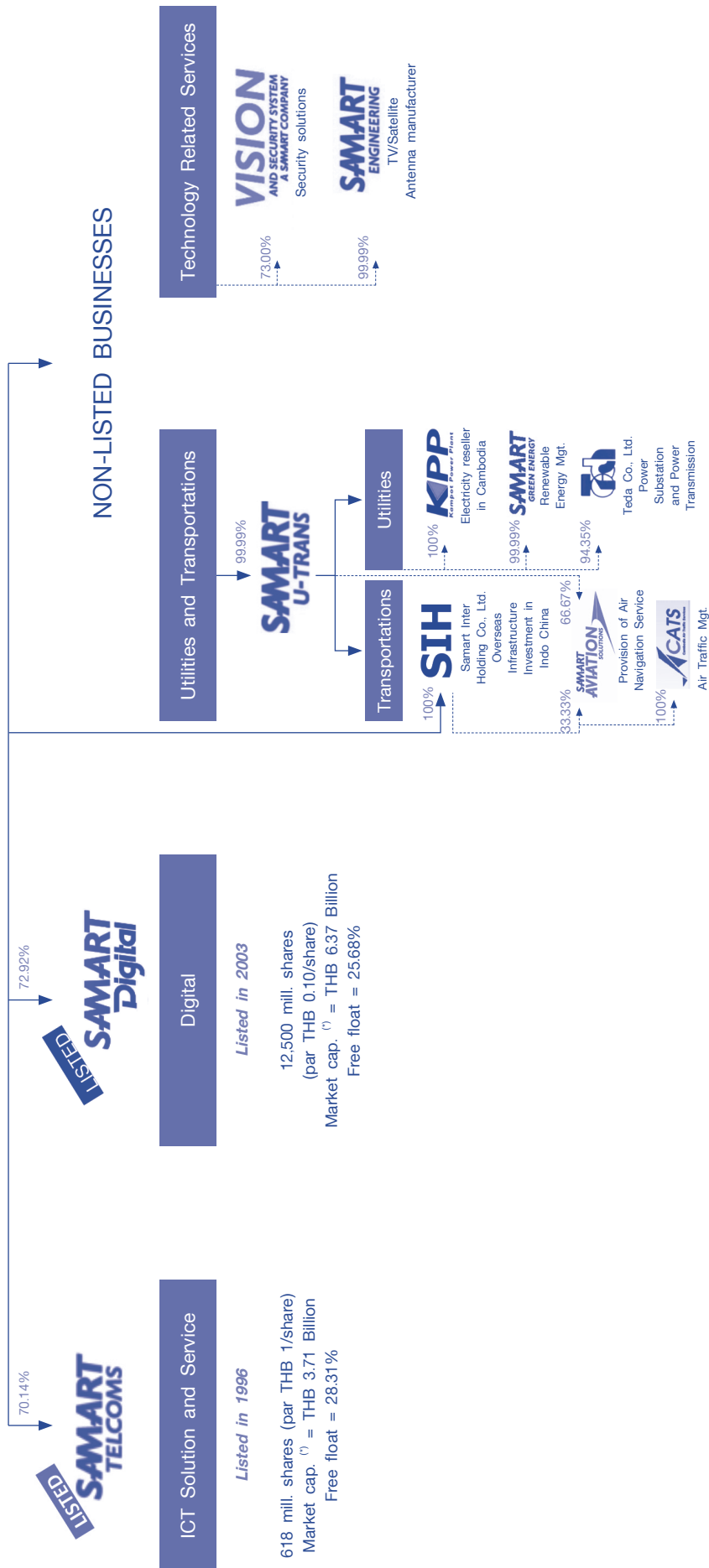
As of December 31, 2021, the Company has registered capital Baht 1,509,755,864 and paid-up capital Baht 1,006,504,143. The Company also has shareholding structures in the subsidiaries which separate the business structures into “Business Structure (by Shareholding)” and “Business Structure (by Management)”. The details can be found under the heading, **“Business structure”** as follows:

Business Structure

SAMART

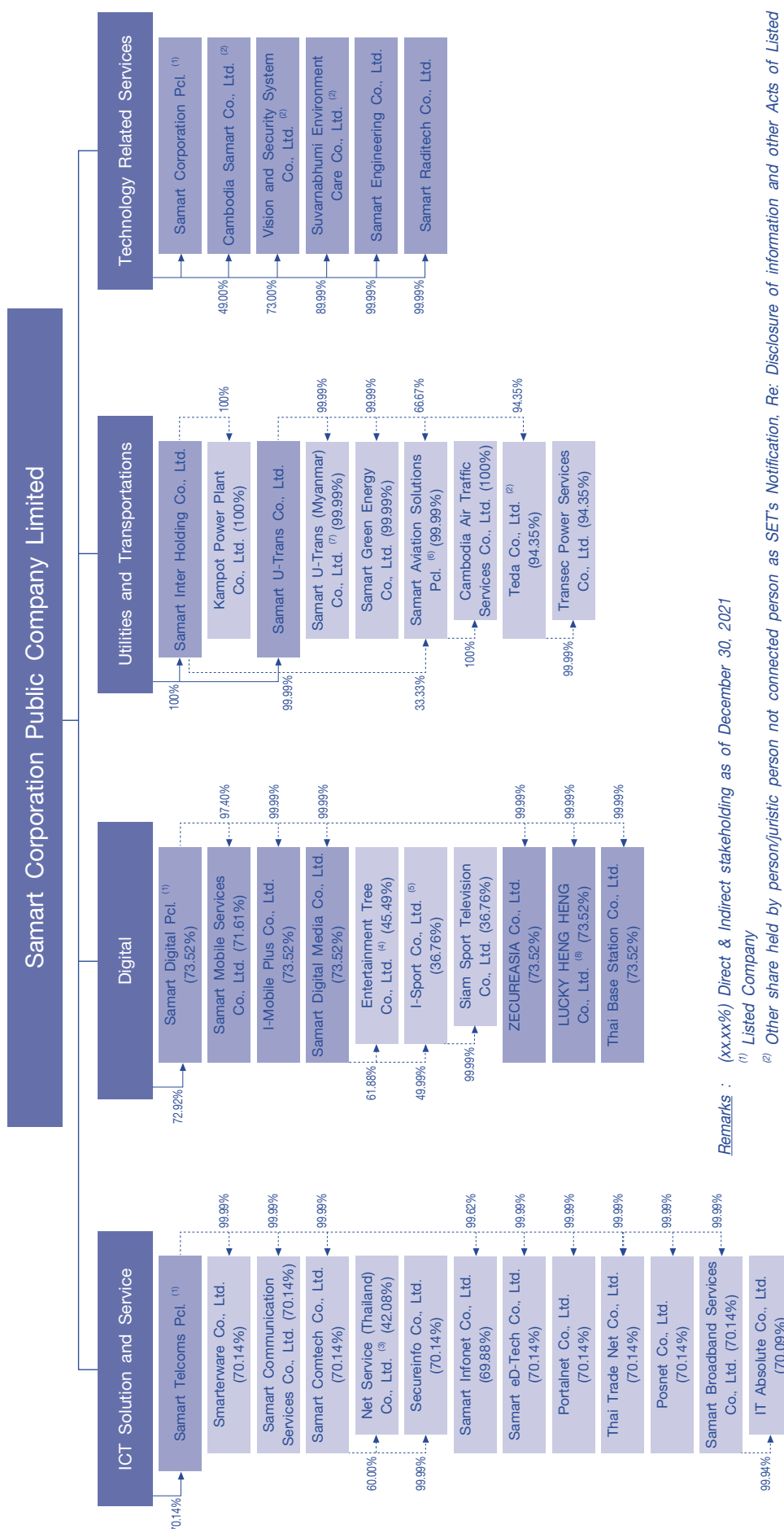
Listed in 1993

1,007 mill. shares (par THB 1/share)
Market cap. ^(*) = Approx. THB 6.24 Billion
Free float = 57.59%



Remark : ^() Market cap. based on price of stocks as of December 30, 2021*

Business Structure (by Shareholding)



Remarks : (xxx%) Direct & Indirect stakeholding as of December 30, 2021

(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 38.12% 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.

(6) On process of being listed in SET

(7) Under the process of closing company.

(8) Formerly known as SIM2ASSET Co., Ltd. changed its name to LUCKY HENG HENG Co., Ltd. on January 13, 2022.

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 99.91% 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 99.91% 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 Communication Services Co., Ltd., Samart Comtech Co., Ltd., Portalnet Co., Ltd. and Teda Co., Ltd. However, Samart Digital Pcl. and Samart Telcoms Pcl., the Listed Subsidiaries. The Company has disclosed the additional information of such companies. 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” in page 058, “Business Structure” in page 056 and “Revenue Structure” in page 034, respectively.

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. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-6361	Provide integrated businesses in digital network, solution and content.	1,676	12,499,843,742	9,114,572,700	72.92
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	Temporarily ceased its business.	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. 0-2502-6363	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. 0-2502-6363	Provide a full range of sport businesses from sport information services via digital channel, event organizer, e-commerce of sport products, sport technology and benefit management to sport athletes, sport clubs and associations.	120	12,000,000	5,999,996 ⁽²⁾	49.99

No.	Company	Type of Business	Registered Capital (Million Baht)	Total of Ordinary Shares	Samart's Holdings	
					Number of Shares	%
5.	I-Mobile Plus Co., Ltd. 99/10 Moo 4, Software Park, 26 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-8532	Temporarily ceased its business.	100	10,000,000	9,999,997 ⁽¹⁾	99.99
6.	SECUREASIA Co., Ltd. 99/10 Moo 4, Software Park, 26 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-8532	Temporarily ceased its business.	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. 0-2502-6000 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.	8	800,000	495,000 ⁽²⁾	61.88
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. 0-2502-6363	Production outsource, Live Broadcast and taped sporting events.	60	6,000,000	5,999,994 ⁽³⁾	99.99
9.	LUCKY HENG HENG Co., Ltd. ⁽¹²⁾ 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	Temporarily ceased its business and shifted to provide all types of forecasting and astrology business in 2022.	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. 0-2502-6000 Fax. 0-2583-8696	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.	721	618,000,000	433,464,590	70.14

No.	Company	Type of Business	Registered Capital (Million Baht)	Total of Ordinary Shares	Samart's Holdings	
					Number of Shares	%
12.	Samart Communication Services Co., Ltd. 99/7 Moo 4, Software Park, 29 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2583-8696	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. 0-2502-6000 Fax. 0-2583-8696	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. 0-2502-6000 Fax. 0-2583-8696	Data communication service over local broadband networks.	55.25	5,525,000	5,524,997 ⁽⁴⁾	99.99
15.	Thai Trade Net Co., Ltd. 99/27 Moo 4, Software Park, 8 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2583-8696	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. 0-2502-6000 Fax. 0-2583-8696	Providing total solutions and services for electronic payment system including Electronic Data Capture (EDC), Electronic Signature Capture, E-Receipt Platform, Smart Card System, Services for loyalty system, QR-Payment System, Kiosk Application for selling products and services, and point of Sales 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. 0-2502-6000 Fax. 0-2583-8696	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

No.	Company	Type of Business	Registered Capital (Million Baht)	Total of Ordinary Shares	Samar's Holdings	
					Number of Shares	%
18.	Samart Infonet Co., Ltd. 99/12 Moo 4, Software Park, 24 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2583-8696	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	6,176,694 ⁽⁴⁾	99.62
19.	Smarterware Co., Ltd. 99/25 Moo 4, Software Park, 10 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2583-8696	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. 0-2502-6000 Fax. 0-2583-8696	Distributor of electronic and technology equipments.	225	22,500,001	22,485,593 ⁽⁵⁾	99.94
21.	Portalnet Co., Ltd. 99/7 Moo 4, Software Park, 29 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2583-8696	Providing design, implementation and outsourcing services for Enterprise Resource Planning (ERP) system including analyzing business requirements and offering suitable services as total solution, including Enterprise Asset Management (EAM) System and Robotic Process Automation (RPA) 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. 99/12 Moo 4, Software Park, 24 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2583-8696	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.	Secureinfo Co., Ltd. 99/17 Moo 4, Software Park, 19 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2583-8696	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
24.	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.	10,000,000 (USD)	1,000,000	1,000,000 ⁽⁷⁾	100.00
25.	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 Bodaiju Residence Condominium in Phnom Penh by purchase electricity from Cambodia government.	5,000,000 (USD)	500,000	500,000 ⁽⁸⁾	100.00

No.	Company	Type of Business	Registered Capital (Million Baht)	Total of Ordinary Shares	Samart's Holdings	
					Number of Shares	%
26.	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
27.	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
28.	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
29.	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
30.	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, Broadcast Network Solution as well as produce metal work, metal sheet products and related products which apply with electronic system, station equipment all varieties of meters, and mobile base station provided 3G/4G network, including metal foaming products, aluminium and zinc.	550	5,500,000	5,499,994	99.99
31.	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
32.	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
33.	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 Design & Installation of Energy Management System & Energy Supply and Demand Controller for Industries and Commercial Buildings.	407.5	40,750,000	38,448,707 ⁽⁹⁾	94.35

No.	Company	Type of Business	Registered Capital (Million Baht)	Total of Ordinary Shares	Samart's Holdings	
					Number of Shares	%
34.	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 ⁽¹⁰⁾	99.99
35.	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 ⁽⁹⁾	99.99
36.	Samart U-Trans (Myanmar) Co., Ltd. ⁽¹¹⁾ 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 ⁽⁹⁾	99.99
37.	Samart Aviation Solutions Pcl. 99/11 Moo 4, Software Park, 25 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6157 Fax. 0-2502-6176	Engaging in the business of investing in other companies (a holding company) with a focus on investing in companies operating in the provision of Air Navigation Service or other business related to the Air Traffic Management.	320	576,000,000	191,997,868 ⁽⁸⁾ 384,000,000 ⁽⁹⁾	33.33 66.67

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 Aviation Solutions Pcl.

⁽⁸⁾ Held by Samart Inter Holding Co., Ltd.

⁽⁹⁾ Held by Samart U-Trans Co., Ltd.

⁽¹⁰⁾ Held by Teda Co., Ltd.

⁽¹¹⁾ Under the process of closing company.

⁽¹²⁾ Formerly known as SIM2ASSET Co., Ltd., changed its name to LUCKY HENG HENG Co., Ltd on January 13, 2022.

1.3.2 The Relation of Shareholding Structure in Business Group

-Non-

1.3.3 Relationship with major shareholders' business

-Non-

1.3.4 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⁾	423,674,595	42.094
- Vilailuck International Holding Co., Ltd. ⁽²⁾	148,772,200	14.781
- Mr. Watchai Vilailuck ⁽³⁾	127,005,535	12.618
- Mr. Charoenrath Vilailuck ⁽³⁾	112,734,960	11.201
- Mr. Thananan Vilailuck ⁽³⁾	27,238,500	2.706
- Mrs. Siripen Vilailuck	5,960,250	0.592
- Mrs. Sukanya Vanichjakvong	1,943,150	0.193
- Ms. Srintip Vilailuck	20,000	0.002
2. Bualuang Long - Term Equity Fund	44,995,000	4.470
3. Mr. Apisak Theppadungporn	38,835,500	3.858
4. Bualuang Long - Term Equity Fund 75/25	15,815,800	1.571
5. Mr.Thaveechat Jurangkool	15,708,400	1.561
6. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	14,132,312	1.404
7. THAI NVDR Co., Ltd.	14,095,982	1.400
8. Police Major General Somyot Poompanmoung	13,131,200	1.305
9. Bualuang Flexible RMF	10,253,400	1.019
10. Bualuang Equity RMF	9,431,800	0.937
Total of top ten Major shareholders	600,073,989	59.620
Total of the Minority shareholders	406,430,154	40.380
Total paid up shares	1,006,504,143	100.00

Remark : Major shareholders' report December 30, 2021 prepared by Thailand Securities Depository Co., Ltd.

⁽¹⁾ Vilailuck International Holding Co., Ltd., Mr. Chareonrath Vilailuck, Mr. Watchai Vilailuck, Mrs. Siripen Vilailuck, Mrs. Sukanya Vanichjakvong and Ms. Srintip Vilailuck 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 :

Shareholder's Name	Number of Shareholding	% of Total Shares
1. Vilailuck Group ⁽¹⁾	9,289,834,000	74.32
- Samart Corporation Public Company Limited ⁽²⁾	9,114,572,700	72.92
- Samart Telcom Public Company Limited	85,861,200	0.69
- Vilailuck International Holding Co., Ltd.	30,535,100	0.24
- Mr. Watchai Vilailuck ⁽³⁾	23,343,000	0.19
- Mrs. Sukanya Vanichjakvong ⁽³⁾	20,012,000	0.16
- Samart U-Trans Co., Ltd.	15,160,000	0.12
- Ms. Srintip Vilailuck	350,000	0.00
2. Mr. Nuttapol Jurangkool	259,594,700	2.08
3. Ms. Chomkamol Poompanmoung	145,909,900	1.17
4. Pol. Capt. Ratchata Poompanmoung	141,478,000	1.13
5. Pol. Gen. Somyot Poompanmoung	85,448,200	0.68
6. Thai NVDR Co., Ltd.	78,409,828	0.63
7. Mr. Thaveechat Jurangkool	55,234,600	0.44
8. Mr. Ayuth Potchanant	54,000,000	0.43
9. Mr. Vrit Yongsakul	42,000,000	0.34
10. Mr. Apisak Theppadungporn	41,676,900	0.33
Total shares of top ten shareholders	903,752,128	81.55
Total shares of the minority shareholders	11,596,091,614	18.45
Grand total	12,499,843,742	100.00

Remark : Major Shareholders' report as of December 30, 2021 prepared by Thailand Securities Depository Co., Ltd.

⁽¹⁾ Samart Corporation Public Company Limited, Samart Telcom Public Company Limited, Vilailuck International Holding Co., Ltd., Mrs. Sukanya Vanichjakvong, Mr. Watchai Vilailuck, Samart U-Trans Co., Ltd. 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 14.78% and 27.31% 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⁾	442,336,500	71.58
- Samart Corporation PCL ⁽²⁾	433,464,590	70.140
- Vilailuck International Holding Co., Ltd.	3,117,300	0.504
- 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 PCL	29,730,560	4.81
3. Bualuang Long-Term Equity Funds (LTF)	17,892,200	2.90
4. Miss Chomkamol Poompanmoung	8,373,700	1.35
5. Mr. Apisak Theppadungporn	6,510,000	1.05
6. Bualuang Infrastructure Retirement Mutual Funds	5,794,400	0.94
7. Bualuang Flexible Retirement Mutual Funds	5,243,800	0.85
8. Thai NVDR Co., Ltd.	4,054,511	0.66
9. Bualuang Equity Retirement Mutual Funds	3,675,900	0.59
10. Mr. Nanthapan Mahattanatan	3,303,400	0.53
Total of top ten Major Shareholders	526,914,971	85.26
Total of the Minority Shareholders	91,085,029	14.74
Total paid up shares	618,000,000	100.00

Remark : Information based on Thailand Securities Depository on the latest date of closing registration book, December 30, 2021.

⁽¹⁾ Samart Corporation PCL, 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 14.78% and 27.31% of the total shares respectively;

⁽³⁾ Includes holding by spouse and minor child

2.3 The shareholders of Samart Communication Services Co., Ltd. are :

Name of shareholders	No. of shares held (Shares)	% of Total Shares
1. Samart Telcoms Public Company Limited ^(*)	4,999,994	99.99988
2. Mr. Charoenrath Vilailuck	2	0.00004
3. Mr. Watchai Vilailuck	2	0.00004
4. Mr. Thananan Vilailuck	2	0.00004
Total of shareholders	5,000,000	100.00

Remark : Shareholders' register book as of December 31, 2021.

^(*) 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 4.81%;
- Bualuang Long - Term Equity Fund has 2.90%.

2.4 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 ^(*)	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, 2021.

^(*) 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 4.81%;
- Bualuang Long - Term Equity Fund has 2.90%.

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

Name of Shareholders	No. of shares held (Shares)	% of Total Shares
1. Samart Telcoms Public Company Limited ^(*)	20,999,993	99.999967
2. Mr. Charoenrath Vilailuck	6	0.000029
3. Mr. Watchai Vilailuck	1	0.000004
Total of shareholders	21,000,000	100.00

Remark : Shareholders' register book as of December 31, 2021.

^(*) 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 4.81%;
- Bualuang Long - Term Equity Fund has 2.90%.

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

Name of Shareholder	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. Khomkrit Trivitayanurak	77,457	0.1901
4. Mr. Kamtorn Kitti-itsaranon	64,548	0.1584
5. Mrs. Sugunya Voraprasit	64,547	0.1584
6. Mr. Aunyarit Niramorn	11,618	0.0285
7. Mr. Pujapong Phisanbut	8,068	0.0198
8. Mrs. Prapin Rujiravong	6,455	0.0158
9. Mr. Bundit Vanitchanant	5,164	0.0127
10. Mr. Pornthep Chansiriwatthana	5,164	0.0127
11. Mr. Nop Sompho	5,164	0.0127
12. Mrs. Potchanun Thongwat	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 of shareholders	40,750,000	100.00

Remark : Shareholders' register book as of December 31, 2021.

() The Company operating on system Integrator for Transportation, Energy and Utilities System, with Samart Corporation Public Company Limited hold 99.99% as a major shareholder.*

1.4 Registered Capital and Paid up Capital

As of December 30, 2021, the Company has registered capital Baht 1,509,755,864, divided into ordinary shares 1,509,755,864 shares, par value of Baht 1 per share, paid-up capital of Baht 1,006,504,143 total number of shares sold 1,006,504,143 shares

1.5 Other Securities Issuance

1.5.1 Warrants

- (1) The warrants to purchase the ordinary shares of the Company (SAMART-W2) to the existing shareholders of the Company by pro rata to their respective shareholdings (Rights Offering)**

The Company had issued and offered the warrants of 335,429,635 units to the existing shareholders of the Company by pro rata to their respective shareholdings (Rights Offering) without charge in a ratio of 3 ordinary shares to 1 unit as of the date of the 2018 Annual General Meeting of Shareholders, held on April 27, 2018 as detail below;

Detail of the Warrant (SAMART-W2)

Type of the Warrant : In named certificate and transferable
 Number of Warrants Issued : 335,429,635 units
 Price per Unit : Baht 0 (at no cost)

Exercise Ratio ^(*)	:	1 unit of Warrants shall be entitled to purchase 1.014 newly issued ordinary shares, unless the exercise ratio is adjusted otherwise pursuant to the conditions concerning the rights adjustment
Exercise Price ^(*)	:	Baht 14.80 per share, unless the exercise price is adjusted otherwise pursuant to the conditions concerning the rights adjustment
Issuance Date	:	May 18, 2018
Expiration Date	:	May 17, 2021
Term of Warrants	:	3 years from the Issuance Date. The Company shall not extend the term of the Warrants after the issuance and there shall not be any requirement by the Company to request the Warrant Holders to exercise its rights prior to the Exercise Date.
Allocation Method	:	SAMART-W2 Warrants will be issued and allocated to the existing shareholders of the Company pro rata to their respective shareholdings at the allocation ratio of every 3 existing ordinary shares for 1 unit of SAMART-W2 Warrants. The Company will issue and allocate SAMART-W2 Warrants to the shareholders whose names appear as the shareholders of the Company on the record date for determining the shareholders entitled to receive SAMART-W2 Warrants on May 9, 2018. In calculation of SAMART-W2 Warrants allocation for each shareholder, if a fraction is resulted, such fraction shall be rounded down. For instance, in case of a shareholder holding 17 shares, such 17 shares if divided by 3 will be equal to 5.67 (17 divided by 3). In this regard, the fractions of 0.67 will be rounded down and 5 units of SAMART-W2 Warrants will be allocated to such shareholder.
Exercise Period	:	The Warrant Holders will be entitled to exercise their rights under SAMART-W2 Warrants to purchase the newly issued ordinary shares of the Company only one time on every 6 months from the Issuance Date of SAMART-W2 Warrants (the "Exercise Date") throughout the term of the Warrants ("Exercise Date"). The first Exercise Date shall be the last business day of 6 months following the Issuance Date of SAMART-W2 which shall fall on November 16, 2018 and the last Exercise Date is the 3rd anniversary of Warrants which shall fall on 17 May 2021. In the event that the last Exercise Date is not a Business Day, the last Exercise Date shall be moved up to the Business Day prior to such Exercise Date.
Trading Date	:	May 31, 2018
Last Trading Date	:	April 21, 2021

As of December 31, 2020, the Company has a balance of warrants 335,429,635 units, and on May 17, 2021, which is the Last Exercise date, there are users exercise warrants on that date as 231 units, resulting in the outstanding balance of warrants that have not been exercised as 335,429,404 units. However, the Company would propose to approve the cancellation of ordinary share which allocated for the exercise in the 2022 Annual General Meeting of Shareholders.

Remark ^() The price and exercise ratio of the warrants (SAMART-W2) was adjusted on March 18, 2019 because the Company's dividend are paid exceeding 90 percent of the Company's net profit according to the consolidated financial statements of the Company.*

(2) The warrant to purchase the ordinary shares of the Company (SAMART-W3) to the existing shareholders of the Company by pro rata to their respective shareholdings (Rights Offering)

The Company had issued and offered the warrants of 167,711,498 units to the existing shareholders of the Company by pro rata to their respective shareholdings (Rights Offering) without charge in a ratio of 6 ordinary shares to 1 unit as of the date of the 2021 Annual General Meeting of Shareholders, held on April 27, 2021 as detail below;

Detail of the Warrant (SAMART-W3)

Type of the Warrant	:	In named certificate and transferable
Number of Warrants Issued	:	167,711,498 units
Price per Unit	:	Baht 0 (at no cost)
Exercise Ratio	:	SAMART- W3 Warrant shall be entitled to purchase one newly issued ordinary share (par value of THB 1 per share), unless the exercise ratio is adjusted otherwise pursuant to the conditions concerning the rights adjustment.
Exercise Price	:	Baht 10.00 per share, unless the exercise price is adjusted otherwise pursuant to the conditions concerning the rights adjustment.
Issuance Date	:	May 18, 2021
Expiration Date	:	May 17, 2024
Term of Warrants	:	3 years from the Issuance date and allocation of SAMART-W3 Warrant, the Company shall not extend the term of the Warrants after the issuance and there shall not be any requirement by the Company to request the Warrant Holders to exercise its rights prior to the Exercise Date.
Allocation Method	:	The Company will issue and allocate SAMART-W3 to the existing shareholders of the Company pro rata to their respective shareholdings (Rights Offering) at the allocation ratio of every 6 existing ordinary shares to 1 unit of SAMART-W3. The Company will issue and allocate SAMART-W3 to the shareholders whose names appear in the share register book on the record date for determining the shareholders entitled to receive SAMART-W3 on May 7, 2021. ("Existing Shareholders") Thus, in the calculation of SAMART-W3 allocation for each shareholder, if the result is in fractions, such fraction shall be rounded down. For instance, in case of a shareholder holding 27 shares, such 27 shares are divided by 6 as of the calculation under the allocation ratio which will be equal to 4.50 (27 divided by 6). In this regard, the fractions of 0.50 will be rounded down to 4 units of SAMART-W3 will be allocated. In the event, there are warrants remaining from the allocation that will be cancel the remaining warrants by the Company. The remaining warrants will not be redistributed.

Exercise Period : The Warrant Holders will be entitled to exercise their rights under SAMART-W3 Warrants to purchase the newly issued ordinary shares of the Company every 6 months from the Issuance Date of SAMART-W3 Warrantsthroughout the term of the Warrants (“Exercise Date”). The first Exercise Date shall be the last business day of 6 months following the Issuance Date of SAMART-W3 which shall fall on November 30, 2021 and the last Exercise Date is on the 3rd year of Warrants which shall fall on May 17, 2024. In the event that the Exercise Date and the Last Exercise Date is not a Business Day, the Exercise Date and the Last Exercise Date shall be moved up to the Business Day prior to such Exercise Date. In the case that the Exercise Date falls on a holiday of the Stock Exchange of Thailand, the Exercise Date shall be postponed to the previous business day. The Last Exercise Date will coincide with the expiry date of the warrants (Last Exercise Date).

Trading Date : June 14, 2021

1.5.2 Debentures

The 2014 Annual General Meeting of Shareholders of the Company, held on 29 April 2014, resolved to approve the issuance and offering of short-term promissory notes and/or debentures of the Company with the total of not exceeding Baht 5,000,000,000. The Company has already issued and offered some of the aforementioned debentures with details as follows:

Detail of Debentures	SAMART Debentures No.1/2020
Issuer	Samart Corporation Pcl.
Total Amount	Baht 1,201 Million
Type	Senior and Unsecured Debentures with Debenture holder’s Representative
Offering amount	1,201,000 Units
Value per unit	Baht 1,000
Outstanding Debenture Value as of Dec 31, 2021	Baht 1,201 Million
Interest rate	4.00%
Maturity	2 years
Issuing Date	July 24, 2020
Redemption Date	July 24, 2022
Right of early redemption of Shareholders and Issuer	-Yes-
Call Option	The Debentures may be redeemed, in whole or in part, at the option of the Issuer on the 1 st anniversary of the Issue Date and at any Interest Payment Date thereafter.
Par value	Baht 1,000
Credit rating	BBB+

As of January 28, 2022, the Company has issued and offered a new set of debentures with details as follows:

Detail of Debentures	SAMART Debentures No.1/2022
Issuer	Samart Corporation Public Company Limited
Underwriter	KTBST Securities Public Company Limited, Phillip Securities (Thailand) Public Company Limited, Kingsford Securities Public Company Limited, Merchant Partners Securities Public Company Limited, Finansia Syrus Securities Public Company Limited, Siam Wealth Securities Company Limited and Land and Houses Securities Public Company Limited
Holder's representative	KTBST Securities Public Company Limited
Registrar	Bank of Ayudhya Public Company Limited
Use of Proceed	For refinance and/or other general corporate purpose
Debenture Type	Senior and Unsecured Debentures with Debenture holder's Representative
Placement Type	Institutional investors and/or High Net Worth Investors (II&HNW)
Issue Size	Baht 1,675.3 million
Tenor	3 Years
Interest Rate	4.25% (Fixed rate)
Call Option	The Debentures may be redeemed, in whole or in part, at the option of the Issuer on the 1 st anniversary of the Issue Date and at any Interest Payment Date thereafter.
Early Redemption Fee	On the Early Redemption Date, the Issuer shall pay a fee to the Debenture holders in the amount of 0.20% of the principal amount of the Debentures redeemed
Principal Repayment	Bullet Payment
Interest Payment	Quarterly
Issue Date	28 January 2022

1.6 Dividend Policy

The Company has policy to pay dividend to the shareholders of no less than 50% of its net profit of the Company 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

Details of dividend payment	2021	2020	2019
Earning (Loss) Per Share (Baht) (Seperate Financial Statements)	(1.11)	0.62	0.01
Dividend Per Share (Baht)	-	-	0.15
Dividend payout ratio (%)	-	-	1,657.18

2. Risk Management

2.1 Risk Management and plan

The Executive Chairman is the Chairman of the Risk Management Committee and the Company's directors are the committee members. Meeting to consider the new possible risks and review level of the existing risks have been arranged continually.

The company has specified risk management policy that can respond to the changes in economic and political situations. 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. Specify risk management plan of each business unit within the Company pursuant to the Company's master plan and business risks which may occur, so that risk management plans shall be corresponding to the work plans and business operation objectives.
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. 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.

In 2021, 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 have 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 all the time. 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.

2.2 Risk Factors

Samart Corporation Public Company Limited currently conducts 4 business lines, i.e., 1) ICT Solution and Service, 2) Digital, 3) Utilities and Transportations, and 4) Technology Related Services. These businesses certainly contain different risks of work management, both from internal and external factors that can affect financial status and performance of the Company. For this reason, it is necessary to have risk management system, with the risk management committee to set a policy of risk prioritization, review, and continual risk assessment. Types of risks can be classified as follows.

2.2.1 Operational Risks

Operational Risks in ICT Solution and Service Business

ICT Solution and Service business provides full-service ICT installation and service, with the government and state enterprise sectors as the key customers. Therefore, if the government sector retards the budget for IT and communication, it may significantly affect the operation of the Company. However, the Company attempts to reduce risks by spreading the customer base that covers several ministries and state enterprise agencies in order to reduce risks of changing policies, auction delay, or budget deduction of each agency. The Company also has a plan to expand more customer base apart from government agencies in order to reduce risks of too much reliance on the government sector. The Company also implement policies to increase recurring revenues because they can reduce the risk of revenue variance.

Besides, risks of various technological services may cause insufficient knowledge or specialization in a certain technology, resulting in errors in problem solving. For such risks, the Company has divided working groups in particular specialization, with regular trainings. The Company also looks for business partners who are leaders in technology in order to create employees with sufficient knowledge and specialization.

Operational Risks in Digital Businesses

- **Content Business**

The emergence of technology affects consumer lifestyles. Separated competitions following access forms are combined into one large single market full of various competitors. However, the market is larger, and the Company thinks of this change. Therefore, different forms of contents are offered through various platforms in order to meet changing behavior of users.

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

The key risk of digital trunked radio and co-tower business is the installation of systems, network equipment, and base stations. However, with specialization and experiences in setting the system. The Company believes that the network will be installed smoothly and in time. The installation cost can also be controlled efficiently within the framework of the Company.

Operational Risks in Utilities and Transportations Business

- **Air Traffic Business**

Risks of air traffic business mostly relate to security systems. Operation systems, communication systems with pilots, or computer systems cannot stop operating. The Company has installed the other 2 systems as secondary equipment to prevent possible risks. What's more, we also have stand-by technicians for 24 hours. Readiness and perfection of the equipment are also inspected every 3 months.

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

For power station and transmission line construction business, most customers are government projects, resulting in the risk of project auction delay in case of political change. Therefore, the Company has set a policy to find more approved private projects to reduce related risks. There is also the risk of high competitions in the market, from national and international competitors. Some are equipment manufacturers, resulting in our disadvantage of pricing. Therefore, the company reduces such risk by finding efficient equipment manufacturers as our allies for lower cost and competitiveness.

Operational Risks in Technology Related Services Business

• Digital TV Set Top Box Manufacturing and Distribution Business

The risk of digital TV signal equipment manufacturing and distribution is competitions in the market due to slight differences when comparing with competitors. Therefore, the Company mainly focuses on TV antenna quality development by developing smaller antennas. We also focuses on outdoor antenna manufacturing and distribution to increase competitive opportunities. Furthermore, technological change is another key risk factor.

COVID-19 Outbreak Risks

COVID-19 outbreak since the beginning of 2020 resulted in lockdown measures in a number of countries to stop the outbreak. As a result, people could not live their lives normally and had to adjust their living like it has never happened before. This caused huge impacts to all industries in the world, particularly tourism and transportation.

However, the government has started to relieve measures in 2021 and allows most regular activities. As a result, economy has gradually recovered despite social distancing and international travel control international travel control. This rehabilitation will still go on until the entire world can control the outbreak completely and become successful in vaccine invention as well as vaccine manufacturing, which will finally lead to the return of normal living.

COVID-19 has brought new ideas and behaviors of consumers, affecting changes of policies in several aspects. This will finally affect absolute changes of business environment after the crisis.

In addition, COVID-19 mainly effect to air traffic control business which operate in Cambodia under Cambodia Air Traffic Services Co., Ltd. or “CATS”. The number of operating flight has been reduced from 49,071 flights to 30,876 flights in 2021 or reduce by 37.08%. However, other business units have a limited effect from COVID-19.

Social and Environmental Risks

For continual and sustainable operation of the business, community and social support is required. Operation with negative impacts on the society, communities, and environment may cause poor image of the Company that can affect long-term operation. Therefore, the Company gives precedence to CSR, the development of quality of life, and community development. The Company has set related policies and guidelines. We create good relationships with government and private agencies, and also with community leaders for cooperation of sustainable and concrete community development. The Company provides technological innovation competitions, scholarship, library and playground development for rural schools. We also provide computers for students in remote areas, and training for knowledge accumulation in telecommunication technology in order to create quality personnel to Thai society. In addition, the Company operates with concern about environmental conservation and valuable utilization of available resources, with policies to promote knowledge and providing trainings in environment to motivate environmental concern during operation. We also create employee conscience through annual internal media and energy saving campaigns, with ongoing operation in compliance with social and environmental policies for living and to growing with community upon beneficence and sustainability.

2.2.2 Investment Risk of Securities Holder

The Company's management structure is composed of a total of seven committees, namely the Board of Directors, Executive Committee, Audit Committee, Corporate Governance Committee, Nomination and Compensation Committee, Risk Management Committee and Sustainable Development Committee. Because the roles of the respective committees are clearly delineated, the Company's work systems are equipped with a good standard and are easy to audit. Also, the structure of the Board of Directors consists of 4 independent directors out of 10 directors. As for the Audit Committee, it comprises 3 independent directors, each of whom has expertise. As such, they are able to audit the Company's performance with greater transparency and balance the power with regard to presenting matters for consideration in the shareholders' meetings to some extent. Furthermore, the Company has a regulation to handle the case of transactions related to Directors, the major shareholder or people authorized to control the business, as well as people that may have a conflict of interest. This regulation states that these people shall have no authority to approve the transactions, which can reduce potential risks.

2.2.3 Investment Risk of Foreign Securities

-None-

2.2.4 Financial Risks

Foreign Exchange Rate Risks

Operation of some businesses of the Company creates revenues in foreign currencies, e.g., air traffic business in Cambodia that creates revenues to the Company in USD. Or some business operation also create cost in foreign currencies, e.g., ICT Solution and Service, of which equipment is paid in foreign currencies. Therefore, the Company has been aware of the risk of exchange rate volatility during the past years up until currently, and has always implemented the policy carefully to reduce such volatility. The Company has made forward contracts of trading foreign currencies and follow up the movement of the exchange rate closely.

Interest Rates Risks

The Company and the subsidiaries have short-term and long-term loads from financial institutions. Interest rate volatility may affect financial cost of the Company. However, most are short-term loans, of which interest rates change with MOR and money market. For long-term loans, the Company receives interest rates for MLR. Differences are deducted as agreed beforehand. Loans in USD receive the interest with the difference added by LIBOR as agreed. Therefore, the Company follows up interest rates closely. In case of volatility signals, the Company may use equipment to prevent financial risks in order to limit those risks.

Risks from Doubtful Accounts

The Company contains risks of doubtful debt from different types of debtors. According to the consolidated financial statement on 31 December 2021, we have total accounts receivable of Baht 3,989.10 million which has long outstanding amount more than 12 months of Baht 3,096.30 of 77.74 % of total trade accounts receivable which considerably high and may effected to company's liquidity and profitability. Mostly of trade accounts receivable consist of government and state enterprise agencies. They still contact and trade with the group regularly, with continual settlement. As of 31 December 2021, the company has allowance for expected credit losses of Baht 2,349.35 or 58.98 % of total trade accounts receivable which sufficient and appropriate and it would be able to collect the remaining debt after deducting the allowance for expected credit losses.

3. Business Sustainability Development

3.1 Policy and Objectives of sustainable management

The Company realizes that achieving and preserving goals in accordance with its vision and missions, the Company must be committed to conduct business which responds to all stakeholders and reduce the impact on the economy, society and environment. Therefore, in order to cover and respond to the Company's stakeholders and the Company development towards sustainable business growth, it must be developed together with the social responsibility, environment and corporate governance as well as human rights as specified **the Sustainable Development Policy** as follows :

1. To commit to develop the organization based on good governance by supervising the affiliated companies to conduct business with transparency, fairness, and effective risk management. Finding the opportunities for business expansion and investing in the new businesses, and returns benefits to the stakeholders effectively and sustainably.
2. To promote business operations with responsibility to customers, partners, communities, society, as well as employees of the organization by setting policies and practices to treat all parties in the business value chain with fairness and comply with human rights principles.
3. To promote environmental conservation and the efficient use of resources, as well as encourage affiliated companies to develop and present the technologies which are friendly to the environment.

The policy and practice are disclosed on the Company's website (www.samartcorp.com).

For corporate sustainability goals of Samart Group operates within the framework of sustainable development by committing to offer technology products and services that promote corporate sustainability and enhance good quality of life. It consists of 3 parts (ESG) as below:

1) Economic dimension 	To manage and operate the business with efficiency, transparency, fairness and responsibility to stakeholders both directly and indirectly.
2) Social dimension 	To treat employees fairly and promote their potential development and career advancement as well as promote “quality people and moral society” through ongoing projects and activities for public benefit.
3) Environmental dimension 	To promote environmental conservation and intelligent and sustainable use of resources.

The Company has reviewed the Company's policies and/or sustainability goals which will be proposed to the Sustainable Development Committee and the Board of Directors' meeting for consideration, annually.

Goals and Operating Performance

1. Economic dimension

Goal	Operating Performance		
	2019	2020	2021
1.1 The assessment result of good corporate governance in "Excellent level" (5 stars)	     Excellent (Score 93)	     Excellent (Score 93)	     Excellent (Score 93)

2. Social dimension

Goal	Operating Performance		
	2019	2020	2021
2.1 Percentage of developed employee per total employees. (>20%)	41% of the total employees	23% of the total employees	53% of the total employees
2.2 Average human resource development time. (>=6 hours/person/year)	11.5 hours/ person/ year	7 hours/ person/ year	7 hours/ person/ year
2.3 Average percentage of satisfaction in developed human resources by employees and supervisors. (>90%)	95%	98%	98%
2.4 No case or complaint regarding to human rights violations by both inside and outside the organization.	No cases or Complaints	No cases or Complaints	No cases or Complaints
2.5 No cases or complaints regarding unfair treatment of workers by inside and outside the organization.	No cases or Complaints	No cases or Complaints	No cases or Complaints
2.6 No cases or complaints concerning occupational health and safety (OH&S) in the Company.	No cases or Complaints	No cases or Complaints	No cases or Complaints

2. Social dimension

Goal	Operating Performance		
	2019	2020	2021
2.7 No case or complaint for solving the problem of whistle blowing, complaints, unfair discipline and punishment.	No cases or Complaints	No cases or Complaints	No cases or Complaints

3. Environmental dimension

Goal	Operating Performance		
	2019	2020	2021
3.1 By 2022, reduce the use of resources and energy within the organization by 20% compared to 2019.			
- Water	89,116.00 (Baht)	64,627.60 (Baht) decreased by 27.48%	37,896.77 (Baht) decreased by 57.48%
- Electricity	5,336,461.00 (Baht)	4,904,500.00 (Baht) decreased by 8.10%	4,207,719.00 (Baht) decreased by 21.16%
- Stationary	48,280.00 (Baht)	38,340.00 (Baht) decreased by 20.59%	34,840.00 (Baht) decreased by 27.84%
- Fuel	1,330,538.20 (Baht)	1,269,248.96 (Baht) decreased by 4.61%	1,057,601.43 (Baht) decreased by 20.52%

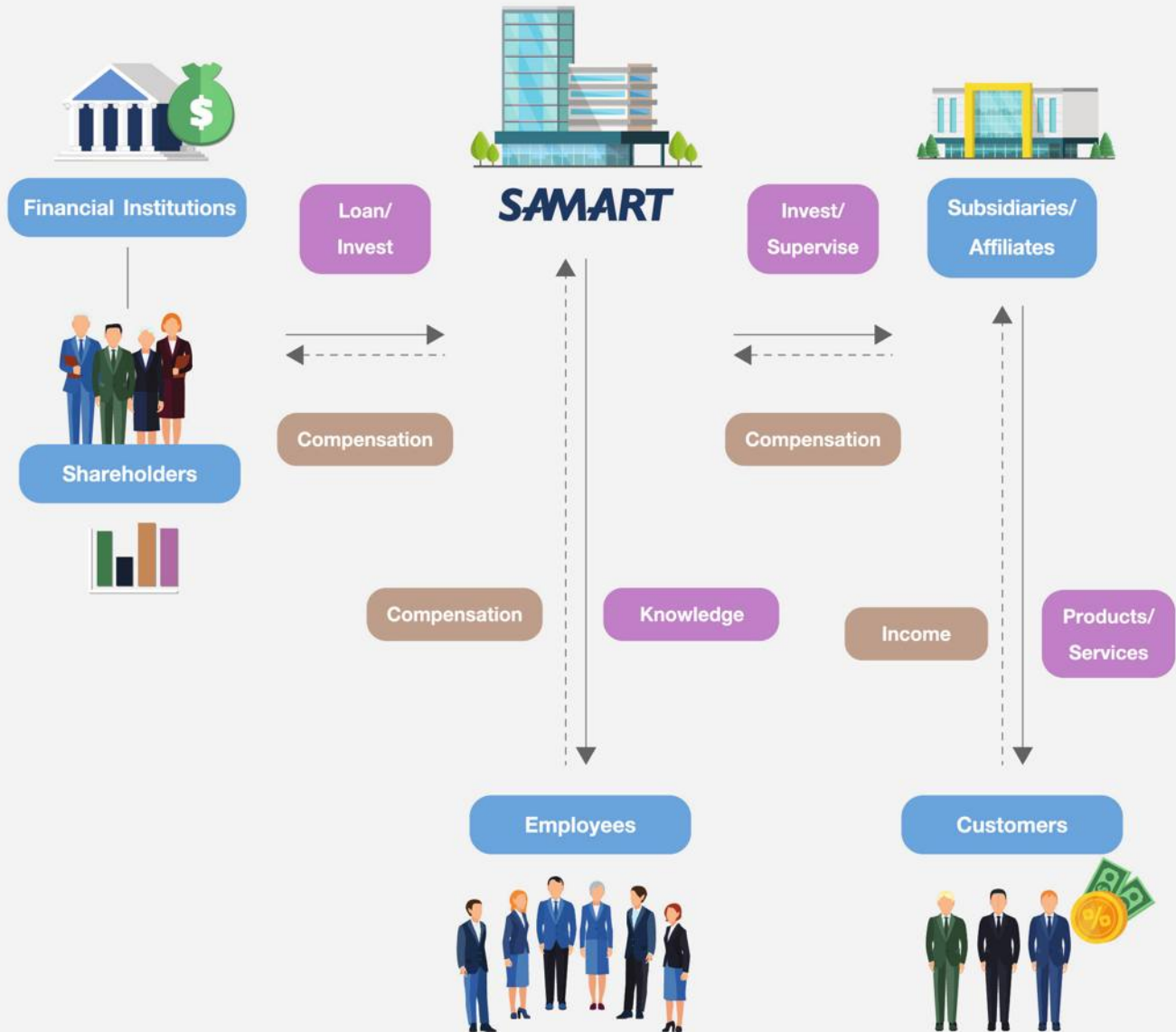
3.2 Management of impacts on stakeholders in the business value chain

3.2.1 Business Value Chain

The Company aims to create a strategy and connection between stakeholders in the business value chain, whether they are subsidiaries, associated companies, including the employees for strong growth. Serving the good service to the customers and resulting in a sustainable return to the shareholders and financial institutions as a financial support to the Company which will affect the overall economy of the country.

In addition, you can see the value chain of the ICT Solution and Service business, which is the Company's core business line operated by Samart Telcom Public Company Limited ("SAMTEL") at Annual Registration Statement/ Annual Report 2021 (Form 56-1 One Report) of SAMTEL under **topic 3.2.1 Business Value Chain**.

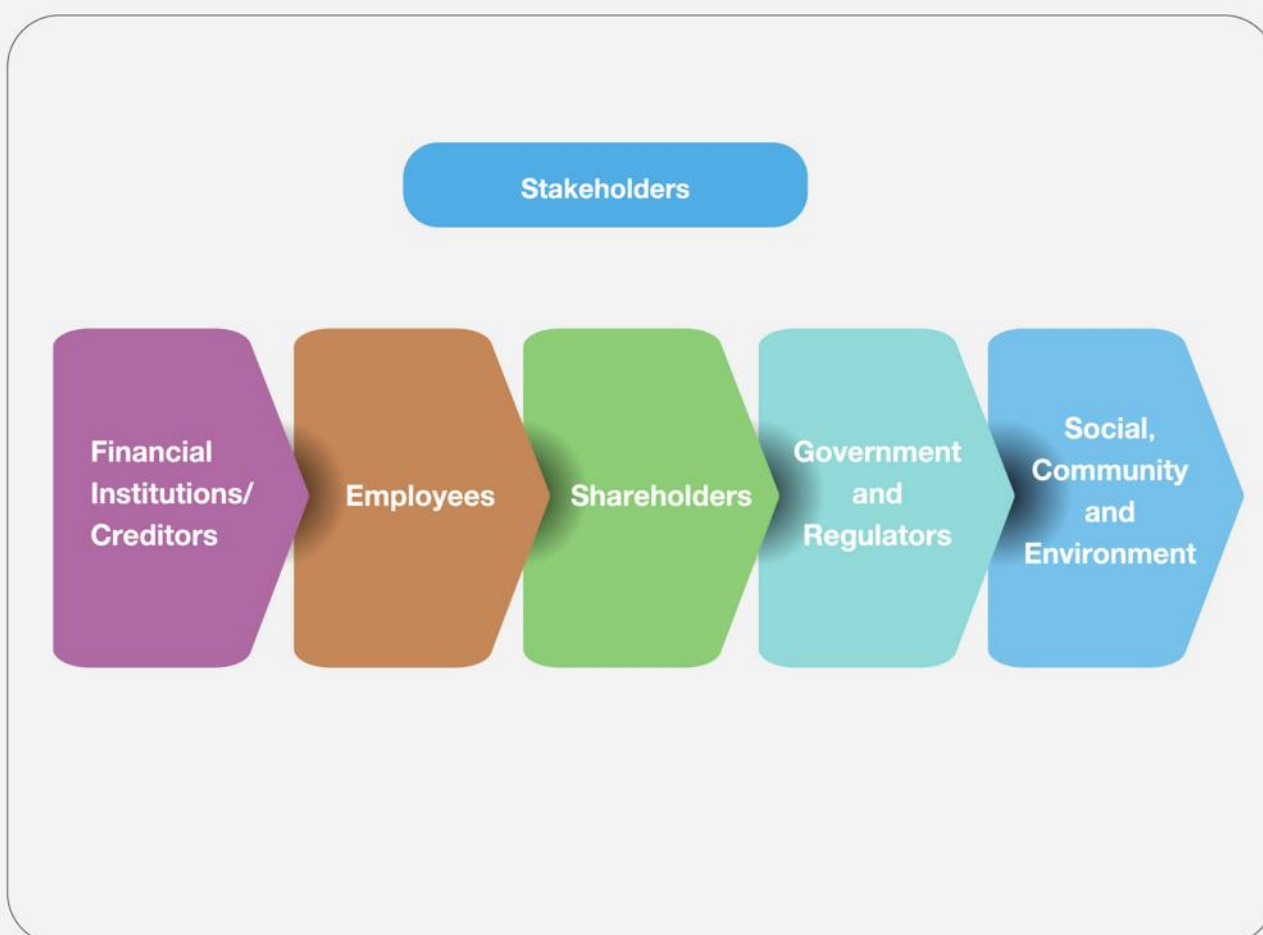
SAMART Value Chain



3.2.2 Analysis of stakeholders in the business value chain

The Company focuses on all stakeholder groups both directly and indirectly. The classification of the stakeholders is based on the impact of the Company's business operations to each stakeholder group. However, the Company has implemented all the value chains, appropriately in order to prevent business interruption and impact on all groups of stakeholders. The Company has classified stakeholders in the business value chain into 5 groups as follows :

- **Internal Stakeholders:**
 - 1) Employees
 - 2) Shareholders
- **External Stakeholders:**
 - 1) Financial Institutions/ Creditors
 - 2) Government and Regulators
 - 3) Social, Community and Environment



In 2021, we can summarize our performance to meet the expectations and needs of stakeholders as follows:

Stakeholders	Communication channel/ communication method	Expectation of Stakeholders	Response
Internal Stakeholders			
Employees	- Management Meeting twice a year. - Opportunity to communicate with a leader to exchange opinions. - Provide public relations information through various channels such as voice calls, E-mail, LINE, Facebook to notify information to employees.	- Reasonable remuneration and welfares. - Stability and progress. - Fair performance appraisal. - Good environment at work place. - Safe working. - Employee potential development. - Fair treatment to employees.	- Arranged meeting to consider the rate of salary increase and annual bonus determination according to the performance. - Provided channels for complaints, whistleblowing of offenses or corruption. - Provided Succession plan of the managements and employees. - Provided Training plans of the Managements employees. - Provided opportunities for training both inside and outside the organization. Number of training hours for the year 2021 = 7 hours/ person/ year. - Provided both onsite and online training via V-Learn. - Provided annual employees performance evaluation and communicate with a leader to exchange opinions 1-2 times/ year. - Set clearly indicators of Performance evaluation method. - Communicated public relations information through various channels such as voice calls, E-mail, LINE, Facebook to notify information to employees. - Supported the creation of new ideas and innovations as a guideline for the Company and develop the creativity of the employees.
Shareholders	<u>Minority shareholders</u> - The AGM of shareholders. - The Company's website. - The SET's website. <u>Institutional investors</u> - Analyst Meeting.	- Good Performance. - The dividend is paid at a reasonable rate. - Legal compliance, transparency, accountability and good corporate governance. - Fair treatment of all shareholders. - Acknowledge the progress of the Company's operations.	- There were jobs in various projects from government, state enterprises and the private sector, continuously. - Met analysts, investors and roadshow activities, also press conference about the Company's operating results and the Company's image. - The AGM of shareholders 1 time/year. - Published the Company's news to the Stock Exchange of Thailand and shareholders, regularly for equality. - Provided whistle blowing channels/ channels to contact the Investors Relations and the Company Secretary. - Had a good corporate governance policy.

In 2021, we can summarize our performance to meet the expectations and needs of stakeholders as follows:

Stakeholders	Communication channel/ communication method	Expectation of Stakeholders	Response
External Stakeholders			
Financial Institutions/ Creditors	- Meet and provide information to financial institutions. - Communicate via telephone and E-mail. - Meeting continuously.	- Ability to pay debt. - Transparent and up-to-date information. - Performance, business growth, and the direction of the Company. - Follow the terms and conditions. - Risk management and business continuity.	- Submitted annual progress information to financial institutions. - Invited financial institutions to attend meetings/ online meetings as necessary and appropriate. - Followed terms and conditions, manage risks and maintain business continuity.
Social, Community and Environment	- Display the Company information through the website and Facebook of the Company. - Disclose the business operations through the Annual Registration Statement/ Annual Report 2021 (Form 56-1 One Report).	- Work safely and do not effect to the community. - Support community activities and social contributions.	- Supported, promoted and participated in activities which are beneficial to the community or the public through the project "SAMART together against the dangers of COVID-19". - Provided activities to promote and develop both education and technology innovation for the Start Up entrepreneurs through the Angel Fund Thailand project. - Using resources efficiently to reduce the impact on society and the quality of life of the community and society through the project of "SAMART save the Eart".
Government and Regulators	- Reporting/ Disclosure. - Meeting. - Discussion. - Seminar/ Give opinion. - The Company's website.	- Comply with relevant laws, rules and regulations properly. - Comply with the good corporate governance policy and the Company's business ethics.	- Complied with relevant laws, rules and regulations, strictly. - Applied the good corporate governance principles in the organization, also published the policies through the Annual Registration Statement / Annual Report 2021 (Form 56-1 One Report) and the Company's website.

3.3 Management of the environmental sustainability

3.3.1 Environmental policy and practices

The Company attaches importance to business operations with environmental concerns and smart use of resources appreciating their values. It also develops and offers environmental-friendly technologies, supports environment projects, and creates true and constant environmental awareness in employees so that they join in sustainable environmental conservation. Environmental policies have been established for affiliated companies to adhere to and comply with as follows:

1. Policy in resource consumption management for maximum benefit appreciating the value of such resources as water, electricity, office supplies and vehicle fuel, etc.
2. Policy in the development of technological products and services to promote sustainable conservation of natural resources and environment.
3. Policy in continually cultivating environmental sustainability awareness in employees and stakeholders in the company's value chain, through media and activities.

However, The policy and practice are disclosed on the Company's website (www.samartcorp.com).

3.3.2 Environmental Operation Results

Samart Corporation Public Company Limited's environmental management

Samart Corporation Public Company Limited realizes the importance of environmental problems, which can impact our way of living and doing business both directly and indirectly.

The Company is thus determined to manage and operate its business without causing negative impact on environment, community and society throughout the business value chain by adhering to sustainable development guidelines in three dimensions: economically, socially and environmentally. Policies and guidelines have been formulated for energy efficiency appreciating its value. Employees are encouraged to make optimum use of resources, aware of environmental conservation. Knowledge about environmental management is disseminated to groups of stakeholders and continued support given to environmental conservation activities. In 2021, Samart Corporation Public Company Limited's environmental management performance according to its Sustainability Development Roadmap (SD Roadmap) is described below:

Performance in promoting reduction in energy and resource consumption

1. Energy Conservation

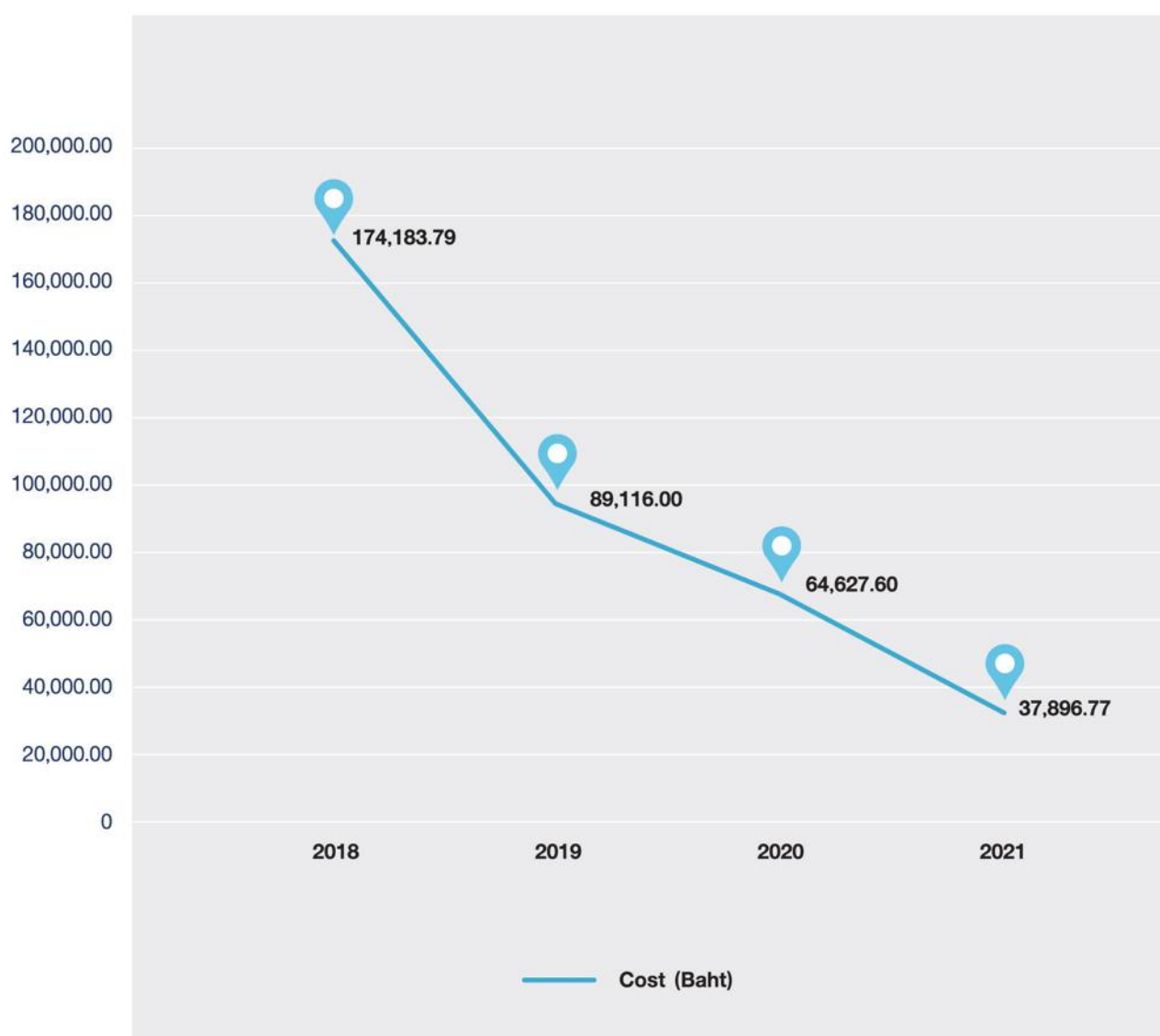
Samart Corporation Public Company Limited attaches great importance to energy efficiency, appreciating its value. To make optimum use of energy, policies and work plans have been set with the concrete aim to reduce energy and resources consumption by 10% annually. In addition to reducing the cost of energy and resources, this should help alleviate the problems and lessen the impact of climate change. The reduction of energy and resources can be summarized as follows:

1.1 Running water

Ongoing campaigns are run to encourage awareness in employees of the value of water so they use it sparingly. The low-flow water-saving approach has also been implemented. As a result, water consumption by Samart Corporation Public Company Limited is on a continuously decreasing trend.

Samart Corporation Public Company Limited's water consumption from 2018-2021

Year	2018	2019	2020	2021
Cost (Baht)	174,183.79	89,116.00	64,627.60	37,896.77



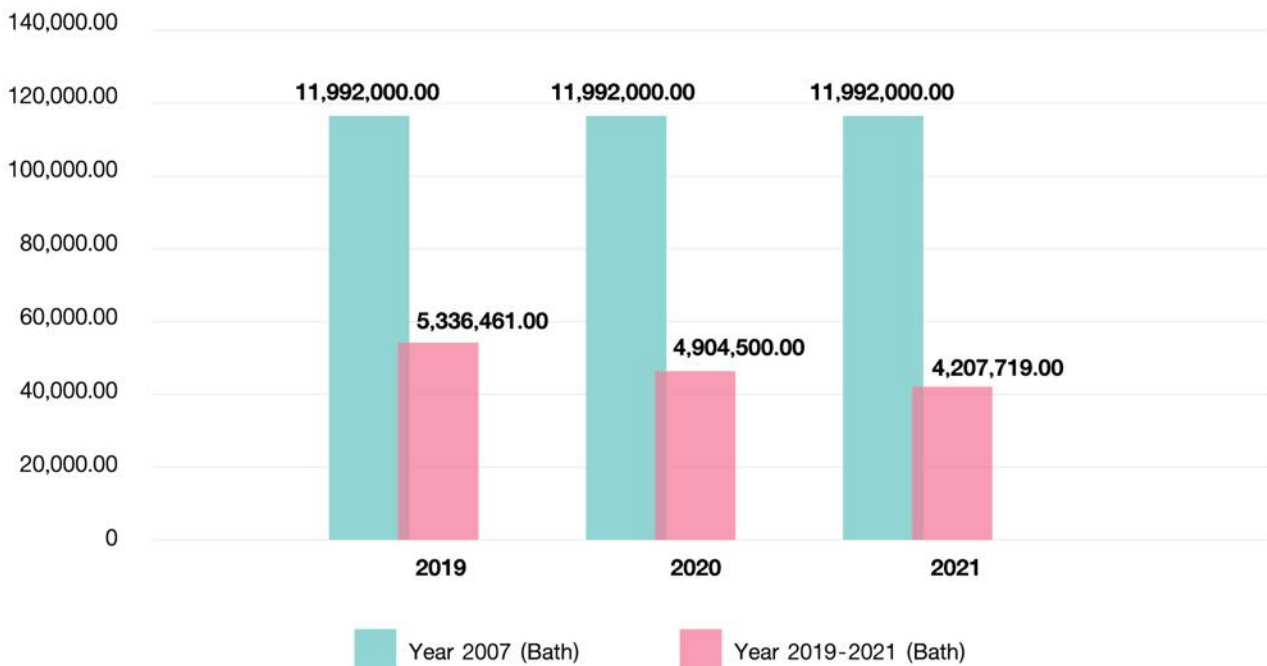
1.2 Electricity

To manage energy used by both lighting and air conditioning systems efficiently, the Company has installed and maintained monitoring equipment to control the operation of related electrical systems. Campaigns are run to encourage awareness in employees of smart use of electricity. This includes turning off lights in the office during lunch break and when not in use. In addition, office air conditioners are set to turn on at 8:00 a.m. and turn off at 5:30 p.m. Data shows that in 2007, the average annual electricity cost was approximately 11 million baht. After implementing such measures, the annual electricity cost has now been reduced to 4-5 million baht, representing a significant reduction in electricity consumption.

Samart Corporation Public Company Limited's electricity consumption from 2019-2021 compared to that in 2007

Year	2007	2019	2020	2021
Cost (Baht)	11,992,000.00	5,336,461.00	4,904,500.00	4,207,719.00

Statistics comparing electricity costs between 2019-2021 when compared to 2007



There has also been a policy to modify or replace various devices in the office with the aim to reduce electricity consumption continuously including the following;

1.2.1 Replacement with LED energy-saving bulbs: Following the sustainability development plan (SD Roadmap), in 2011, all T8 bulbs were replaced with energy-saving T5 bulbs. Subsequently, the company gradually switched from T5 energy-saving bulbs to LED ones. So far all the bulbs have been replaced. This has helped save electricity by up to 50% and the Company plans to continue using LED bulbs.

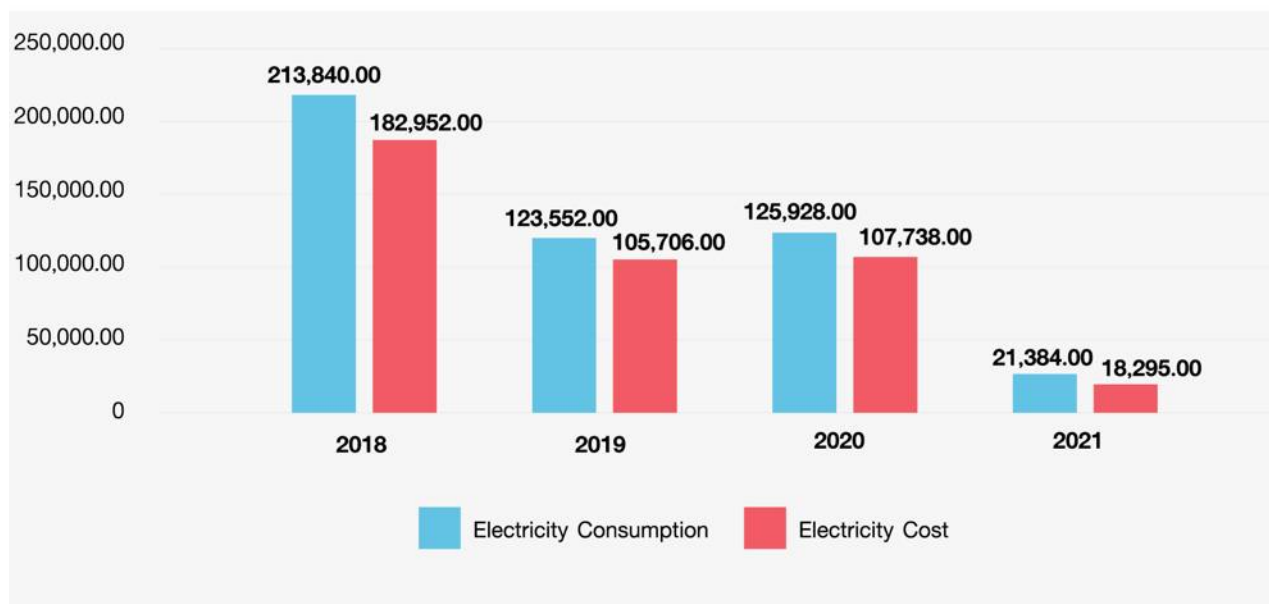
1.2.2 Samart Corporation Public Company Limited has been replacing personal computers with notebooks, starting the project in 2018. The objective is to increase work efficiency as well as to reduce electricity consumption. Compared to a PC computer which consumed 220 watts, it was found that a notebook consumed only 9 watts. In addition, as a notebook uses less electricity, the heat build-up in the device also goes down, in turn reducing the heat emitted into the office space, thereby reducing the workload of the air conditioner at the same time.

During the four-year period from 2018 to 2021, a total of 204 personal computers were replaced. The purchase of the notebook replacements represented a total cost savings of 944,520 baht (15% reduction), compared to the cost of personal computers. The use of electricity was also reduced by approximately 87,912 kilowatt-hours, or a decrease of 75,214 baht in terms of electricity cost. This plan to replace personal computers with notebooks has been regularly implemented and reviewed.

Cumulative electricity consumption, by personal computers and by notebooks compared

Year	2018	2019	2020	2021
Number of notebooks	90	52	53	9
A decrease in electricity consumption in kilowatt hours per year compared to PC's	213,840.00	123,552.00	125,928.00	21,384.00
A decrease in electricity cost in baht per year compared to PC's	182,952.00	105,706.00	107,738.00	18,295.00

Statistics on the amount of electricity and electricity costs when switching from PC to Notebook during the year 2018-2021

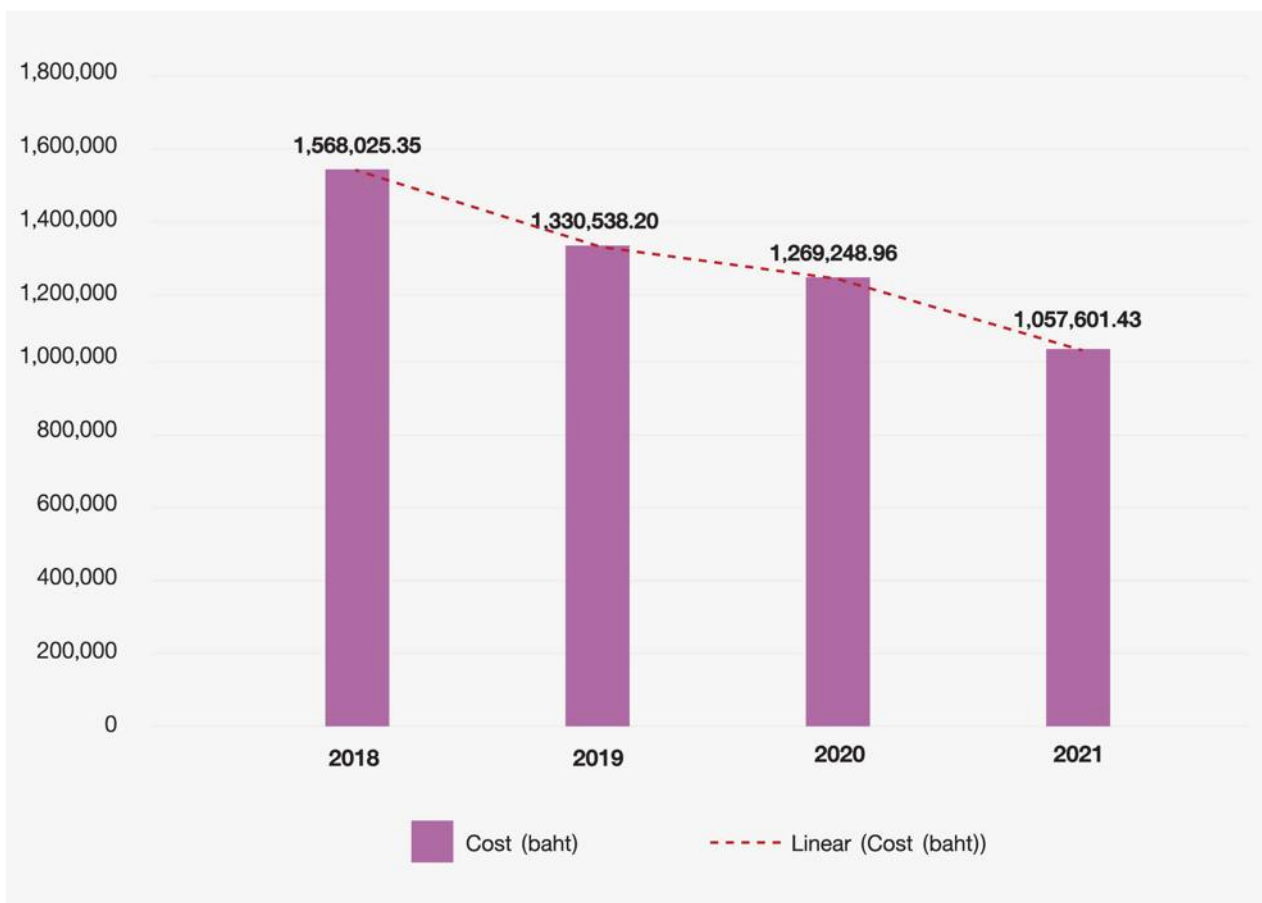


1.3 Fuel

Samart Corporation Public Company Limited has a practice guideline with the aim to reduce vehicle fuel consumption as well as travel. Technology has been brought in for the purpose befitting the digital age. Instead of meeting with clients onsite, online meetings are arranged. This has improved work efficiency while also reducing the operating costs of the organization. The Company's fuel consumption is thus on a continuously decreasing trend.

Samart Corporation Public Company Limited's fuel consumption from 2018-2021

Year	2018	2019	2020	2021
Cost (baht)	1,568,025.35	1,330,538.20	1,269,248.96	1,057,601.43



2. Reducing the use of resources

"Paper" is a resource in the category of consumable office supplies, necessary for the operations in the organization. Considering important the concept of smart use of resources, Samart Corporation Public Company Limited has embarked on the idea of paperless operations. Thus digital platforms have been established for various work systems in order to reduce the use of paper in printing documents. This has added to convenience and work efficiency while also reducing the organization's operating costs.

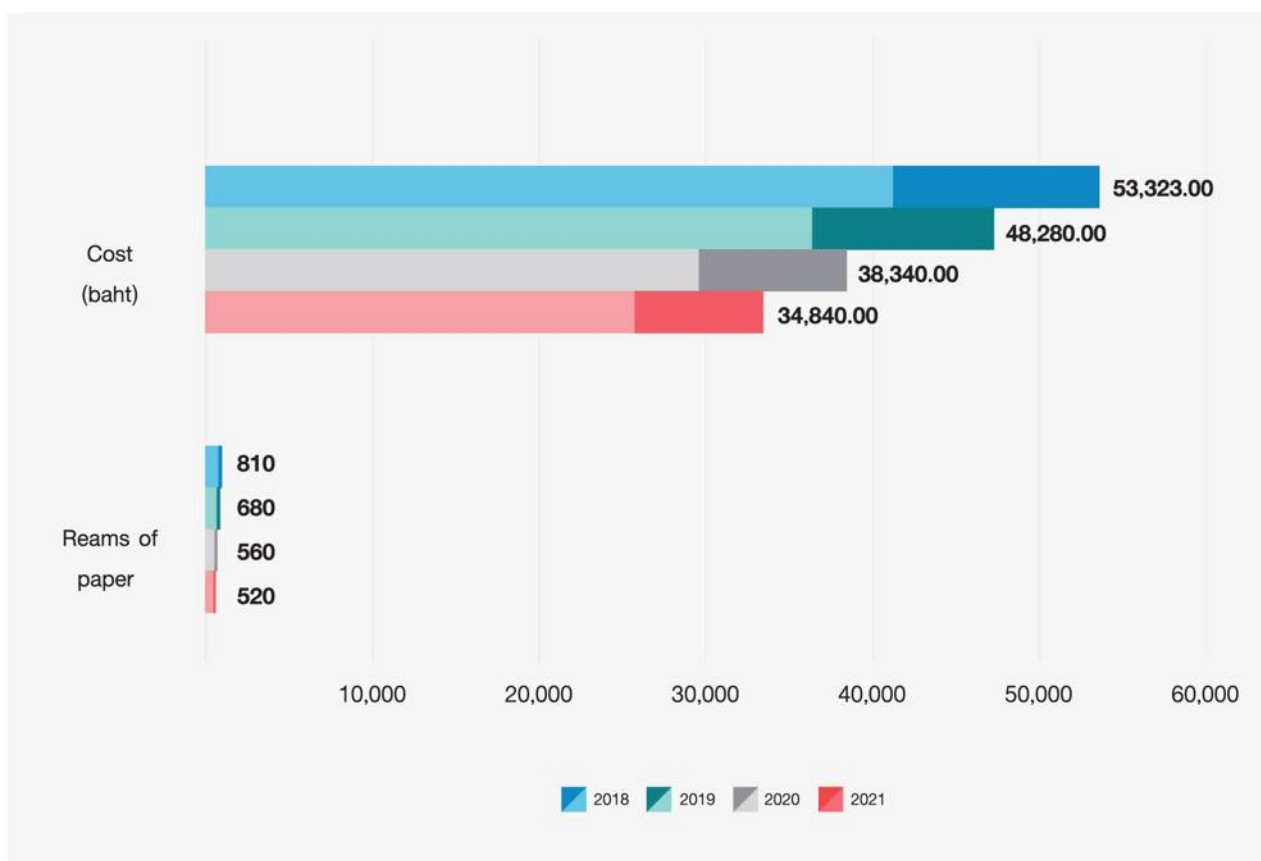
In 2021, it was found that the amount of paper used in business operations of Samart Corporation Public Company Limited had steadily declined. During the first half of 2021, the amount of paper used stood at 0.72 tons (1 ream = 2.5 kg), a decrease of 1.3 tons when compared to that in 2018. Considering that it requires 17 trees and 31,500 liters of water* to produce one ton of paper, the reduced amount used by the Company thus means a number of trees used to produce 1.3 tons of paper need not be cut down and water use in paper production is also reduced by 40,950 liters of water.*

Source: *Paper for Trees Project by the Media Center for Development Foundation

Amount of paper used in business operations at Samart Corporation Public Company Limited from 2018-2021

Year	2018	2019	2020	2021
Reams of paper	810	680	560	520
Cost (baht)	53,323.00	48,280.00	38,340.00	34,840.00

The amount of paper used in the Company's operations during 2018-2021



3. Waste reduction

Samart Corporation Public Company Limited pays attention to waste management from operations, with standard management to reduce environmental pollution problems. Reuse is promoted and employees are encouraged to be environmentally conscious both at work and outside work. It is hoped that the concept will rub off on the employees' families and further on their communities.

From 2019-2021, Samart Corporation Public Company Limited ran environmental campaigns particularly dealing with pollution from waste, which had been increasing every year. The “Samart Saves the Earth” project has garnered interest and participation from employees continuously.



3.1 In the “Plastic Bag Use Reduction (2019)”

Project, campaigns were held to reduce and reuse plastic bags. Cloth and paper bags were provided on every floor of the office building for use and reuse by employees. Cloth and paper bags were also collected and delivered to hospitals where patients can use them to carry home their prescription drugs and medical supplies.





3.2 In the “E-waste Disposal (2020)”

Project, campaigns were held to promote proper waste sorting and management. The main focus was on the concept of first using electronic items effectively, then sorting and disposing the e-waste properly. **“E-waste needs to be disposed of properly to avoid the risk of toxic materials contaminating natural resources.”** E-waste bins were placed at drop-off points so the e-waste could be collected and then disposed of properly and safely.



3.3 In the “Recycling (2021)”

Project, campaigns were held to raise awareness of proper waste sorting and management focusing on the recycling concept. Plastic water bottles sorted out and left in recycle bins provided were subsequently collected and donated to be finally recycled into PPEs for medical personnel.



Samart Corporation Public Company Limited's Waste Reduction Performance from 2019-2021

Projects/ Activities	Number of participants	Waste amount entered into project	Project duration	Remark
Plastic bag use reduction (2019)	200	2,000 cloth and paper bags received	6 months	Donated to four hospitals nationwide
E-Waste disposal (2020)	250	100 Kg. Of e-waste received	6 months	Delivered to AIS E-Waste project
Recycling (2021)	300	3,000 plastic bottles received	4 months	Delivered to Chakdaeng Temple in Samutprakan province to be recycled into PPEs for medical personnel during the Covid-19 situations

4. Reduce the greenhouse gas emission

The Company realizes that the problem of greenhouse gas emissions is a major cause of climate change and global warming and that the company's activities may contribute to the emissions with the energy consumption for air-conditioning, lighting, and use of office equipment as well as vehicle fuel consumption. However, the company does not yet have the data nor the experience in proper and accurate GHG mitigation management to report on performance in this area in 2021. Any clear results will be duly reported later on.

3.4 Social sustainability management
3.4.1 Social policy and practice


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 and build 4 strategic corporate cultures including of Think Ahead, Customer Focus, Team of Professional, and Commit to Excellence to suit business operations in the digital era. However, the Company adheres and follows with human rights policy in business operations in accordance with the Universal Declaration of Human Rights ("UDHR"), fair treatment of labor and labor law which disclosed at the Company's website. In addition, especially in the year 2021, the Company has essential company policies, working plans and measures preparing for the situation of the COVID-19 pandemic as well as the occupational health policy, safety and hygiene in various operations in order to implement human resource management and development policies and support all business processes to be continued with maximum efficiency and effectiveness to create success and growth of the company sustainably.

❑ Policies related to social, community and public responsibility

- Responsibility to society as a whole

The Company recognizes that it can survive and grow in a society. Therefore to bring about societal progress, the Company has policies to:

1. Participate 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.
2. Support educational activities, vocational development, athletic ability as well as sanction for outreach people.
3. Support and aid society and community, and also always aid sufferer.

- Responsibility to community

The Company has defined the scopes and practices on strengthening the closed relationship with surrounding and nearby communities 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. To provide buildings, materials including funds to oversee the livelihood condition and safety of the communities, 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 schools in nearby areas, restoration of the temples and donation of money to the poor in the communities;
3. To 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 people who were suffered from flood;
4. To cultivate consciousness to the Company's employees on responsibility to the society, community and environment via media and internal activities continually.

❑ Fair Labor Treatment

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 well as complying labor law as follows:

1. Respect for the right to work pursuant to the fundamental human right principles.
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 health check with medical consult as project "Doctor consultation" for employees at all levels 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.

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 with medical consult as project "Doctor consultation" for employees at all levels.

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.

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

1) Human Resources Management Policy

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

- **SAMART Policy for managing COVID-19 pandemic situation**

For supporting all SAMART lines of business and organizations to operate efficiently and continuously, increasing safety and reducing the risk of infection for employees. The company has consequently formulated the policy to manage the pandemic situation of Covid-19 as follows;

1. The company has appointed a committee to prevent and deal with the pandemic of Covid-19 of the group of companies by setting up 4 working groups which has divided duties and synergy including of the working group on pandemic prevention working group, incident response working group, public relations working group, and business continuity management working group. Each working group clearly defines policies and procedures for each situation, and holds a meeting of the committee to closely monitor the situation every week or two as necessary. In addition to working groups and related functions such as the Human Resources and Public Relations Department continuous providing advice and assistance to employees being infected and high-risk exposure continually.

2. The company has complied with the government policy including the order of Nonthaburi Province Regulation and strictly follow VUCA measures (V: Vaccine, U: Universal Prevention, C: COVID Free Setting, A: ATK) including of assistance in providing vaccination channels for employees to be fully vaccinated, Universal Prevention campaign which includes social distancing, work from home, split teams, separation of the workplace (Split Site) meaning making partitions in the workplace, mandatory to wear a mask at all times, regular cleaning of frequently touched surfaces, compliance with corporate safety measures (Covid Free Setting) such as cleaning, disinfecting, and social distancing, and promoting the use of online meetings instead, etc. Moreover, The company also provides an ATK test in case employees are at risk of infecting COVID-19 virus as well as regularly screening the risks of building operators on a regular basis.

3. The company has arranged for the departments related to customer service and performing duties with business partners to be able to work continuously in parallel with the prevention of COVID-19 strictly providing effective customer service and working with business partners and safe from covid-19.

- **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 both current and new company business meeting company's vision and mission sustainably.

- **Recruitment & Selection Policy**

Proactive recruitment approaches have been applied in acquiring capable people at all careers, levels and positions 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 preparing for company business regarding to account measures to prevent and reduce the risks and impacts of the COVID-19 pandemic. So the selection of employees is transparent, appropriate and support the Company's business situation to lead to the sustainable success of the Company.

- **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 2020, the Company has applied new global standard application 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 Information 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 procedures by portal services as regarding to account measures to prevent and reduce the risks and impacts of the COVID-19 pandemic. 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 "Open mind box".

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 overseas digital business expansion to "professional" and opportunities for advancement of employees. 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 regarding to account measures to prevent and reduce the risks and impacts of the COVID-19 pandemic.

- **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 regarding to account measures to prevent and reduce the risks and impacts of the COVID-19 pandemic 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, E-Learning and V-Learn (Internal Online Training of the Company) 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 regarding to account measures to prevent and reduce the risks and impacts of the COVID-19 pandemic.

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 form of classroom training and external E-Learning 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 regarding to account measures to prevent and reduce the risks and impacts of the COVID-19 pandemic.

- **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” and V-Learn (Internal Online Training of the Company) 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.

The Company has provided the training continuously and systematically in order to promote opportunities for them to have knowledge, management skill, problem solving skill and making effective decision. In addition, the Company has arranged internal and external training course and has also been sending staff to training with following institutions.

□ Customer policies

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

1. Determine to provide and 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 confidential and refuse to use them for personal benefits.
7. Support all activities that will strengthen, as well as maintain, lasting and good relationship between Company and customer.

□ Community and Social Development

SAMART put an emphasis on leveraging the quality of life and developing prosperity to the community and society by establishing the policies and best practices to achieve the mission of “**Create Quality People; Promote Moral Society.**” The detail were published at www.samartcorp.com

❑ Human rights policies

The Company adheres and follows with human rights policy in business operations in accordance with the Universal Declaration of Human Rights (“UDHR”) to ensure that the Company’s operations are free from human rights violation. The Company deems it appropriate to formulate policies and guidelines to prevent human rights violation in all business activities of the Company including business partner in business value chain and business associates are aware of the policies in the same principles and practices, such as, Employees treatment with equality Equal treatment and indiscrimination of the Company’s stakeholders, Human Rights Risk and Impact Assessment and Suggestions and complaints of human rights violation Any person who violated this human rights policy are considerate violating against the Company’s business ethics and shall be disciplined in accordance of the Company’s regulation. In addition, violators may be penalized legal punishment if such action is illegal. The Human rights policies were published at www.samartcorp.com

3.4.2 Social Operation Results



1. Social Performance related to employees and employment

In 2021, the Company treats all employees and workers regarding to human rights by Human Resources Management and Development since the hiring process with fair compensation, personnel development, developing employee engagement and satisfaction as well as the management of occupational health and safety and working environment in addition to efficient management of the COVID-19 virus pandemic situation. Consequently these lead to no cases or complaints about human rights violations, unfair treatment of workers, and other cases or complaints both inside and outside the company. The company has details of employment in 2021 as follows:

1) Employment

Detail	Total employee (Person)		
	Male	Female	Total
The Company’s employees	110	46	156
The subsidiaries’ employees	1,263	559	1,822
Total	1,373	605	1,978

2) Employees’ Training

In 2021, the Company concentrated on continuous developing potential employee knowledge and competence at all levels to “professionalism” and increase opportunities for employee career development by combining both skill and knowledge development as well as cultivating corporate culture and ethics altogether in accordance with the Company’s business strategy and guidelines preparing for now and future regarding to various measures in order to prevent and reduce the risks and impacts of the COVID-19 pandemic. The Company has organized 157 training courses for permanent and contract employees, with a total of 19,582 hours of training for employees a year, an average of 7 hour/person/year that higher than the specified target. Moreover, training and development satisfaction survey of employees and supervisors is agreeably more than 90 percent.

Summary of Training to managements and employees of the Company and its subsidiaries in 2021

Training	Frequency (Times)	Number of Participants (Persons)
In-House Training		
Managements	27	706
Employees	38	1,967
Sub-Total	65	2,673
External Training		
Managements	53	130
Employees	39	158
Sub-Total	92	288
Total	157	2,961

Training Expenses in 2021

In 2021, according to The COVID-19 situation. Total expenses concerning the employees' participation in the trainings domestically and abroad of the Company and its subsidiaries were Baht 1 million. Total employees' training hours were 19,582 hours per year or averagely 7 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

- Management Course (E-Leaning Online)
 - Performance Management
 - Presentation Boot Shot
 - New Business Model
 - Personal Data Protection Act (PDPA)
- Employee Course (E-Learning Online)
 - Personal Data Protection Act (PDPA)
 - ISMS Awareness for User
 - First Aid & CPR
- - Project Management Course (E-Leaning Online)
 - Project Management
 - Electronic Bidding: e-bidding
 - Personal Data Protection Act (PDPA)
- Sales Course (E-Leaning Online)
 - Selling Skill
 - Presentation Boot Shot
 - Growing your Business
 - New Selling Skills
- Basic Thinking Skill (E-Leaning Online)
 - Problem Solving & Decision Making
 - Systematic Thinking & Applied
 - Logical Thinking & Lateral Thinking
 - Systematic Thinking & Analytical Thinking
- Supervisory Skill for Success (E-Learning Online)
- Leadership Within You (E-Learning Online)
- Finance & Account Course (E-Leaning Online)
 - Financial Statements Management
 - Cash Flow Statement
 - Cost Accounting Theory
 - Financial Statement Analysis
- IT Course (E-Learning Online)
 - Big Data
 - The Personal Data Protection Act B.E. 2019
 - ISMS Awareness for User
 - Personal Data Protection Act (PDPA)
- Flying your Digital Transformation Success (Online)
- TREND TALK Cyber Security (Online)
- Update Provident Fund 2021 (Online)
- SAMART Mail (WebEx Online)
- Enhance Effective Communication by Positive Thinking and Behavior (5 Models)
- Effective Communication at workplace (3 Models)
- Safety in Electrical Works
- Orientation Samart Group (2 Models)
- First Aid & CPR

External and international Courses

- Sustainability Reporting by Industry, Class 2, Technology Group. (Online)
- Project to raise awareness of government officials according to good governance against corruption. (Online)
- Corporate Sustainability Strategy. (Online)
- Prevent fraud detection Build a sustainable business. (Online)
- Business Model Reinvention. (Online)
- HR after COVID-19. (Online)
- 4 Digital Transformation COVID-19. (Online)
- Data Governance and Data Architecture. (Online)
- Director Accreditation Program. (DAP) (Online)
- CFO Refresher course. (Online)
- Mini MBA Digital Marketing Management. (Online)
- Digital Soft Skill Showcase: Lead Yourself in Digital age. (Online)
- Company Secretary Program. (CSP online)
- Introduction to Employment Contracts & Things Entrepreneurs Should Watch. (Online)
- Overseas Purchasing Techniques. (Online)
- Cyber Defense Initiative Conference 2020. (Online)
- Big Data & Cloud Computing 2021. (Online Conference)
- Review of tax laws and accounting standards that are important to the audit of the tax auditor, along with tax guidelines for proper management.
- Information Security Lead Implementer ISO/ IEC27001:2013
- Roles & Authorizations Program SAP.
- Further Offshore Emergency Training.
- Intensive Project Management with Experience Workshop.
- Implementing Cisco Enterprise Advanced Routing and Service.
- Deferred Income Tax Year 65 and its Effects on TFRS16.
- Responsibilities of bookkeepers and bookkeeping in accordance with important accounting standards.
- Advanced Microsoft Excel.
- Safety officer at supervisor level program.
- Fusion Splicer and Test & Measument.
- Implementing Cisco Enterprise Network Core Technologies.
- Screening for Covid 19 infection with Antigen Test kit. (ATK).
- Introduction to Smart Grid Introduction to Smart Grid. (Online)
- Energy Storage for Power System. (Gen2) (Online)
- Furukawa Cabling System. (Online)
- Data Flow Diagram for PDPA. (Online)
- Mindsets to Win in the Covid ERA. (Online)
- How to change from Manual Testing to Automated in Practice Workshop. (Online)

Furthermore, the Company has also supported academic scholarship for potential employees in order to continuously increase their owned knowledge and skills from 2004 until the present.

3) Safety, Occupational Health and Working Environment

In 2021, the company strives to carry out all-round work safety and enhance safety systems and control policy for continuous maximum efficiency to reduce the risk of accidents caused employees injury and death as well as strengthened sustainable business stability. These also focus on occupational health and safety and working environment in addition to sanitation through educating all levels of employees and setting measures for all new employees to check up their health before on boarding including annual health check with medical consult as project “Doctor consultation” for employees at all levels to ensure that all employees are in good health and ready to efficiently work by which the company subsequently reduce the risk of accidents leading to injury and death of employees.

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 annual health check with medical consult as project "Doctor consultation" for employees at all levels.
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.

In addition, the Company determines the welfare to employees fairly. 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 2021, total amount of medical treatment fee reimbursed by the employees of the Company and its subsidiaries amounted to Baht 2.1 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 health check with medical consult as project "Doctor consultation" for employees at all levels 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.

Record on 2021 accident at work of Samart's Group

Line of Business	Lost Time Accidents in 2021 (Time)
1. ICT Solution and Service	1
2. Digital	None
3. Utilities and Transportations	None
4. Technology Related Services	None

4) The Employee Engagement

In 2021, the Company concentrates on the importance to build relationships among companies. top management and employees at all levels including of supporting two-way communication within the organization by which the process is listening various opinions by exchanging of ideas or presenting new ideas in the creativity of employees and utilize them to be company operational guidelines and enhance company operational processes more effective such as SAMART Management Meeting twice a year and project "Open mind box" for direct listening the opinions of employees at all levels. Additionally, there are various company club society activities for employee participation such as the D-Club and other clubs, etc. These company activities is prepared and operated by regarding to prevent and reduce the risks of COVID-19 pandemic enabling various company operational problems being effectively solved and significantly developed. As a result, overall employees have higher rate of satisfaction with the organization leading to reduce the voluntary resignation rate of employees (Turnover rate).

5) Managing the pandemic situation of COVID-19

The result of complying with the prevention and response policy of the Covid-19 pandemic situation. As a result, the number of infected employees of the company is very low and no continuous pandemic in the office. Efficiently, all employees can work without affecting the operations of the company. On the other hand, employees who have recovered from illness return to usually work and receive follow-up from the company for symptoms persist both short-term and long-term.

2. Social Operating Result about Customer

Customer satisfaction is one of the important factors for the Company's sustainability development and key targets. The Company, therefore, emphasizes all services, delivered to customers with quality compliant with international standards, ranging from consultancy, design, installation, implementation and delivery to after-sales services in order to respond to customer requirements and achieve satisfaction of customers in both government and private sectors.

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

In 2021, the external, neutral party conducted surveys by interviewing customers every time after-sales services delivered by service teams. 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's customer satisfaction survey of 2,848 total responses in 2021 found that overall score was at high level with average score of 4.78 out of 5.00 or 95.68 percent (close to average score in 2020 at 4.80 or 96.04 percent). Rated by customers, 78.90 percent of total number of responses was "Excellent" (slightly decrease compared to 80.66 percent in 2020) and 20.80 percent represented "Good" with 0.21 percent as "Fair", 0.1 percent for "Need Improvement", and none indicating "Must Improve".

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

Please see more detail at the Annual Registration Statement/ Annual Report 2021 (Form 56-1 One Report) of Samart Telcoms Public Company Limited and Samart Digital Public Company Limited.

3. Social Operating Result about Community and Society

Community and social activities under the concept of **"developing quality people and promoting a moral society"**

The Company attaches great importance to upgrading the quality of life as well as contributing to the development of prosperity for the community and society. Policies and practice guidelines under the concept of "developing quality people and promoting a moral society" have been set, details of which are published on the Company's website, www.samartcorp.com under **"Corporate Governance"**

"Developing quality people"



Human resources are the key driving force behind the progress of society, economy and the nation. The Company therefore focuses on "developing quality people" both within and outside the organization, providing support of several kinds through various projects and activities as follows:



1. Angel Fund Thailand 2021 Project

- In this project, the Company provided grants amounting to 580,000 baht to a total of 21 teams of new business entrepreneurs in the Deep Technology group. Their projects were considered by the committee as outstanding, valuable, and beneficial to society and environment. Meanwhile, all the 50 finalists were provided with consultancy and knowledge in technology as well as business and marketing.

2. Sports Sponsorship

- Phrae United Football Club's participation in the 2021 Thai League Football Tournament was sponsored by Samart Telcoms Public Company Limited.

3. Development of quality people within the organization

- The "Long Learn 2021" project represented a year of learning and self-improvement, encouraging employees to keep learning and developing their potential. Employees can access V-Learn self-study online courses offering various kinds of content and skills necessary for them anywhere anytime.

4. Technology Knowledge Support

- The seminar titled "Digital Transformation Solutions: Re-imagine Innovation with Technology" was organized by Portalnet Company Limited in collaboration with IBM Thailand, a business partner. The objective was to present a comprehensive organization management approach for large organizations to enhance their readiness for the transition to a full-fledged digital era.



"Promoting a moral society"

The Company earnestly encourages employees to take initiatives for the benefit of society, stimulating their volunteer spirit to help, share, and do good deeds for society, through the "D-Club," formed by a group of volunteering employees. Other activities beneficial to society are also held and contributions to various public charitable activities continuously made by "Samart Foundation."

1. Volunteering power contributing to social development

- "Sharing is Caring: Donate Blood," a blood drive project, is run annually in cooperation with Thai Red Cross Society. Run twice in 2021, the campaign achieved a collection of 94,450 CC. of blood donated by employees and members of communities nearby.





- The “Thak-Boon” Crocheting for Charity Project, held for the 7th consecutive year, saw employees help make 450 woolen hats for those in need including cancer patients at Ramathibodi Hospital and those facing cold weather in Chiang Rai Province (through the Mirror Foundation).



- In the Be Vision–Be Future project, volunteer employees helped type up exam prep textbooks for the Foundation for the Blind in Thailand and Bangkok School for the Blind in producing Braille books and audiobooks for visually impaired youth nationwide.



- A total of 300 pre-owned dolls in good condition were collected and then cleaned by CLEANMATE. They were subsequently given to long-stay pediatric patients at Children's Hospital and to underprivileged children in welfare homes nationwide.

2. Social responsibility and acts of support during the COVID-19 pandemic situations

- **Measures to cope with COVID-19** in the organization were set. Examples included proactive Covid-screening using the Antigen Test Kits for executives and employees by Nonthaburi Provincial Public Health Office, use of effective body temperature monitoring system, and mask wearing campaigns. Social distancing measures were also in place including working from home, video conferencing, safer elevator use practice, and arrangement of work hours and lunch breaks to avoid crowded office space. In addition, public relations campaigns were run all year round through various media to provide the pandemic-related knowledge and information.

- A fund of 100,000 baht was contributed to **Thammasat Chalermprakiet Hospital** by Samart Corporation Public Company Limited for the purchase of medical equipment in dealing with the Covid-19 pandemic.
- A fund of 250,000 baht was contributed to Kasetsart University in **support of its operation of the KU Vaccination Center Fighting against COVID-19.**
- **Mobile phones were provided for Ramathibodi Hospital and Thammasat University Hospital** by Samart Corporation Public Company Limited in support of their coordinating work efforts during the COVID-19 situations.
- **Medical supplies** such as medical masks and alcohol of 100,000 baht value for use by medical personnel were presented to Nonthaburi Provincial Public Health Office by Samart Telcoms Public Company Limited and Samart U-Trans Company Limited.
- **A total of 13,800 masks, of 110,400 baht value, were donated to Pakkred Boys Home (Baan Phumiwate)** by Samart Telcoms Public Company Limited.
- **Paper crates and corrugated paper boxes** left in donation bins by employees were collected and then delivered to the SCGP plant to be recycled into cardboard beds for field hospitals nationwide.
- Cambodia Air Traffic Service Company Limited, a company in Samart Group, made **donations of items to help Cambodians** in the red zone of Siem Reap, Cambodia affected by the COVID-19 pandemic.



3. Fostering Buddhism

- Samart Telcoms Public Company Limited co-hosted **Kathin ceremonies** at Wat Thammawong and Wat Sri Udom, Lopburi Province and Samart Corporation Public Company Limited at Wat Phra That Doi Wiang, Chiang Mai Province.

4. Supporting other social projects

- In cooperation with the Royal Thai Embassy and the Thai private sector, Cambodia Air Traffic Service Company Limited, a company in Samart Group, made **donations of money and items for young cancer patients** to Japan Heart's Hospital, Kandal Province Cambodia.

4. Management Discussion and Analysis (MD&A)

Performance Overview

In 2021, Samart Corporation Pcl., or SAMART, had a total revenue of Baht 7,129 million. Decreased from 2020 by 24.88%. In 2021, the revenue from sales, contracted work and services decreased from Baht 9,106 to Baht 6,955 million or 23.62%. The decrease was due to the COVID-19 impact to the ICT Solution & Service and Utilities and Transportations business, especially the air traffic management business in Cambodia.

The Company had Baht 7,111 million of expenses in 2021, which decreased by Baht 2,363 million or 24.94% from 2020. The gross profit margin was 14.18%, compared to the year earlier of 12.21%. Besides, the Company's selling, distribution, administrative and other expenses were Baht 1,142 million in total, which decreased by Baht 337 million or 22.80%.

In 2021, there were Baht 388 million of financial expenses in total, decreased by Baht 21 million compared to last year. The Company loss in the shareholders part was Baht 389 million. The key contribution to the Company loss was Digital business.

Operational Outcome of the Company and Subsidiaries

In 2021, the Company earned Baht 6,955 million from sales, contracted work and services. Decreased by 23.62% from the previous year.

Revenues from sales, contract works and services breakdown

Business	Revenue from sales, contract works and services in 2021 (million baht)	Revenue from sales, contract works and services in 2020 (million baht)	% Change
ICT Solution and Service	4,581	5,431	-15.65%
Digital	394	636	-38.05%
Call Center*	-	645	-
Utilities and Transportations	1,968	2,113	-6.86%
Technology Related Services	578	469	23.24%
Adjustment and transactions	-566	-188	201.06%
Revenue from sales, contracted projects and services (before transactions)	6,955	9,106	-23.62%

* On 9 December 2020, the Company disposed of all investments in One to One Contacts Public Co., Ltd.

ICT Solution and Service business (“SAMTEL”)

In 2021, ICT Solution and Service business had total of Baht 4,581 million revenue from sales, contract works and services, decreased by 15.66% from the previous year. During the past year, SAMTEL signed the contracts in new projects in total of Baht 4,500 million worth from various clients; such as Provincial Electricity Authority, Social Security Office, Bangkok Metropolitan Administration. By the end of the year, there were still Baht 7,200 million worth of backlog of which the revenue has not been realized.

Digital business (“SDC”)

The business under the Digital group will focus on the full service of Digital Trunked Radio System (DTRS). The DTRS network covers the key areas nationwide and SDC has signed 2 new DTRS projects, Ministry of Interior and Provincial Electricity Authority, which expected to deliver all handsets within 2022 and can recognize airtime after that. In addition, telecommunication tower in the national park areas which on the process of installation. Moreover, we also offer Digital Content to various platforms as well as the Digital Sport.

Non-Listed business

Utilities and Transportations business

This year, the revenue from sales, contract works, and services had decreased from Baht 2,113 million in the previous year to Baht 1,968 million or down by 6.86%. The decrease was due to the COVID-19 impact to Cambodia Air Traffic Service (CATS) in Cambodia. CATS operates the countrywide air traffic business in Cambodia, which in 2021 the flight declined from 49,071 flights to 30,876 flights or declined by 37.08%, thus, number of flights started to recover in last quarter and expected to continually increase in 2022. However, the power substation business operated under Teda Company Limited also expand its business continuously. By the end of 2021, Teda has the backlog value of Baht 3,300 million.

Technology Related Services business

The revenue from sales, contract works, and services of Technology Related Service business slice increased to Baht 578 million from Baht 469 million on the previous year. The key driver of Technology Related Service business is Vision and Security System Company Limited that runs a security system and high-quality close-circuit camera installation business.

Statement of financial position

Assets

As of 31 December 2021, the Company's total asset value Baht 18,149 million, increased from the previous year by 0.65% due to the current asset decreased from Baht 8,894 million to Baht 8,441million or 5.09%, resulted from the decline in trade and other receivables and accrued income. However, non-current asset increased from Baht 9,137 to Baht 9,708 million in 2021.

Cash and cash equivalents decreased from Baht 1,600 to Baht 1,309 million or 18.21%.

Trade and Other Receivables

As of 31 December 2021, the Company has a total of Baht 1,759 million trade and other receivables, which was decrease of Baht 343 million or 16.34% from the previous year.

Debt-to-Equity Ratio (D/E Ratio)

As of 31 December 2021, the D/E ratio has decreased from 3.26 times from the previous year to 2.84 times while interest-bearing debt-to-equity ratio decreased from 2.34 times to 2.09 times.

Liquidity

As of 31 December 2021, the current ratio was 0.82 time, which decreased from the previous year.

The Company has a total of Baht 152 million used in operating activities, Baht 824 million net cash flow spent on investment, and Baht 634 million cash flow from financing activities, resulting in cash and cash equivalents value Baht 1,309 million this year.

Sources of Fund

As of 31 December 2021, the total shareholders' equity of the Company was Baht 4,725 million. Decreased by Baht 491 million from the previous year, while the unappropriated retained earnings were Baht 2,355 million.

The Company's total debt has decreased to Baht 13,423 million or 2.71%.

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		
	2021	2020	2019
Cash and cash equivalents	1,308,557	1,599,857	1,915,474
Trade and other receivables	1,758,907	2,102,378	4,254,734
Accrued income	2,928,628	3,061,948	4,229,041
Inventories	749,316	605,178	475,216
Other current assets	1,426,079	1,323,991	1,726,709
Property, plant and equipment	5,999,231	5,349,912	4,606,301
Intangible assets	1,010,443	1,003,857	1,133,856
Deferred tax assets	710,280	767,457	821,393
Others	2,257,302	2,216,379	2,061,798
Total assets	18,148,742	18,030,957	21,224,522
Bank overdrafts and short-term loans from financial institutions	2,981,536	3,465,915	7,196,811
Trade and other payables	1,553,828	1,634,634	2,054,489
Current portion of debentures	1,119,377	-	1,650,000
Current portion of long-term loans from financial institutions	2,987,266	1,559,146	883,245
Accrued project cost and provisions	914,088	1,099,368	863,861
Debentures - net of current portion	-	1,196,567	-
Long-term loans from financial institutions - net of current portion	2,474,339	3,438,994	1,568,038
Others	1,312,985	1,402,150	1,676,905
Total Liabilities	13,423,420	13,796,774	15,893,349
Issued and fully paid - up	1,006,504	1,006,504	1,006,504
Unappropriated retained earnings	2,355,140	2,766,884	3,223,202
Non-controlling interests of subsidiaries	1,341,673	1,193,180	1,661,520
Equity attributable to owners of the Company	3,383,649	3,041,003	3,669,653
Total revenues	7,129,447	9,490,827	14,261,917
Revenues from sales, contact work and services	6,954,546	9,105,751	14,134,177
Cost of sales, contact work and service	5,968,414	7,993,797	11,368,462
Gross Profit	986,132	1,111,954	2,765,715
Other income	174,901	385,076	127,740
Selling, distribution and administrative expenses	1,131,505	1,294,710	1,541,508
Other expenses	67,036	157,381	295,777
Finance income	12,083	26,921	68,371
Finance cost	388,287	409,135	561,720
Income tax expenses	(46,707)	115,619	21,307
Profit (loss) attributable to equity holders of the Company	(389,084)	(309,141)	426,028
Profit (loss) attributable to non-controlling interests of the subsidiaries	(71,355)	(143,753)	115,486
Basic earnings (loss) per share (Baht/share)	(0.39)	(0.31)	0.42

(Unit: Thousand Baht)

Transaction	As of December 31		
	2021	2020	2019
Cash flows from operating activities	(151,501)	3,365,788	1,306,867
Cash flows used in investing activities	(824,102)	(1,674,092)	(1,689,290)
Cash flows used in financing activities	633,879	(2,034,277)	(274,883)
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)	3.36	3.02	3.65
Dividend per share (Baht / share)	-	-	0.15

Financial Ratios of Samart Corporation Pcl. and its subsidiaries

(Unit: Thousand Baht)

Financial Ratio	Samart Corporation Pcl. and subsidiaries		
	2021	2020	2019
<u>LIQUIDITY RATIOS</u>			
Current ratio (Times)	0.82	1.06	0.97
Acid test ratio (Times)	0.75	0.98	0.94
Cash turnover (Times)	(0.02)	0.30	0.10
Receivable turnover ratio (Times)	1.67	1.69	2.22
Average collection period (Days)	215.40	213.02	162.16
Inventory turnover ratio (Times)	9.91	17.49	25.50
Days sales outstanding (Days)	36.33	20.58	14.12
Payable turnover ratio (Times)	5.29	6.97	10.63
Payment period (Days)	68.05	51.65	33.87
Cash cycle (Days)	183.68	181.95	142.41
<u>PROFITABILITY RATIOS</u>			
Gross Profit Margin (%)	14.18	12.21	19.57
Operating Profit Margin (%)	(0.37)	0.79	7.96
Other revenue - to - Total revenues (%)	2.45	4.06	0.90
Cash-to-income (Times)	5.96	46.84	1.16
Net profit margin (%)	(5.46)	(3.26)	2.99
Return On Equity (%)	(12.11)	(9.21)	12.20
<u>EFFICIENCY RATIOS</u>			
Return On Assets (%)	(2.15)	(1.58)	2.00
Return On Fixed Assets (%)	3.46	16.44	30.90
Assets Turnover (Times)	0.39	0.48	0.67
<u>FINANCIAL POLICY RATIOS</u>			
Debt to equity (Times)	2.84	3.26	2.98
Interest coverage (Times)	1.64	3.63	5.05
Interest bearing debt to EBITDA (Times)	14.67	7.06	4.14
Debt serviceability (Times)	0.08	0.28	0.28
Dividend payout ratio (%)	N/A	N/A	35.44

5. General and Other Information

5.1 General Information

Reference

Company registrar	: Thailand Securities and Depository Co., Ltd.
Address	: 93, The Stock Exchange of Thailand Building, 14 th Floor, Ratchadaphisek Road, Dindaeng, Bangkok 10400
Telephone	: 0-2009-9000, 0-2009-9378
Fax	: 0-2009-9476
Auditor	: Ms. Siriwan Suratepin
	Certified Public Accountant (C.P.A.) license No. 4604
Address	: EY Office Limited 33 rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110
Telephone	: 0-2264-9090
Fax	: 0-2264-0789-90

Debenture registrar

Bangkok Bank Public Company Limited

Address	: Soi Ari Branch, 404/9 Phahonyothin Road, Samsen Nai, Phayathai, Bangkok 10400
Telephone	: 02-626-4056

Bank of Ayudhya Public Company Limited

Address	: Head office, 1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120
Telephone	: 02-296-3582

Bondholders' representative

KTBST Securities Public Company Limited

Address	: 87/2 CRC Tower, All Seasons Place, 9 th , 18 th , 39 th and 52 nd Floor, Wireless Road, Lumpini, Pathumwan, Bangkok 10330
Telephone	: 02-351-1800 press 1
Email	: customerservice@ktbst.co.th

5.2 Other Information

5.2.1 Investors can find other information of the Company from the Company's website (www.samartcorp.com)

5.2.2 Share transfer restrictions

The shares of the Company can transfer without any restrictions unless that transfer of shares will cause a person who does not have Thai nationality to hold shares in the Company more than 49% of the Company's paid-up capital.

5.3 Legal Dispute

Legal disputes at Samart Corporation Public Company Limited (“the Company”) or its subsidiaries are the parties or parties in the court without the end of the lawsuit and a case that may have a negative impact on the assets of the Company and its subsidiaries more than 5 % of the shareholders’ equity as of December 31, 2021 as follows:

1. Samart Coporation Public Company Limited

1.1 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 favor 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 an objection to such request of the Organizing Committee and the Sports Authority of Thailand to the Arbitrator.

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 Civil 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.

Later on 11 July 2019, the Supreme Court upheld the ruling of the Civil Court. The Organizing committee and the Sports Authority of Thailand, then, declared such ruling to the Arbitral tribunal on 13 November 2019. Afterward, on 12 December 2019, the Arbitral tribunal rendered an award in favor of the Organizing committee and the Sports Authority of Thailand that is the Company was obligated to make payment to the Organizing Committee and the Sports Authority of Thailand in the amount of approximately Baht 332 million plus interest on principal of Baht 190 million and the interest at the rate of 15 percent per annum calculated from 21 October 2010 until fully paid.

The legal advisor of the Company is of the opinion that such award was not rendered in compliance with Arbitration Act B.E. 2545 and therefore engaged a law firm to submit a petition to the Civil Court for the revocation of the arbitral award on 9 March 2020. Due to the Coronavirus Disease 2019 (COVID-19), Civil Court has postponed the hearing dates to be 30 June 2022 for the claimant's witness testimony, 1 June 2022 for the claimant's and the respondent's witness testimony and 5 July 2022 for the respondent's witness testimony.

On 14 January 2022, the Company received a civil court writ as on 23 December 2021 BAGOC filed a complaint demanding the Court to enforce the arbitral award. The Court decided to accept such a complaint and temporarily dismiss the case from the case list in order to wait for the final judgment. The legal advisor of the Company, here, is of the opinion that while waiting for such final judgment, the Company is not obliged to pay any amounts to BAGOC.

The legal advisor of the Company expects that the court proceedings of the case will take no less than 2 years and believes that the Court will finally rule in favor of the Company. Thus, the Company shall not be liable to pay for such claim to the Organizing Committee and the Sports Authority of Thailand.

As at 31 December 2021, this case is under further court proceedings and the Company therefore did not set up any provision in its account.

- 1.2 On 11 September 2006 the Company as a member of SPS Consortium with 60% of work portion ("SPS Consortium") had entered into the agreement with one state enterprise to provide a complete waste management service in Suvarnabhumi Airport for a duration of 10 years period from 15 September 2006 to 14 September 2016. SPS Consortium had continuously performed the agreement and complied with Environmental Impact Assessment (EIA) report including a report of request for additional change of environmental measures at Suvarnabhumi Airport year 2012 approved by EIA and related law throughout the agreement period.

As stipulated in the agreement, SPS Consortium had to deliver the said state enterprise an incinerator within 3 years and 1 month after the agreement date. However, before such due date, the volume of waste collected by SPS Consortium is less than the expectation due to the failure of such state enterprise to enforce those entrepreneurs doing business in the airport area to deliver the waste to SPS Consortium. SPS Consortium had proposed the solution to such state enterprise and submitted three reports from academic institutes analyzing the impact of building the incinerator. Those reports said that, considering to the volume of the waste during pass 3 years, the incinerator shall not be built in the Suvarnabhumi Airport area because it will generate air pollution which impact the environment and cause cancer. It would also affect to the health of passenger, operator, and people who live in such area. The reports suggested that the waste shall be sorted, buried and disposed outside the airport area and not by way of composting. Therefore, such state enterprise submitted a report of request for additional change of environmental measures at Suvarnabhumi Airport year 2012 to the EIA committee of the Office of Natural Resources and Environmental Policy and Planning to consider changing the

waste disposal method from incineration of sorted waste in the incinerator to sanitary landfill or the other suitable method. It also requested for the changing of waste disposal from the anaerobic digestion to animal feed. The EIA committee had approved such request, and the SPS Consortium since then complied with such approved changing waste disposal method until the end of the agreement.

After the end of the agreement term, the SPS Consortium had never received payment of the 44th - 120th installment (due 15 April 2021 - 14 September 2016) from the said state enterprise in total amount of Baht 194 Million (VAT included), or Baht 116 Million for the company's portion. SPS Consortium had served its demand of payment notices to such state enterprise for such outstanding payment. During the agreement term, the state enterprise considered to amend the agreement because it agreed to change the method of waste disposal in order to align with the approved method of EIA committee and considered the waiver or reduction of penalty arising from delay delivery of incinerator from SPS Consortium. In year 2012, the said state enterprise had consulted with the Office of the Attorney General for the amend of the waste disposal method in the agreement, the reduction of service fee as agreed by the SPS Consortium which is not in any way against the interest of such state enterprise and the waiver or reduction of penalty. The Office of the Attorney General gave its opinion that the authority to amend the agreement belong to the Executive Managing Director of such state enterprise and the authority to waive the penalty is belong to committee of such state enterprise. However, due to several change of the chairperson of acceptance committee, Executive Managing Director and the committee of such state enterprise, the amendment of the agreement has not been completed until the agreement term is end.

The management and legal adviser of the Company are of the opinion that SPS Consortium has fulfilled its contractual obligation and complied with related law and the said state enterprise was a defaulting party by not made a payment to SPS Consortium. SPS Consortium has appointed the law firm to bring a lawsuit against the said state enterprise before central administrative court on 23 November 2016 claiming the outstanding payment of service fee of Baht 194 Million for the 44th - 120th installment including the interest. The total amount of claim is Baht 238 Million, and SPS Consortium further demands the said state enterprise to return two bank guarantees in the value of Baht 50 Million which was submitted as a performance bond for its obligation under the agreement. The central administrative court accepted the case only to the part where the claim is still in the 5 years prescription i.e. the payment of 60th - 120th installment in total of Baht 158 Million. Later, on 15 August 2017 the said state enterprise has filed its answer and its counterclaim to the central administrative court, claiming for damages and penalty in the total amount of Baht 1,038 Million and demanding the bank to make a payment according to the bank guarantee. The bank therefore made a payment according to its obligation under the bank guarantee to the said state enterprise on 9 August 2021. Anyhow, the company has record this related transaction in order to align with accounting standard as explained in notes to consolidated financial statement section 8 f). This shall not affect or considered waiver of any rights of SPS Consortium to claim the outstanding payment and additional amount deducted under the bank guarantee including the other ongoing lawsuit at the central administrative court, which SPS Consortium has objected. At the moment, SPS Consortium is preparing to file the amendment of its plaint adding the additional claimed amount of the amount paid under the bank guarantee to the said state enterprise including the interest thereon.

As for the damages and penalty claimed in the counterclaim, the Company's legal advisor is of the opinion that SPS Consortium is not liable to such penalty since building of the incinerator and the anaerobic digestion were not allowed by law according to the EIA regulation. Moreover, SPS Consortium has never expressed, in written, unconditionally consent for any penalty and has always objected this matter. The said state enterprise somehow never terminated the agreement until the penalty reach 10% of the agreement value. Such discretion is therefore against spirit of Public Procurement and Supplies Administration. Act, B.E. 2560 (2017). However, if the judge ruled that SPS Consortium has to pay the penalty to such state enterprise, the judge himself has authority to use his discretion to reduce the amount of the penalty according to section 33 paragraph 1 of Thai Civil Code together with section 31.2 of Procurement Regulation of the Airport of Thailand B.E. 2553. According to the high court's judgement of case Aor. 869/2560 the judge reduced the penalty to 10% of the contract value. The service fee for SPS consortium under this agreement is Baht 288 Million hence the penalty shall not be more than Baht 29 Million and shall not be more than Baht 17 Million for the company's portion (60%). For the final installment of payment as of 31 December 2021, the company has recorded the damages according to its portion of work (60%) for the amount of Baht 40 Million which is in accordance with the liability under the bank guarantee. The actual damages under the agreement recorded by the company is more than 10% of the contract value.

In addition, the legal advisor of the Company is of the opinion that the case will take not less than 2 years and the judge will rule in favor of SPS consortium, that is the Consortium is not liable for the penalty and any damages under the counterclaim, and that state enterprise has to pay the consortium the outstanding service fee under the agreement and return the amount deducted under bank guarantee including the interest thereon to the SPS consortium since the SPS consortium has fulfilled its contractual obligation and perform the agreement in accordance with EIA report and complied with related laws. Presently, the case is in the Administrative court proceeding.

2. I-Mobile Plus Company Limited and Samart Digital Public Company Limited

On 22 February 2017, TOT Public Company Limited ("TOT") (currently, Cat Telecom Public Company Limited ("CAT")) has merged with TOT Public Company Limited and became National Telecom Public Company Limited ("NT")), sent a letter to the Office of National Broadcasting and Telecommunications Commission ("NBTC"), before inform I-Mobile Plus Company Limited, informing NBTC about the termination of memorandum of understanding ("MOU") regarding a 3G mobile network testing project. Subsequently, on 1 March 2017, a subsidiary submitted a letter stopping providing the service on i-mobile 3GX to TOT and NBTC with the reasons that TOT's 3GX's mobile signal was repeatedly down, and it could not permanently resolve the problem. TOT, also, did not expand the base station, for the purpose of covering the services in the whole country, in accordance with the business plan. Later on, 22 June 2017, NBTC issued a letter to the subsidiary agreeing to cancel the subsidiary's telecommunication license type I as well as accepting i-mobile 3GX users' remediation plan. The Subsidiary, later on, sent a letter to NBTC informing the latter of its permanent termination of service on 18 July 2017, which already came to an agreement with TOT.

The subsidiary, then, got asked by TOT to pay the Home Location Register ("HLR") fees for the amount of Baht 19 million (2020: Baht 19 million). The executives together with the legal advisors of the subsidiary, nevertheless, are of the opinion that the subsidiary has no obligation to pay such fees because the subsidiary's storage on such HLR was below the allowed quota stated in the contract term. Moreover, the subsidiary filed a lawsuit at the Court of First Instance against TOT claiming for damage since October 2018. Now, the case is under review by the Court of First Instance; therefore, on 31 December 2021, the company did not estimate the HLR fees on the account.

In addition, TOT issued a letter to the subsidiary to pay the overdue payment, of which the total amount is Baht 137 million (including the amount HLR fees stated above). The subsidiary sent a set-off letter by asking to use the bulk price or package price that was bought from TOT but still has the financial credit of 70 million Baht left, to set off with the said demanded HLR fees.

During the year 2020, TOT filed a lawsuit against Samart Digital Public Company Limited together with its said subsidiary ("Samart Digital Group") with the Central Administrative Court on grounds of breaching the administrative contract, with the amount in dispute of Baht 212 million (including interest). Then, the Central Administrative Court dismissed the issue of demanding overdue HLR fees from April 2011 - October 2014 including interest and value-added tax (VAT) of such overdue HLR fees. The Administrative Court of Thailand, during the year 2021, reversed the Central Administrative Court's decision and accepted such a case to take into consideration. Which, on April 30 2021, Samart Digital Group, already, submitted an amendment to the plaint with the Central Administrative Court.

During the said Central Administrative Court's trial, on 21 October 2020, Samart Digital Group filed an objection objecting to the court jurisdiction and requested for the final judgment regarding court jurisdiction under the Act on the Determination of the Powers and Duties among Courts B.E.2542 (1999). Subsequently, on 27 May 2021, the Committee on the Determination of the Powers and Duties among Courts rendered a judgment that the case falls within the power of the Courts of Justice, not the Administrative Court. On 12 November 2021, the Central Administrative Court issued a letter transferring the case to the Civil Court. The Civil Court, then, on 12 January 2022, issued a court writ to Samart Digital Group stating that the case was transferred from the Central Administrative Court to the Civil Court, and ordered the disputed parties to go to the Court so as to schedule the witness examination date. On 17 February 2022, both the plaintiff's lawyer, as well, as the subsidiary's lawyer (the defendant's lawyer) appeared in Court. In which, the defendant's lawyer requested to amend the additional statement. The Court, thus, postponed and will determine the judicial process or pre-trial conference again on 18 May 2022.

5.4 Secondary market

-Non-

5.5 Financial institution with regular contact

Bangkok Bank Public Company Limited

Address : Soi Ari Branch, 404/9 Phahonyothin Road, Samsen Nai, Phayathai, Bangkok 10400

Telephone : 02-626-4056

Krungthai Bank Public Company Limited

Address : Head Office, 10 Sukhumvit Road, Klong Toey Subdistrict, Klong Toey District Bangkok 10110

Telephone : 02-208-8019

Kasikorn Bank Public Company Limited

Address : 400/22 Phahon Yothin Road, Sam Sen Nai Sub-district, Phaya Thai District, Bangkok 10400

Telephone : 02-273-2160

Government savings bank

Address : Head Office, 470 Phaholyothin Road, Phayathai, Bangkok 10400

Telephone : 02-299-8828, 02-299-8605

Part
2

Corporate Governance

- 6. Corporate Governance Policy
- 7. Corporate Governance Structure and significant information about the Board of Directors, the Committees, the Management, employees and others
- 8. Report on the significant activities on corporate governance
- 9. Internal Control and Connected Transactions

6. Corporate Governance Policy

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 as well as increasing the Company's competitiveness. The Board of Directors has given importance and aimed to the Company and its subsidiaries operate their business in accordance with the Corporate Governance policy and Business Ethics of Samart Group, strictly. The Board of Directors has assigned the Corporate Governance Committee to supervise, follow up and promote the Company's operations to be in accordance with the principles of good corporate governance and follow-up and evaluation of compliance, regularly. **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 SET, SEC and the Public Company Limited Act including other relevant laws.**

The Board of Directors has set up the Corporate Governance policy and Business Ethics as the written Policy both in Thai and English since 2005 and 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 shareholders 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 2021 (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 November 9, 2021.

The Company's Corporate Governance Policy is divided into 5 groups as follows:

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Roles of Stakeholders
4. Disclosure and Transparency
5. Roles and Responsibilities of the Board of Directors

6.1 Overview of Policies and Corporate Governance Policies

6.1.1 Policies and Practice related to the Board of Directors

1. The Board of Directors

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 which will help the operation of the company achieve the objectives and goals. Presently, all 10 of the Company's directors have qualifications in accordance with the qualifications of the Company's directors, as specified in the **"7.2 Information of Board of Directors"**

2. Nomination and appointment of Directors and Managements

• 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, Executive Chairman 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 the committees, 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 the Managements**

The Company has criteria and procedures for nomination of Executive Chairman who is the top management of the Company. The Nominating and Compensation Committee Member will consider 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 Board of Directors to consider and appoint favor of person to be Senior Management and report to the Board of Directors for further acknowledgement.

- **Managements Succession Plan**

The Company is aware of the importance of top management and senior management succession plan when any management position is vacant. In addition of the appointment the Nominating and Compensation Committee to nominate, select and propose the candidate as director and top management, the Company also prepares an top management and senior management succession plan by specifying key positions in the Company's business operations and set criteria for selecting successors by considering the knowledge, ability, experience and potential of each position and management vision, in order to select the qualified managements in accordance with the specified criteria. In addition, the Company has set up a development plan to prepare to be able to support the position in the future in order to create confidence for investors, shareholders and employees on the continuity operation of the Company. The top management and senior management succession plan will be reviewed, annually.

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

3. Directors' Remuneration

Directors' Remuneration Policy

Policy of Directors' Remuneration have 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.

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.

Executive Chairman's Remuneration Policy

Remuneration of the Executive Chairman, who is the top management of the Company, is not only consideration in accordance with Management's Remuneration Policy, but the Board of Directors also set the performance evaluation of Executive Chairman, annually by the Directors in order to be a reference for remuneration consideration. The policy of remuneration are as follows:

Executive Chairman's Remuneration Policy

Category		The purpose & link to the principle of remuneration
Fixed Pay	Salary & other benefits, such as, Provident fund	To motivate and retain the competent Executive Chairman.
Short Term Incentive	Annual bonus	To reward for 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	- To motivate and retain the competent Executive Chairman. - To ensure alignment between interests of Executive Chairman 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.*

4. Independent of the Board of Director and Managements

Separate Roles and Responsibilities of the Chairman of the Board of Directors and Executive 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 Executive Chairman 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 Executive Chairman have Roles and Responsibilities as follows:

Roles and responsibilities of the Board and Executive Chairman

The Company has clearly set the separate roles and responsibilities of the Board of Directors and Executive Chairman who is the top management of the Company, obviously. 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, Executive Chairman who is the management's leader will focus on general management of the Company.

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 Executive Chairman must not be attained by the same person. The Chairman of Board of Directors should be an independent member.

5. 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 by providing a director's manual, document and useful information which shall be beneficial to the duty operation of the new director shall be provided as well as introduction to the nature of the business and the Company's business practices, in order to create knowledge and understanding of the business and operations of the Company including the policies and guidelines for corporate governance of the Company. However, the Director's Manual of the Company covered the following matters:

- Information about the laws, regulations, regulations of the relevant agencies
- Information about the Company's business operations
- Obligations and practices for being a director of a listed company
- The Corporate Governance Policy and Business Ethics

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.

6. The assessment of the directors' performance

Board of Directors Self-assessment and Director Self-assessment

The Corporate Governance Committee is responsible for Self-assessment of the Board of directors and Director Self-assessment to annually review and evaluate directors' performance to comply with Corporate Governance of the Company. Comments and recommendations from the assessments are further considered in the Board of Directors' meeting for improvement.

The committee Self-assessment

The Corporate Governance Committee conducts the self-assessment of sub-committees annually; Executive committee, Corporate Governance Committee, Nominating and Compensation Committee and Risk Management Committee and Sustainable Development Committee in subject of Structure & Qualification, Meeting, Role & Responsibility and Training & Development. For the topics of self-assessment of the Audit Committee are consisted of Board Structure & Qualification, Meeting, Role & Responsibility, Training & Development, Auditing Activities and Relationship between head of internal audit unit, external auditors and the company's executives. Results of the self-assessment of each sub-committee will use to develop their working performance for more efficiency and to be in line with the responsibilities assigned from the Board of Directors.

Executive Chairman Assessment

The Corporate Governance Committee is responsible for Executive Chairman annual Assessment for his Leadership, Formulation and compliance with the strategic plan, Planning and the financial performance, Board of Directors Relations, Risk Management and Internal Control, Administration and relationship with the personnel, Succession of the position, Knowledge on products and services including Good Corporate Governance and Code of Business Conduct. The Assessment result will be considered as part of the remuneration adjustment.

7. Supervision on Operation of the Subsidiaries and Affiliated Companies

Before establishment of any new company, the Executive Board of each line of business shall propose such matter to the meeting of the Board of Directors of each line of business 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 and report to the Board of Director for further acknowledgement. However, In case there is an additional new director appointment or the director whose position is vacant because of any other reason except the retirement, the Board of Directors has assigned to the Executive Board of each business line to consider the appointment properly and report to the Board of Directors of each business line for further acknowledgment. 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 etc., such transaction shall be proposed for the Executive Committee's and / or the Board of Director of each line of business, depends on cases for 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 and / or the Board of Director of each line of business, depends on cases 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.

6.1.2 Policies and Practice related to Shareholders and stakeholders

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 2021 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 2022 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 30, 2021 onward. For the meeting agenda proposal ended on January 31, 2022 and enquiries proposal ended prior to the meeting date of 2022 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 2022 Annual General Meeting of Shareholders".

- **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. In 2021, the Company has one meeting that was the 2021 Annual General Meeting of the Shareholders, held on April 27, 2021 at Room 16th Fl., Software Park Building, 99/20 Moo 4, Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 with realize on convenience to shareholders and to encourage them to attend the shareholders' meeting, the date, time and place of meeting will be set by consideration of Shareholders' convenience with the following process of meeting :

Before the Meeting Date

In the 2021, the Annual General Meeting of Shareholders, the shareholders have been informed on the date and agenda of the meeting via SET's communication system 63 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" 33 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 25 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 20 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 2021 Annual General Meeting of Shareholders there were 10 directors attended. The Chairman of the Company, the Chairman of the Audit Committee, the Chairman of the committees, the Vice President - Finance, the Vice President - Accounting, the managements, the external auditors as well as the investor relation also presented in the meeting. The 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 86 shareholders and proxies with voting rights attended for the 2021 Annual General Meeting of Shareholders. Moreover, for transparency on counting the vote in the meeting, the Company has invited Mr. Kajornpol Teeprasarn, which is the shareholder of the Company, 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:

- Each shareholder shall have one vote on each share;
- 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;
- 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 the 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 "1.6 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 2021 Annual General Meeting of Shareholders held on April 27, 2021, were 66 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 "6. Corporate Governance Policy" under the topic "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.

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 **"6. Corporate Governance"** under **"3. Directors' Remuneration"**)
- 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 2021 securities holding information of the directors and the executives

Number of shares held in Company (shares)

Directors / Executives	Before acquisition / disposition	Acquisition in 2021 Buy via SET	Disposition in 2021	31 Dec. 2021	Variance
1. Dr. Tongchat Hongladaromp <i>Spouse and minor children</i>	- -	- -	- -	- -	- -
2. Mr. Vichai Srikwan <i>Spouse and minor children</i>	- -	- -	- -	- -	- -
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 -	- -

Number of shares held in Company (shares)

Directors / Executives	Before acquisition / disposition	Acquisition in 2021 Buy via SET	Disposition in 2021	31 Dec. 2021	Variance
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>	126,977,160 28,375	- -	- -	126,977,160 28,375	- -
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. Teerachai Phongpanangam <i>Spouse and minor children</i>	20,000 1,000,000	- -	- -	20,000 1,000,000	- -
11. Mr. Suchol Ratchaya <i>Spouse and minor children</i>	- -	- -	- -	- -	- -
12. Ms. Namthip 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 “9. Internal Control and 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 Registration Statement / Annual Report 2021 (Form 56-1 One Report) 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. Executive Vice Chairman
3. Chief Executive Officer (CEO) or President
4. Manager of Investor Relation of the Company
5. 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 Registration Statement / Annual Report 2021 (Form 56-1 One Report)

The Board of Directors has to ensure that Annual Registration Statement / Annual Report 2021 (Form 56-1 One Report) 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 Annual Registration Statement / Annual Report 2021 (Form 56-1 One 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 the Annual Registration Statement / Annual Report 2021 (Form 56-1 One Report), 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 0-2502-6455 or via www.samartcorp.com or the e-mail address at Suchol.r@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 2021 were summarized as follows:

- One on One Meeting with Analyst, Investors and Road Show 8 Times
- Announcement of SAMART Group of Company's Performance 16 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 Registration Statement / Annual Report 2021 (Form 56-1 One Report). (Details are provided under **"8. Report on the significant activities on corporate governance"** in the topic of **"Remuneration of Directors"**).

• **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 Annual Registration Statement / Annual Report 2021 (Form 56-1 One 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 Registration Statement / Annual Report 2021 (Form 56-1 One Report) under the Report of the Audit Committee. Moreover, Report of the Board of Directors' responsibility on the Company's Financial Statements was also attached in the Company's Annual Registration Statement / Annual Report 2021 (Form 56-1 One Report).

- **Conflicts of Interest**

To prevent conflicts of interest, the Company has drawn out guidelines for directors and employees to follow.

1. Avoid all actions that may cause conflicts of interest with the Company;
2. In case that directors or employees commit any action 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 to buy shares 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.

If the conflict of interest is happened, the Audit Committee will consider and propose to inform the Board of Directors about conflict of interest and connected transaction. The Board of Directors should consider carefully and comply with the Securities and Exchange Act. Despite price and condition will be accounted like an outsider (Arm's Length Basis) and disclosed the detail, size, partner of contract, and reason in Annual Registration Statement / Annual Report 2021 (Form 56-1 One Report) as well as notes to financial statements for consideration of connected transaction. 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.

- **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, and 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. 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.

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 and / 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. In addition, the Company will disclose the transactions that the Company or subsidiaries made with a person who may have a conflict of interest in accordance with the the Stock Exchange of Thailand's regulations shown in the annual registration statement / annual report 2021 (Form 56-1 One Report).

General practices for conflicts of interest protection have been set in the Company's Business Ethics. 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.

- **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

1. The Board of Directors is responsible for specifying the anti-corruption policy.
2. 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.
3. 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 impartially 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 employee of Samart group shall not receive or give money, property, merchandise or any benefits involving anyone whose intention is to persuade the employee 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 in 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 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 verse the implementation of anti-corruption policy, the Company encourages its employees and all stakeholder 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 of 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.

Penalties

For any actions that violate this policy whether directly or indirectly will be considered disciplinary in accordance with the rules set by the company including legal penalties, If it is a violation of the law as well.

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: Suthep.S@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 Executive Chairman 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 Executive Chairman 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.

6.2 Business Ethics

In order to achieve the Company's vision, the Company has set a mission to take care of stakeholders. One of the corporate missions states that, "To manage and operate the business with efficiency, transparency, fairness and responsibility to stakeholders as well as society and the environment." As a result, 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 25, 2022.

The business ethics of the Company cover the following issues:

1. Conflict of interest
2. Responsibilities to shareholder
3. Employee policies
4. Employee life and health safety policies
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. Human rights policies
14. Operating policy on non-infringement of intellectual property or copyright
15. Suggestions and complaints
16. Procedures and methods on “Notifying the information on misconduct and the protection of the informant”

The Company has disclosed the Corporate Governance Policy and Business Ethics on the Company’s website. (www.samartcorp.com)

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 “**6.1.2 Policies and Practice related to Shareholders and stakeholders**” 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 overall is “**Excellent**” (100%).

6.3 Major Movements and Development of Policies, Practices and Corporate Governance in the past year

6.3.1 Major Movements and Developments of Policies’ Review

The Board of Directors has reviewed the policy, practice, corporate governance policy, business ethics, and the committee’s charter, annually, at least 1 time per year. In 2021, 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 2021 (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 Board of Directors' meeting No.5/2021, which held on November 9, 2021** has considered and reviewed the application of the Corporate Governance Code (CG Code) and considered to revise in the main topics as follow;

1. Amendment of Corporate Governance Policy, Section 4, Disclosure and Transparency on the topic of Information Disclosure Policy by adding the position of Executive Vice Chairman to be the persons who has the right to disclose important information to the public;
2. Amendment of Business Ethic on the topic of "Non-violation of Human rights policies", "Responsibility to environment" and "Sustainable Development Policy".

6.3.2 CG Code practices that the Company still has not applied

The Board of Directors No. 5/2021, held on November 9, 2021, has considered that the Company has applied all 8 CG Code practices as appropriate to the Company's business context. However, any practices in the CG Code that are not suitable for the Company's business operations, the Board of Directors' meeting has assigned the Corporate Governance Committee to review such matters, annually and propose the appropriate replacement measures, respectively.

6.3.3 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 III: Consideration of the stakeholders' roles

The Company has not yet prepared social responsibility reports in accordance with the framework of the Global Reporting Initiative (GRI). However, the Company has prepared Sustainability Development Reports as part of Annual Registration Statement / Annual Report 2021 (Form 56-1 One Report) in the topic of **"3. Business Sustainability Development"**.

Section V: Responsibilities of the Board

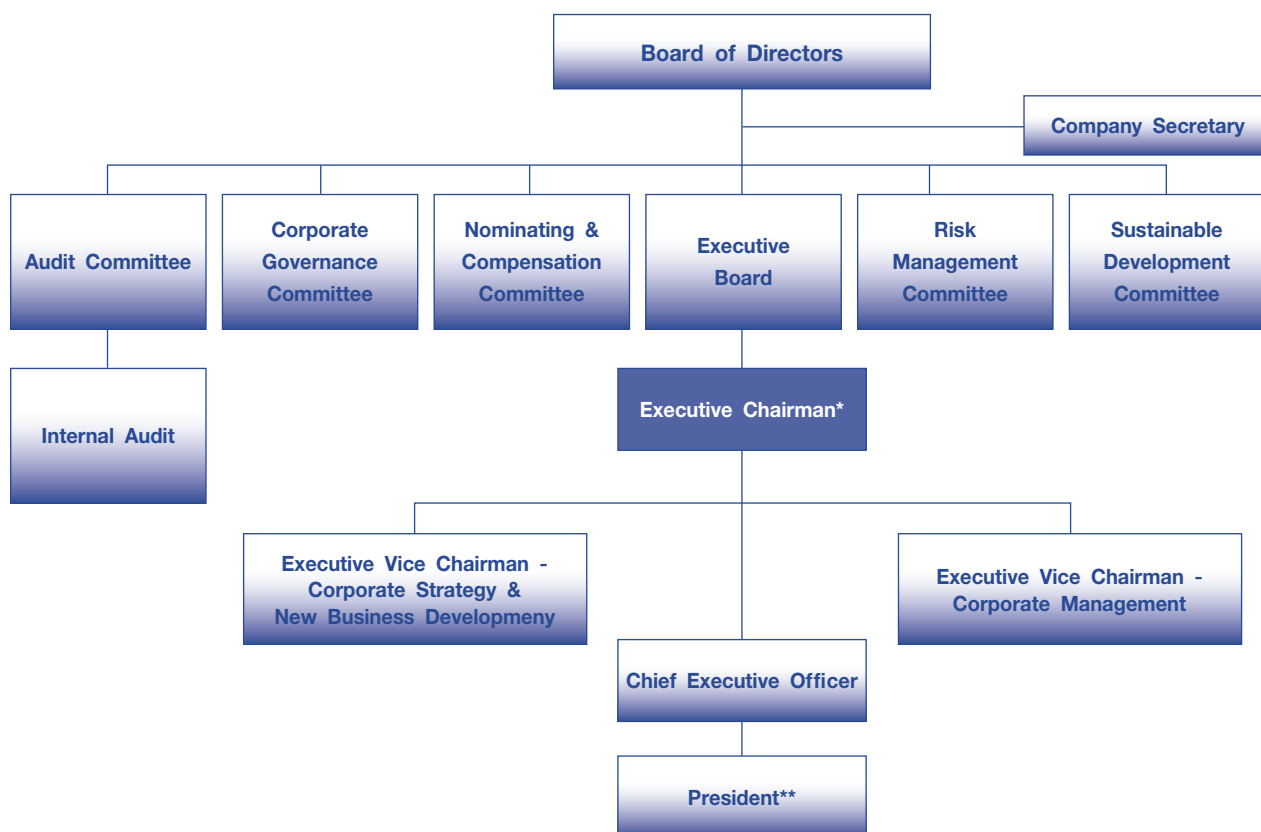
1. The Company did not establish a policy to set a limit that an individual executive director can hold director position in not more than 2 others listed companies and outside business group, but the Company has established a policy which specified that an individual director shall not hold director 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%.
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.

7. Corporate Governance Structure and significant information about the Board of Directors, the Committees, the Management, employees and others

7.1 Corporate Governance

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, 2021 were as follows:

The Company's Corporate Structure



*Remark : * Executive Chairman is the top management of the Company*

*** Assistant Vice President - Finance and Vice President - Accounting are under the President.*

7.2 Information of Board of Directors

7.2.1 Composition of the Board of Directors

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. The composition of the Board of Directors are as follows:

- 1) The Board of Directors shall have the number as specified by the shareholders' meeting not more than 7 persons and not more than 15 persons. The directors not less than one half of the total number of directors shall have residence within the Kingdom.
- 2) The Board of Directors must be at least one-third of independent director out of total number of directors, and at least 3 persons.
- 3) The Board of Directors may elect one of the directors as chairman. When considering appropriate, the Board of Directors may elect one or many directors to be vice chairman(s).

The Board of Directors' Structure

The Board of Directors' Structure consists of

- 4 Independent Directors (representing of 40% of all Directors)
- 4 Executive Directors
- 2 Non- Executive Directors (which is a representative of a major shareholder 1 person)

Each director has experience, knowledge and expertise from various proficiencies as follows:

Director	Proficiency
1. Dr. Tongchat Hongladaromp	Civil Engineering and Energy Business
2. Mr. Vichai Srikwan	Public administration, corporate governance of state enterprise, strategic management between the public, private and civil society sectors and educational administration
3. Mr. Seri Suksathaporn	Public Finance
4. Mr. Prinya Waiwatana	Accounting and Taxation
5. Mrs. Siripen Vilailuck	The Company's business expertise
6. Mr. Sirichai Rasameechan	Accounting and Management
7. Mr. Charoenrath Vilailuck	Electrical Engineering, Telecommunication and Business Management
8. Mr. Watchai Vilailuck	Accounting, Management and Telecommunication
9. Mr. Thananan Vilailuck	Industrial Engineering / ICT / ICT Business Management
10. Mr. Teerachai Phongpanangam	Engineering and Business administration

However, Dr. Tongchat Hongladaromp has work experience related to the Company's business.

The stakeholders can be assured about such Director Structure that the Directors can independently perform their duties as the representatives of shareholders, and appropriate balance.

7.2.2 Board of Directors and the Controlling Person of the Company

As of December 31, 2021 consists of 10 directors as follows:

Directors	Position	Directorship in the Company	Term of Directorship (Year-month)
1. Dr. Tongchat Hongladaromp	Chairman / Independent Director / Audit Committee Member / Chairman of the Nominating & Compensation Committee	Apr. 2008	13-8
2. Mr. Vichai Srikwan ⁽¹⁾	Independent Director / Chairman of the Audit Committee / Vice Chairman / Nominating & Compensation Committee Member	May. 2021	0-7

Directors	Position	Directorship in the Company	Term of Directorship (Year-month)
3. Mr. Seri Suksathaporn	Independent Director / Audit Committee Member/ Chairman of the Corporate Governance Committee / Nominating & Compensation Committee Member	Feb. 1999	22-10
4. Mr. Prinya Waiwatana	Independent Director / Corporate Governance Committee Member	Apr. 2010	11-8
5. Mrs. Siripen Vilailuck ⁽²⁾	Director	Feb. 1993	28-10
6. Mr. Sirichai Rasameechan	Director / Corporate Governance Committee Member	Feb. 1996	25-10
7. Mr. Charoenrath Vilailuck	Executive Chairman / Executive Director / Chief Executive Officer/ Chairman of the Risk Management Committee	Feb. 1993	28-10
8. Mr. Watchai Vilailuck	Executive Director / Executive Vice Chairman - Corporate Strategy & New Business Development / Chairman of the Sustainable Development Committee / Risk Management Committee Member	Feb. 1993	28-10
9. Mr. Thananan Vilailuck	Executive Director / Executive Vice Chairman - Corporate Management / Sustainable Development Committee Member / Risk Management Committee Member	Apr. 2016	5-8
10. Mr. Teerachai Phongpanangam	Executive Director / President / Risk Management Committee Member / Sustainable Development Committee Member	Nov. 2018	3-1

Remark : ⁽¹⁾ Has been appointed as the Independent Director to replace Mr. Pradang Prichayangkun. The effective date is May 12, 2021, onwards.

⁽²⁾ Representative director from Vilailuck International Holding Co., Ltd., a major shareholder with 14.78% stake holding from total number of voting rights of the Company (as of December 31, 2021).

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 **"Attachment 1 Directors, Managements, Controlling Person, The Person Taking The Highest Responsibility in Accounting & Finance, The Person Supervising Accounting and Company Secretary"** which was disclosed on the Company's website at www.samartcorp.com.

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

- Has qualifications and shall not be under any of prohibitions which comply to Public Company Act B.E. 2535 (Including the additional revised), or any other related laws. Moreover, the directors shall not lack of confidence which comply to the regulations of Securities and Exchange Commission ("SEC"), and Company's Articles of Association;

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, whether doing it for one's own benefit or others, except informing to the shareholders' meeting before having a resolution to appoint;
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.

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.

7.2.3 Roles, Duties and Responsibilities of Board of Directors

The Board of Directors represents all shareholders. They are responsible for setting the company's important policies and strategies. Hence, to ensure that the management has implemented policies and strategies. The Board of directors shall perform their duties responsibly, carefully, and honestly which will create maximize benefits for the Company and all stakeholders based on corporate responsibility.

The Company, therefore has established a charter of the Board of Directors in order to created as a guideline for the performance of the Board of Directors. The aforementioned charter consists of the following main topics: 1) Objective 2) Composition 3) Qualification of Independent Director 4) Roles and Responsibilities of the Board of Directors 5) Roles and Responsibilities of the Chairman of the Board of Directors 6) Terms of positions 7) Meeting 8) Remuneration for Directors 9) Board Self-Assessment and Director Self-Assessment and 10) Reporting. However, the company has disclosed the charter of the Board of Directors on the Company's website at www.samartcorp.com in the topic of **"Corporate Governance"**

Roles and Responsibilities of the Board of Directors

1. Conduct business with responsibility, due care, and integrity also uphold the Company's operations to be according to the law, Company's objectives, Articles of Association, resolutions of the Board of Directors and shareholders' meeting to protect the rights and benefits of the Company and all 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 out and review the Company's vision, missions, strategies by applying the appropriate and safe innovation and technology in order to enhance the business opportunities including engaging everyone in the organization to run 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 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 and consider to approve 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 2 months. The replacing director shall hold office only for the remaining term of the replaced director;
6. Appoint committees to oversee administrative process and internal system to coincide with Company's policies, also approve the committees' charters;
7. Appoint the Executive Chairman and set out the scope of power, duties and responsibilities of the Executive Chairman as well as assist the President in performing the duties as being assigned;
8. Appoint the Company Secretary and set out the scope of power, duties and responsibilities of the Company Secretary as well as supervise the Company Secretary in performing duties as being assigned;
9. Consider and approve the policy, structure of remuneration, forms and criteria of the remuneration of the directors, the committees, Executive Chairman, top managements, managements and employees as well as propose the remuneration of the directors and committees for further consideration and approval of the shareholders;
10. Prepare the Company's annual financial statements and financial statements for every fiscal year's ended period in order to propose to the Annual General Meeting of Shareholders for an approval or a disclosure of information, as the case may be, and ensure that the disclosure of the Company's information is accurate, sufficient and in time as prescribed in the relevant regulations;
11. Nominate appropriated persons with remuneration for further consideration and approval of shareholders for the appointment of the Company's auditors, accordingly;
12. 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;
13. 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;
14. 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;
15. Supervise to ensure that development and succession plans for Executive Chairman and key executives are in place;
16. Support and promote innovation to meet social and environmental responsibilities.
17. Approve the interim dividend payment to shareholders and report such payment to the shareholders in the next shareholders' meeting;
18. Approve the acquisition or disposal of assets pursuant to the Capital Market Supervisory Board;
19. Approve the undertaking the connected transaction of the Company pursuant to the Capital Market Supervisory Board;
20. Arrange for an annual general meeting of shareholders within 4 months from the end of the Company's accounting period;
21. Monitor the performance of the Company and the subsidiaries consecutively to ensure the compliance with the Company's business plan and budget;
22. Supervise Company's subsidiaries and associated companies to comply with the Company's policies.

The Company determines to make its directors and executives express their intentions on performing the Company's business operations with transparency 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) in the topic of **"Corporate Governance"**.

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.

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.7/2020 on July 16, 2020 effective on August 1, 2020 onwards.

Roles and Responsibilities of the Chairman of the Board of Directors

1. Oversee, monitor, and ensure that the Board of Directors of 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 Executive Chairman, 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 Executive Chairman

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 Executive Chairman should not be delegated or further assigned that authorize the Executive Chairman 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.

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, 2021 for 6 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 / Executive Chairman / Chief Executive Officer /
Chairman of the Risk Management Committee |
| 6. | Ms. Boonrat Mongkolratanakorn | Authorized Director / Chairman of the Sustainable Development
Committee / Executive Committee Member /
Risk Management Committee Member /
Corporate Governance Committee Member /
Nominating and Compensation Committee Member |

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

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. Sirichai Rasameechan | Independent Director / Corporate Governance Committee Member /
Nominating & Compensation Committee Member |
| 5. | Mr. Kajornvut Tayanukorn ⁽¹⁾ | 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 and employee from Bangkok Bank Pcl., a major shareholder holds shares directly and indirectly in SAMTEL with 11.83% and has retired from Bangkok Bank Pcl. with effect from January 1, 2022 onwards;

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

3) Board of Directors of Samart Communication Services Co., Ltd. (“SCS”)

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

4) 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. Ms. Chotika Kamloonwesaruch | Director |
| 5. Mr. Suchart Duangthawee | Director |
| 6. Mr. Dhilokpat Nisamaneevong | Director |

5) Board of Directors of Portalnet Co., Ltd. (“PTN”)

- | | |
|--------------------------------|----------|
| 1. Mr. Charoenrath Vilailuck | Chairman |
| 2. Mr. Watchai Vilailuck | Director |
| 3. Mr. Jong Diloksombat | Director |
| 4. Mr. Dhilokpat Nisamaneevong | Director |
| 5. Mr. Suchart Duangthawee | Director |
| 6. Ms. Sirilak Chuenprasert | Director |

6) 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 |

7.3 Information of 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 ⁽¹⁾ as of December 31, 2021 comprise of 3 members as follow;

- | | |
|--|--|
| 1. Mr. Vichai Srikwan | Chairman of the Audit Committee (Independent Director) |
| 2. Dr. Tongchat Hongladaromp | Member (Independent Director) |
| 3. Mr. Seri Suksathaporn | Member (Independent Director) |
| Mr. Suthep Siriwatcharawong ⁽²⁾ | Secretary of the Audit Committee |

Remark : ⁽¹⁾ Audit Committee members comprise of no less than 3 members, all of them have sufficient experience to review the Company’s financial statement. Detail of Curriculum Vitae of Audit Committee are provided on Attachment 1 Directors, Managements, Controlling Person, The Person Taking The Highest Responsibility in Accounting & Finance, The Person Supervising Accounting and Company Secretary at the Company’s website www.samartcorp.com

⁽²⁾ Has been appointed as the Head of Internal Audit and Secretary of the Audit Committee from the Audit Committee and the Board of Directors’ meeting on November 9, 2021.

Qualifications of Audit Committee

1. Has been appointed from the Board of Directors and/or the shareholders;
2. The Members of the Audit Committee have to be the Independent directors qualification from the SEC;
3. 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;
4. Not being a director in Parent Company, Subsidiaries and any same-Level of Subsidiaries which is a listed Company;
5. Having sufficient knowledge, experience, and time to perform duties as the Audit Committee members;
6. 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 the Annual Registration Statement / Annual Report 2021 (Form 56-1 One Report). 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 report to ensure its accuracy that is adequate, reliable and timely disclosure;
2. Review the Company's internal control and internal audit systems to ensure that they are suitable and efficient, and consider the independence of the internal audit unit as well as to propose the appointment, rotation or dismissal the chief of internal audit unit or any other related function who takes responsibilities to internal audit;
3. Consider and approve the manpower and necessary resources for working process of the internal audit unit, approve the annual audit plan including significant changes in the audit plan;
4. Review the Company's compliance with the Securities and Exchange Act, the regulations of the SET and the law relating to the Company's business;
5. Propose for consideration and approval of the Board of Directors and Shareholders' meeting on the selection, appointment, termination of the external auditors including propose their remuneration for further consideration;
6. Arrange the Audit Committee's meeting with auditors without the management of the Company at least once a year;
7. Review the connected transactions or the transactions that may lead to conflict of interest to comply with the Securities and Exchange Act, and the regulations of the SET/SEC including the laws relating to the Company and/or the Company's business and ensure that the transactions are reasonable and for the highest benefit of the Company;
8. Prepare the Audit Committee report for disclosure in the annual report of the Company with minimum contents as required by regulations of SET;
9. Review the scope of Roles and Responsibilities of the Audit Committee in accordance with the situation;
10. Audit and investigate concerned persons in order to gain the clearly information within the scope of authority;
11. Engage the specialist for competent advice and assistance auditing as considered by the Audit Committee with Company's expenses;
12. Perform any other activities assigned by the Board of Directors.

2) **Executive Board members** as of December 31, 2021 comprise of 8 members as follow;

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

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.

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 consideration and approval of the Board of Directors;
2. Supervise Company's subsidiaries and associated companies to comply with the Company's policies, including, 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. Specify remuneration's structure policy, forms and criteria of remuneration's payment of the employees and the managements jointly with Executive Chairman for the Nominating & Compensation Committee's consideration prior to further consideration of the Board of Directors' meeting;
6. Consider the appropriate candidates to be appointed as senior management and report to the Board of Directors for further acknowledgment;
7. Consider entering into any transactions binding the Company within its authorities under the Company's Delegation of Authorities;
8. Report the significant performance of the Executive Board to the Board of Directors, regularly;
9. Review the scope of Roles and Responsibilities of the Executive Board in accordance with the situation;
10. Perform any other activities assigned by 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 Executive Chairman

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 Executive Chairman should not be delegated or further assigned that authorize the Executive Chairman 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, 2021 comprise of 3 members as follow;

- | | |
|-----------------------------|--|
| 1. Mr. Seri Suksathaporn | Chairman of the Corporate Governance Committee
(Independent Director) |
| 2. Mr. Prinya Waiwatana | Member (Independent Director) |
| 3. 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.

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. Specify the corporate governance policy and social responsibilities including anti-corruption;
3. Ensure that good corporate governance policy is being conducted at all level in accordance to legal requirements, Company's policies and other related authorities;
4. Formulate and review the Company's rules concerning good corporate governance;
5. Provide suggestions relevant to ethical practices to the directors, managements and employees of the Company;
6. Yield continuity and appropriate regulations in carry out good corporate governance policy;
7. Review the scope of Roles and Responsibilities of the Corporate Governance Committee in accordance with the situation;
8. Report to the Board the recommendations for improvement on the Corporate Governance of the Company as appropriate;
9. Perform any other activities assigned by the Board of Directors.

4) Nominating & Compensation Committee members as of December 31, 2021 comprise of 3 members as follow;

- | | | |
|----|---------------------------|---|
| 1. | Dr. Tongchat Hongladaromp | Chairman of the Nominating & Compensation Committee
(Independent Director) |
| 2. | Mr. Vichai Srikwan | 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, Executive Chairman and Company Secretary proposed for consideration of the Board of Directors when such position is vacant as well as propose criteria for considering and selecting candidates for the successor of the top management and senior management;
3. Specify and review the qualification, criteria and procedures for nomination of directors, committees, Executive Chairman, senior managements, and Company Secretary to propose for consideration and approval of the Board of Directors;
4. Specify remuneration's structure policy, forms and criteria of remuneration's payment (whether in cash or any properties) of directors, committees, Executive Chairman, senior management, management and employees of which must be complimented to the Company's strategies, objective as well as conform to the Company's operating performance and market's atmosphere to propose for consideration and approval of the Board of Directors;
5. Review the scope of Roles and Responsibilities of the Nominating & Compensation Committee in accordance with the situation;
6. Perform any other activities assigned by the Board of Directors.

5) Risk Management Committee members as of December 31, 2021 comprise of 4 members as follow;

- | | | |
|----|-----------------------------|---|
| 1. | Mr. Charoenrath Vilailuck | Chairman of the Risk Management Committee |
| 2. | Mr. Watchai Vilailuck | Member |
| 3. | Mr. Thananan Vilailuck | Member |
| 4. | Mr. Teerachai Phongpanangam | Member |

Risk Management Working Group

- | | | |
|----|------------------------|---------------------------|
| 1. | Mr. Jong Diloksombat | Head of the working group |
| 2. | 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, also risk appetite;
2. Develop risk management policy and propose for consideration and approval of the Board of Directors to be used as practices in the areas for which they are accountable. However, it must be covered risks at least 4 topics as follow:
 - 1) Financial Risk
 - 2) Operational Risk
 - 3) Strategic Risk
 - 4) Compliance Risk
3. Ensure that the above standards and practices are fully communicated to and have active support of all employees, continuously;
4. Review the scope of Roles and Responsibilities of the Risk Management Committee in accordance with the situation;
5. Ensure that the management has regularly, continually and systematically identify, analyze and review risk exposures, which may have, to cover all processes of the business;
6. 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.
7. Provide professional opinions from external consultants regarding matters to be considered with the Company's expense, if necessary;
8. Perform any other activities assigned by the Board of Directors.

6) Sustainable Development Committee members as of December 31, 2021 comprise of 6 members as follow;

- | | |
|---------------------------------|---|
| 1. Mr. Watchai Vilailuck | Chairman of the Sustainable Development Committee |
| 2. Mr. Jong Diloksombat | Member |
| 3. Mr. Thananan Vilailuck | Member |
| 4. Mr. Teerachai Phongpanangam | Member |
| 5. Mrs. Phongsri Saluckpetch | Member |
| 6. 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 to propose for consideration and approval of the Board of Directors.
2. Promote and support the Company's activities, such as, Labor and employee management, employee welfare, employee development and training as well as the promotion and development of communities and societies around the Company's area 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. Review the scope of Roles and Responsibilities of the Sustainable Development Committee in accordance with the situation;
5. Perform any other activities assigned by 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 "8. Report on the significant activities on corporate governance" in the topic of "The Board of Directors' Attendance".

Moreover, Charter of the Board of Directors and Charter of the Committees (Full version) were disclosed in the Attachment 5.

7.4 Information of Managements

7.4.1 Name and Position of Management

Managements of the Company

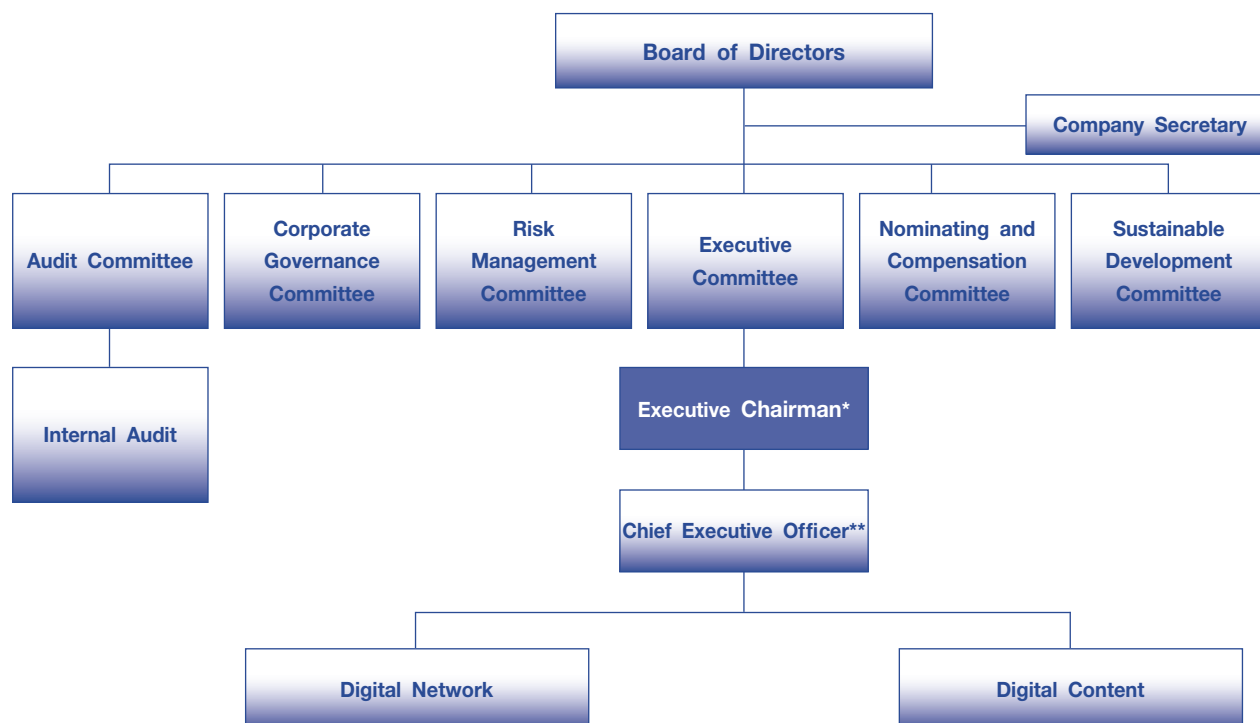
- | | |
|--------------------------------|---|
| 1. Mr. Charoenrath Vilailuck | Executive Chairman / Chief Executive Officer |
| 2. Mr. Watchai Vilailuck | Executive Vice Chairman - Corporate Strategy & New Business Development |
| 3. Mr. Thananan Vilailuck | Executive Vice Chairman - Corporate Management |
| 4. Mr. Teerachai Phongpanangam | President |
| 5. Ms .Namthip Burapapongsanon | Vice President - Accounting |
| 6. Mr. Suchol Ratchaya* | Assistant Vice President - Finance |

*Remark : * Has been appointed as the Assistance Vice President - Finance to replace Mr. Wongkrit Jiamsripong. The effective date is October 1, 2021, onwards.*

Corporate Structure and the Management of the Company and Core business subsidiaries total of 6 companies were as follows:

1) Samart Digital Pcl.

Corporate Structure of Samart Digital Pcl.



Remark : * Executive Chairman is the top management of the Company.

** Head of Accounting and Finance are under Chief Executive Officer.

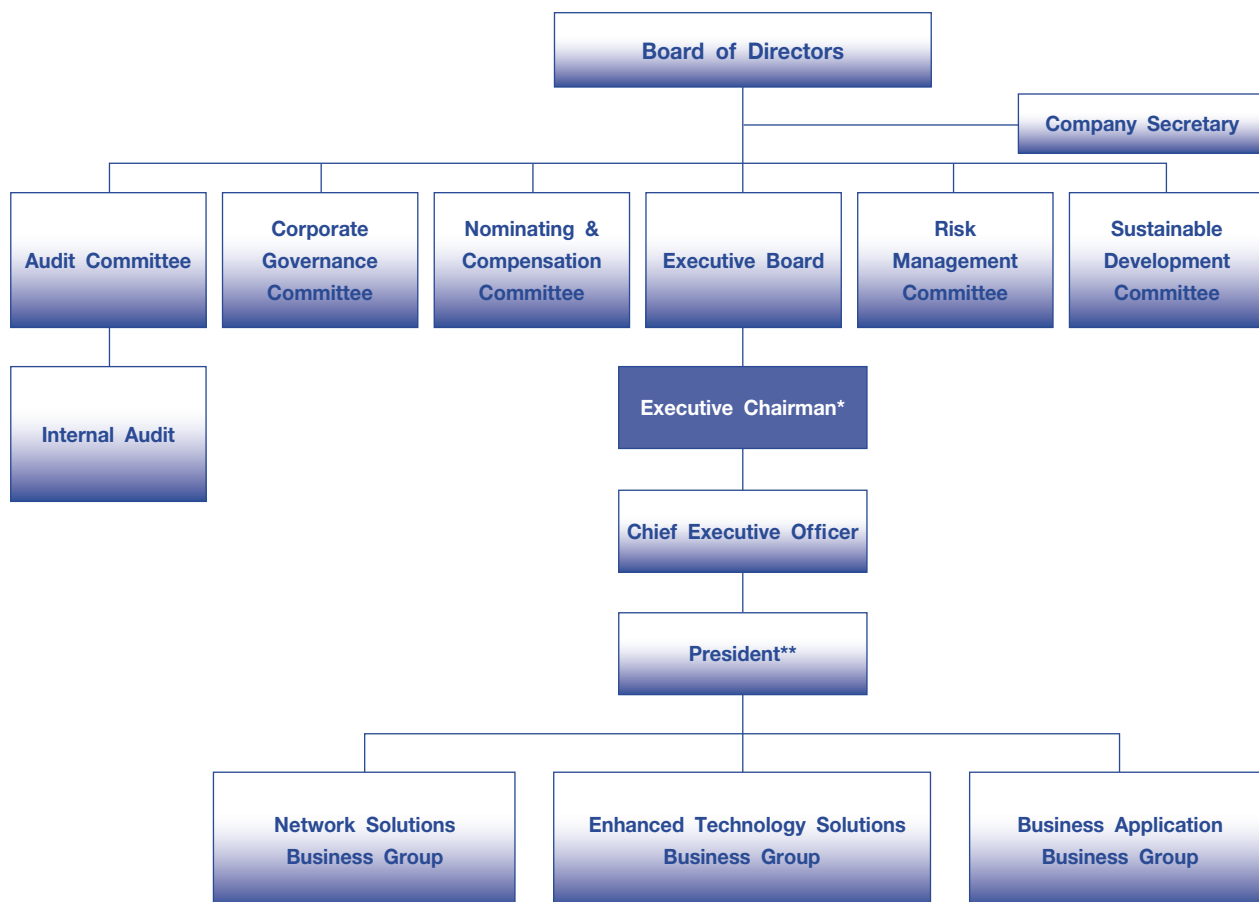
Managements of Samart Digital Pcl.

- | | |
|---|--|
| 1. Mr. Watchai Vilailuck | Executive Chairman / Chief Executive Officer /
Acting Head of Digital Network |
| 2. Ms. Boonrut Mongkolratanakorn ⁽¹⁾ | Executive Director and Company Secretary |
| 3. Mrs. Sumonthip Srimek | Vice President - Accounting |
| 4. Mr. Hiran Phanbanlaem | Assistant Vice President - Finance |

Remark : ⁽¹⁾ Has been appointed as Director on August 10, 2021, to replace Mr. Wongkrit Jiamsripong which has been resigned on August 9, 2021.

2) Samart Telcoms Pcl.

Corporate Structure of Samart Telcoms Pcl.



*Remark : * Executive Chairman is the top management of the Company.*

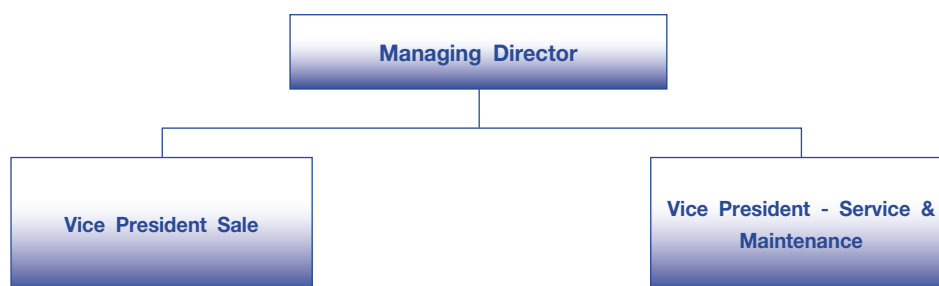
*** CFO - Chief Financial Officer and Assistant Vice President - Accounting are under President.*

Managements of Samart Telcoms Pcl.

- | | |
|--------------------------------|--|
| 1. Mr. Watchai Vilailuck | Executive Chairman / Chief Executive Officer |
| 2. Mr. Jong Diloksombat | President and Acting Executive Vice President Network Solutions Business Group |
| 3. Ms. Chotika Kamloonwesaruch | Executive Vice President Enhanced Technology Solutions Business Group |
| 4. Mr. Suchart Duangthavee | Executive Vice President Business Application Business Group |
| 5. Mr. Dhilokpat Nisamaneevong | CFO - Chief Financial Officer |
| 6. Ms. Sirichan Phiraprawit | Assistant Vice President - Accounting |

3) Samart Communication Services Co., Ltd.

Corporate Structure of Samart Communication Services Co., Ltd.

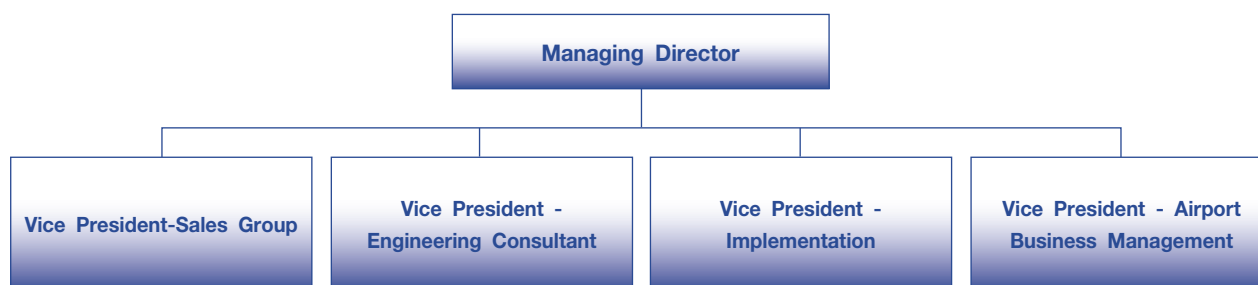


Managements of Samart Communication Services Co., Ltd.

- | | |
|----------------------------|--|
| 1. Mr. Suchart Duangthavee | Managing Director and Vice President Sales |
| 2. Mr. Senee Somma | Vice President - Service & Maintenance |

4) Samart Comtech Co., Ltd.

Corporate Structure of Samart Comtech Co., Ltd.

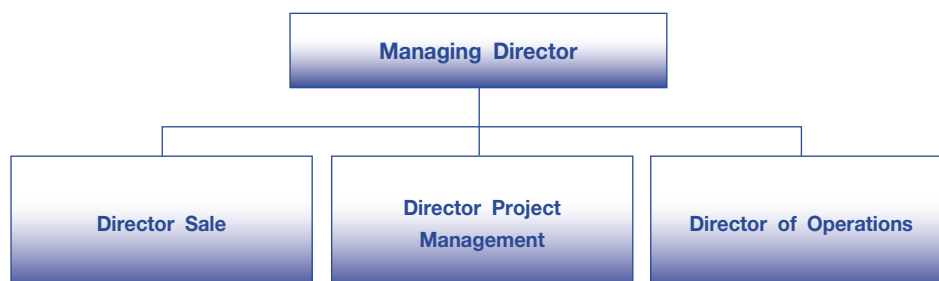


Managements of Samart Comtech Co., Ltd.

- | | |
|--------------------------------|--|
| 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) |

5) Portalnet Co., Ltd.

Corporate Structure of Portalnet Co., Ltd.

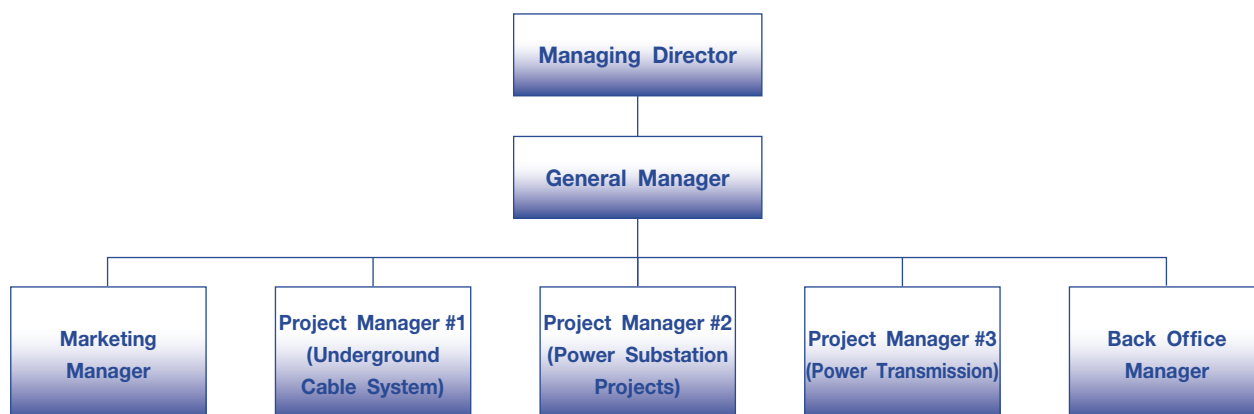


Managements of Portalnet Co., Ltd.

- | | |
|-------------------------------|---|
| 1. Ms. Sirilak Chuenprasert | Managing Director / Acting-Director Sales |
| 2. Ms. Punnee Eamsukmongkol | Director Project Management |
| 3. Mr. Kosit Lavakittichaiyun | Director of Operations |

6) Teda Co., Ltd.

Corporate Structure of Teda Co.,Ltd.



Managements 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 (Underground Cable System) |
| 5. Mr. Wichai Assavapoositkul | Project Manager #2 (Power Substation Projects) |
| 6. Mr. Pudit Pakornsap | 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 **"Attachment 1 Directors, Managements, Controlling Person, The Person Taking The Highest Responsibility in Accounting & Finance, The Person Supervising Accounting and Company Secretary** at the Company's website www.samartcorp.com.

7.4.2 Remuneration of Directors and Management Policy

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.

However, the Company has disclosed remuneration of directors and management policy in **"6.1 Overview of Policies and Corporate Governance Policies"** under **"6.1.1 Policies and Practice related to the Board of Directors"**

In 2021, the Board of Directors' meeting has considered in accordance with the Nominating & Compensation Committee's meeting that the Annual Salary increase for 2022, 2021 Bonus and 2022 Bonus Payment Policy has policies and criteria for paying remuneration in appropriate level.

7.4.3 The Remuneration of the Executive Board and Management

7.4.3.1 Cash & Non-Cash Remuneration of the Executive Board and Management

Type of Remuneration	Number of Persons	Cash Remuneration (Baht)		
		The Company	Subsidiaries	Grand Total
Salary ⁽¹⁾	8	18,282,000	22,857,480	41,193,480
Bonus ⁽¹⁾	8	2,026,000	4,162,370	6,188,370
Provident Fund ^{(1) (2)}	8	1,828,200	2,285,748	4,113,948

Remark : ⁽¹⁾ The figures presented Salary, Bonus and Provident Fund for executives board and management paid by the Company and subsidiaries;

⁽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.

7.4.3.2 Total Cash & Non-Cash Remuneration of Executive Board and the Managements of core business subsidiaries in 2021 :

1) Cash & Non-Cash Remuneration of the Executive Board and Management of Samart Digital Pcl. ("SDC")

Type of Remuneration	Number of Persons	Cash Remuneration (Baht)		
		SDC ⁽¹⁾	SDC's Subsidiaries	Grand Total
Salary	4	4,628,754	-	4,628,754
Bonus	4	379,917	-	379,917
Provident Fund ⁽²⁾	4	462,875	-	462,875

Remark : ⁽¹⁾ The figures included remuneration of Mr. Thawee Udomkitchote who resigned from management on May 1, 2021;

⁽²⁾ SDC contributes to the provident fund at the rate of 3-10% of salary related to year of services.

2) Cash & Non-Cash Remuneration of the Executive Board and Management of Samart Telcoms Pcl. ("SAMTEL")

Type of Remuneration	Number of Persons ⁽²⁾	Cash Remuneration (Baht)		
		SAMTEL	SAMTEL's Subsidiaries	Grand Total
Salary ⁽¹⁾	4	12,706,800	4,233,480	16,940,280
Bonus ⁽¹⁾	4	2,185,775	1,058,370	3,244,145
Provident Fund ^{(1) (2)}	4	1,018,524	423,348	1,441,872

Remark : ⁽¹⁾ The figures presented Salary, Bonus and Provident Fund for executives board and management paid by the Company and subsidiaries;

⁽²⁾ SAMTEL contributes to the provident fund at the rate of 3-10% of salary related to year of services.

3) Cash & Non-Cash Remuneration of the Executive Board and Management of Samart Communication Services Co., Ltd. ("SCS")

Type of Remuneration	Number of Persons ⁽²⁾	Cash Remuneration (Baht)		
		SCS	SCS's Subsidiaries	Grand Total
Salary	2	2,370,780	-	2,370,780
Bonus	2	296,348	-	296,348
Provident Fund ⁽¹⁾	2	237,078	-	237,078

Remark : ⁽¹⁾ Provident fund to executive directors and management have been provided by the Company at the rate of 3-10 percent of salary related to year of service;

⁽²⁾ 1 management received the remuneration from Samart Communication Services Co., Ltd. and Mr. Suchart Duangthavee, an executive director and management, received the remuneration from Samart Telcoms Pcl.

4) Cash & Non-Cash Remuneration of the Executive Board and Management of Samart Comtech Co., Ltd. ("SCT")

Type of Remuneration	Number of Persons ⁽²⁾	Cash Remuneration (Baht)		
		SCT	SCT's Subsidiaries	Grand Total
Salary	4	8,977,080	-	8,977,080
Bonus	4	1,848,970	-	1,848,970
Provident Fund ⁽¹⁾	4	821,829	-	821,829

Remark : ⁽¹⁾ Provident fund to executive directors and management have been provided by the Company at the rate of 3-10 percent of salary related to year of service;

⁽²⁾ 3 executive directors and managements received the remuneration from Samart Comtech Co., Ltd. and Mr. Suchart Duangthavee, an executive director and management, received the remuneration from Samart Telcoms Pcl.

5) Cash & Non-Cash Remuneration of the Executive Board and Management of Portalnet Co., Ltd. ("PTN")

Type of Remuneration	Number of Persons	Cash Remuneration (Baht)		
		PTN	PTN's Subsidiaries	Grand Total
Salary	3	9,104,640	-	9,104,640
Bonus	3	1,584,100	-	1,584,100
Provident Fund ⁽¹⁾	3	681,294	-	681,294

Remark : ⁽¹⁾ Provident fund to executive directors and management have been provided by the Company at the rate of 3-10 percent of salary related to year of service;

6) Cash & Non-Cash Remuneration of the Executive Board and Management of Teda Co., Ltd. ("TEDA")

Type of Remuneration	Number of Persons	Cash Remuneration (Baht)		
		TEDA	TEDA's Subsidiaries	Grand Total
Salary	7	13,299,640	-	13,299,640
Bonus	7	2,163,333	-	2,163,333
Provident Fund ⁽¹⁾	3	287,618.60	-	287,618.60

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

7.5 Employee's information

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)		
	2019	2020	2021
1. Digital	355 ⁽¹⁾	175 ⁽¹⁾	94 ⁽¹⁾
2. ICT Solution and Service	1,306	1,054	949
3. Call Center ⁽²⁾	2,191	1,512	-
4. Utilities and Transportations	585	610	608
5. Technology Related Services	263	247	302
Total	4,700	3,598	1,953

Remark : ⁽¹⁾ The number of employees decrease due to business restructuring and business operation. In addition, the number of employees has been reduced to suit the current business operation.

⁽²⁾ The Company and the subsidiary disposed all of ordinary shares held in One To One Contacts Pcl. to third parties on December 9, 2020

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		
	2019	2020	2021
1. Salary ⁽¹⁾	1,419.08	1,324.58	904.04
2. Bonus ⁽¹⁾	159.38	110.09	94.41
3. Provident Fund ⁽¹⁾	59.05	54.54	53.88
4. Other remuneration (over time, special subsidy and commission)	121.80	54.71	13.37

Remark : ⁽¹⁾ The remuneration were excluded the managements of the Company and core business subsidiaries i.e. SDC, SAMTEL, SCT, SCS, PTN, and TEDA the remuneration were disclosed in the remuneration for Directors and Managements of such companies.

Provident Fund

Employees' provident fund which has been registered (the "Fund"), there are 1,203 employees joining the provident fund out of the total 1,391 employees who are eligible to participate, representing 86%. Fund Management Bualuang Asset Management has disclosed information in accordance with the Investment Governance Code: I Code.

The Fund has promoted investment by realizing the duty of investment management for the best benefit to the fund members, unitholders (Investors' First), the Company believes that businesses that the Fund invests in, have good corporate governance strategies and responsible for society, environment and good governance. ("ESG"). It will bring good and sustainable returns together with the management company, determine the policy and assign to the fund manager to invest in organizations that have decision-making and follow up closely and actively monitor investment. There is a principle about the investment decisions both quantitative and qualitative analysis, such as, business growth trends, business competition and considering the sustainability of long-term investments by taking social, environment and governance (ESG) factors to involve in making appropriate decisions and established corporate governance criteria for selecting securities to be in the investment portfolio to ensure that the Fund has invested in businesses honestly in accordance with good governance practice. The fund committees has required the fund manager to display a list of currently invested securities by comparing with the list of securities in the SETTHSI index (Thailand Sustainability Investment) of the Stock Exchange of Thailand, in order to know the proportion of securities compared to the list of sustainable stocks that have reported the fund performance.

7.6 Other information

7.6.1 The person taking the highest responsibility in Accounting and Finance, The person supervising Accounting, Company Secretary, Head of Internal Audit and Head of Compliance of the Company

1) The person taking the highest responsibility in Accounting and Finance

Mr. Suchol Ratchaya has been appointed as the Assistance Vice President - Finance to replace Mr. Wongkrit Jiamsripong. The effective date is October 1, 2021, onwards.

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 The Person Taking The Highest Responsibility in Accounting and Finance, The Person Supervising Accounting and Company Secretary are provided under "**Attachment 1 Directors, Managements, Controlling Person, The Person Taking The Highest Responsibility in Accounting & Finance, The Person Supervising Accounting and Company Secretary**" which was disclosed on the Company's website at www.samartcorp.com.

4) Head of Internal Audit

Mr. Suthep Siriwatcharawong has been appointed as the Assistance Vice President - Internal Audit to replace Ms. Nantana Khangui which was approved by the Audit Committee's meeting No. 4/2021 on November 9, 2021 that such person is knowledgeable, competence and work experience appropriately to perform the duties as the Head of Internal Audit and the Secretary of the Audit Committee of the Company and was approved by the Board of Directors' meeting No. 5/2021 on November 9, 2021, already.

5) Head of Compliance department of the Company

The Company does not have a separate Compliance unit for the Company's operations. The Corporate Governance task was supervised by the Corporate Secretary Division in order to ensure that the Company has complied with the regulations of the SEC and SET, including other related laws which under the supervision of the Company Secretary.

Details of the Head of Internal Audit is provided under **"Attachment 3 Information of Head of Internal Audit and Information of Head of Compliance"** which was disclosed on the Company's website at www.samartcorp.com.

7.6.2 Investors Relation

Mr. Suchol Ratchaya has been appointed as the Assistance Vice President - Investors Relation to replace Mr.Pongthep Vichaikul. The effective date is October 1, 2021, onwards.

7.6.3 Remuneration of the Auditors

1) Audit Fee

In 2021, 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, 2021 of the Company was Baht 2,550,000 of which excluded other miscellaneous payment of Baht 36,701 (i.e. traveling expenses, photo copy expenses etc.).
- Audit fees for the year ended December 31, 2021 of the subsidiaries pay to audit firm or other persons or firms that related to the audit firm were Baht 15,440,000 of which excluded other miscellaneous payment of Baht 212,521 (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 1,761,854.72 excluded miscellaneous payment of Baht 30,345.08 (i.e. travelling expenses, photo copy expenses etc.).

Moreover, the subsidiary in Myanmar is currently in the process of dissolution the company and liquidation.

2) Non-Audit Fee

In 2021, 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, 2021 at Baht 40,000.
- Samart Infonet Co., Ltd., an indirect subsidiary with stakeholding 69.88%, 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, 2021 at Baht 40,000.

8. Report on the significant activities on corporate governance

8.1 Summary of the Board of Director's Performance during 2021

8.1.1 The Directors' Selection, Development and Evaluation

8.1.1.1 The Selection of Directors and the Managements

Qualification 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, major shareholders or controlling person of the Company which include 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, parent company, subsidiaries, affiliates, same-level subsidiaries, major shareholder or controlling person of the Company's unless the foregoing status has ended no less than 2 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 of other directors, executives, major shareholders, controlling persons, or persons to be nominated as directors, 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 2 years prior to the date of appointment;

The business relationship as mentioned shall include normal business transactions, rental or lease of real estate, transactions related to assets or services or granting or receipt of financial assistance through receiving or extending loan, guarantee, providing assets as collateral, and any other similar actions, which result in the applicant or the counterparty being subject to indebtedness payable to the other party in an amount starting from 3 percent of the net tangible assets of the applicant or from 20 million baht or more, whichever amount is lower. In this regard, the calculation of such indebtedness shall be in accordance with the method for calculating the value of related party transactions under the Notification of the Capital Market Supervisory Board Re: Rules on Execution of Related Party Transactions, mutatis mutandis. In any case, the consideration of such indebtedness shall include the indebtedness incurred during the period of 1 year to the date of establishing the business relationship with the related person;

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 2 years prior to the date of appointment;
7. Not being a director who has been appointed for being 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 which is significant 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.

The Company has policies and practice regarding the nomination and appointment of directors, managements, and managements succession plans. Details can be found in the section **"6. Policies and Practice related to the Board of Directors"** under topic **"Nomination and appointment of Directors and Managements"**. In 2021, the Board of Directors' Meeting has considered to approve the appointment of the Directors and Committees positions as detail below;

1. Considered and selected directors as well as Audit Committee members who have been retired by rotation as below;
 - Agreed to propose the re-appointment of director as list below to be the Directors of the Company for another term;
 1. Mr. Charoenrath Vilailuck Executive Director
 2. Mrs. Siripen Vilailuck Non - Executive Director
 3. Mr. Sirichai Rasameechan Non - Executive Director
 - Agreed to propose the re-appointment of Mr. Seri Suksathaporn to be the Audit Committee Members for another term;
2. Considered and approved the appointment of Independent Directors / Audit Committee Members as replacement of resigned Independent Directors;
 - Agreed to propose the appointment of Mr. Vichai Srikwan to be the Vice Chairman / Chairman of the Audit Committee / Independent Director as replacement of Mr. Pradang Prichayangkun;
3. Considered and selected the member of the committees who has been retired by rotation as follows;
 - Agreed to propose the appointment of Mr. Vichai Srikwan as Nominating and Compensation Committee Member;
 - Agreed to propose the re-appointment of all members of the Corporate Governance Committee;
 - Agreed to propose the re-appointment of all members of the Risk Management Committee;
 - Agreed to propose the re-appointment of all members of the Executive Board;
 - Agreed to propose the re-appointment of all members of the Sustainable Development Committee.

List of the Board of Directors and Committees as of December 31, 2021 as follows:

The Board of Directors

- | | |
|------------------------------|---------------------------------|
| 1. Dr. Tongchat Hongladaromp | 6. Mrs. Siripen Vilailuck |
| 2. Mr. Vichai Srikwan | 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. Vichai Srikwan
2. Dr. Tongchat Hongladaromp
3. Mr. Seri Suksathaporn

Corporate Governance Committee

1. Mr. Seri Suksathaporn
2. Mr. Prinya Waiwatana
3. Mr. Sirichai Rasameechan

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

Nominating and Compensation Committee

1. Dr. Tongchat Hongladaromp
2. Mr. Vichai Srikwan
3. Mr. Seri Suksathaporn

Risk Management Committee

1. Mr. Charoenrath Vilailuck
2. Mr. Watchai Vilailuck
3. Mr. Thananan Vilailuck
4. Mr. Teerachai Phongpanangam

Sustainable Development Committee

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

8.1.1.2 Development of Directors and Management

• Development of Directors

In 2021, the Company has appointed a Director, Mr Vichai Srikwan which provided the orientation for the new Director as the Company's 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) including the other concerned courses about the Directors of the Company. Moreover, 4 of the existing directors had joined DCP program, 3 directors joined DAP program and 3 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 2021, the directors have attended the additional training courses as follows:

Directors	Courses
1. Mr. Vichai Srikan	Preparation for post COVID-19 (once in a hundred-year crisis, opportunity and prospect offered post COVID-19), EY Office Ltd. in 2021
2. Mr. Charoenrath Vilailuck	Rule of Law for Democracy Program (Class 9), College of the Constitutional Court in 2021

- **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 **"3. Business Sustainability Development"** under topic **"3.4.2 Social Operating Result"**)

8.1.1.3 Board, Committees, Executive Chairman and Company Secretary Assessment

1) Board Self-Assessment

The Corporate Governance Committee has initiated the Self Assessment form for Board members to review and evaluate their performance for 2021 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. 5/2021 on November 9, 2021 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 **94.96%**.

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 2021. 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. 5/2021 on November 9, 2021 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 **97.08%**.

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. 5/2021 on November 9, 2021 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 **95.76%**.

4) Committee Self-Assessment

The Corporate Governance Committee has initiated the Self Assessment form for Committee members to review and evaluate their performance for 2021 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. 5/2021 on November 9, 2021 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 **98.36%**;
2. Corporate Governance Committee has an **excellent** evaluation by obtaining average score **99.56%**;
3. Nominating & Compensation Committee has an **excellent** evaluation by obtaining average score **96.25%**;
4. Risk Management Committee has an **excellent** evaluation by obtaining average score **97.54%**;
5. Sustainable Development Committee has a **very good** evaluation by obtaining average score **89.58%**.

5) Executive Chairman Assessment

The Corporate Governance Committee has initiated the Assessment for Executive Chairman. The form has been approved by the Board of Directors in its meeting No. 5/2021 on November 9, 2021 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 Executive Chairman has an **excellent** evaluation by obtaining average score **97.87%**.

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. 5/2021 on November 9, 2021 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 **98.29%**.

8.1.2 The Board of Directors' Attendance and Remuneration

8.1.2.1 The Board of Directors' Attendance of the Company and core business subsidiaries of the year

1. The Board of Directors' Meeting

- At a meeting of the Board of Directors, there must be directors present not less than one half of the total number of directors to form a quorum. In the event that the Chairman is absent or is unable to perform the duties, if there is a Vice-Chairman, the Vice-Chairman shall be the chairman of the meeting. In the absence of the Vice-Chairman or the Vice-Chairman is unable to perform the duties, the directors present at the meeting shall elect one among themselves to be the chairman of the meeting.

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.

- Each director shall have one vote. Decisions of the meeting shall be by a majority of votes. For a director who has an interest in any matter who shall have no right to vote on such matter. In the case of an equality of votes, the Chairman of the meeting shall have an additional casting vote.
- The Board of Directors' Meeting schedule has been set at least 5 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 which can be summarized detail for the year 2021 as follows:

- Considered the Company Operating Performance and Financial Statements for 2021 as well as quarterly performance of 2021;
- Acknowledged the 2020 Committees' activities;
- Acknowledged Assessment Result on Quality on Arrangement of AGM of Shareholders for 2021;
- Acknowledged the 2020 Board Self- Assessment, Executive Chairman and Company Secretary Assessment Result as well as consider the criteria of the Board Self Assessment, the Committees, Executive Chairman and Company Secretary Assessment Form for 2021;
- Considered the dividend payment for year 2020;
- Considered matters concerning to 2021 AGM agenda and provide opinions to shareholders for consideration;
- Considered the appointment of Management;
- Considered the Directors & Officer Liabilities and Corporate Reimbursement Insurance;
- 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 payment of performance bonus to the directors of the Company;
- Considered and reviewed Corporate Governance policy;
- Considered the appointment of Directors in the Committees;
- Considered and approved requesting a credit limit from a financial institution;
- Considered and approved the issuance and offering of newly issued convertible debentures of Samart Digital Pcl. to specific investors and not a connected person;
- Considered and approved the amendment of the authorized persons to sign financial documents;
- Acknowledged the results of Corporate Governance assessment of listed companies for the year 2021;
- Considered and approved vision, mission and the Company's 2022 business plan;
- Considered and approved the issuance and offering of debentures
- Considered and approved the credit guarantees for subsidiaries;

- Considered and approved the appointment of the Head of Internal Audit and the secretary of the Audit Committee instead of the resigned person;
 - Considered and reviewed Corporate Governance policy, business ethics also the Charter of the Board and the committees;
 - Considered the Board self-assessment criteria and the Company's committees for the year 2021;
 - Considered the 2021 criteria for evaluating the performance of Executive Chairman and the Company Secretary;
 - Considered the Board of Directors' meeting date for the year 2022;
 - Considered Annual Salary increase for 2022, 2021 Bonus and 2022 Bonus Payment Policy.
- Etc.

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

2. The Board of Directors' Attendance in 2021

Directors	Number of Attendance/Total Number of Meeting							
	Board	Audit Committee	Corporate Governance Committee	Nominating & Compensation Committee	Executive Board	Risk Management Committee	Sustainable Development Committee	AGM 2021
1. Dr. Tongchat Hongladaromp	5/5	4/4	-	3/3	-	-	-	1/1
2. Mr. Pradang Prichayangkun ⁽¹⁾	3/3 ⁽¹⁾	2/2	1/1 ⁽¹⁾	2/2	-	-	-	1/1
3. Mr. Seri Suksathaporn	5/5	4/4	2/2	3/3	-	-	-	1/1
4. Mr. Prinya Waiwatana	5/5	-	2/2	-	-	-	-	1/1
5. Mr. Vichai Srikwan ⁽²⁾	2/2 ⁽²⁾	2/2	-	1/1 ⁽²⁾	-	-	-	0/0 ⁽²⁾
6. Mrs. Siripen Vilailuck	5/5	-	-	-	-	-	-	1/1
7. Mr. Sirichai Rasameechan	5/5	-	2/2	-	-	-	-	1/1
8. Mr. Charoenrath Vilailuck	5/5	-	-	-	11/11	3/3	-	1/1
9. Mr. Watchai Vilailuck	5/5	-	-	-	11/11	3/3	3/3	1/1
10. Mr. Thananan Vilailuck	5/5	-	-	-	9/11 ⁽³⁾	3/3	3/3	1/1
11. Mr. Teerachai Phongpanangam	5/5	-	-	-	11/11	3/3	3/3	1/1
12. Mr. Jong Diloksombat	-	-	-	-	11/11	-	3/3	-
13. Mrs. Phongsri Saluckpetch	-	-	-	-	10/11 ⁽³⁾	-	3/3	-
14. Ms. Kanokwan Chanswangpuvana	-	-	-	-	9/11 ⁽³⁾	-	3/3	-
15. Ms. Chotika Kamloonwesaruch	-	-	-	-	10/11 ⁽³⁾	-	-	-

Remark : ⁽¹⁾ Resigned from the positions of Vice Chairman / Independent Director / Chairman of the Audit Committee / Nominating & Compensation Committee member and Corporate Governance Committee member on May 12, 2021. During his tenure, he attended every meeting;

⁽²⁾ Has been appointed as Vice Chairman / Independent Director / Chairman of the Audit Committee and Nominating & Compensation Committee member to replace Mr. Pradang Prichayangkun. The effective date is on May 12, 2021, onwards. During his tenure, he attended every meeting;

⁽³⁾ The Company business engagement.

Details of the Committees' Meeting can be found in the topic **"8.2 Reports on the result of duty performance of the Audit Committee in the past year"** and **"8.3 Summary of the results of duty performance of the committees"**.

3. Meeting among members of Non-Executive Directors

In 2021, 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.

4. Report of Directors attendance of the Company and Core business Subsidiaries in 2021

Directors	Number of Attendance/Total Number of Meeting					
	Samart Digital Pcl. (SDC)	Samart Telcoms Pcl. (SAMTEL)	Samart Communication Services Co., Ltd. (SCS)	Samart Comtech Co., Ltd. (SCT)	Portalnet Co., Ltd. (PTN)	Teda Co., Ltd. (TEDA)
1. Mr. Charoenrath Vilailuck	6/6	5/5	3/3	4/4	6/6	-
2. Mr. Watchai Vilailuck	6/6	5/5	3/3	3/4 ⁽³⁾	6/6	-
3. Mr. Thananan Vilailuck	-	5/5	-	-	-	3/3
4. Mr. Sirichai Rasameechan	-	5/5	-	-	-	-
5. Mr. Teerachai Phongpanangam	-	-	-	-	-	3/3
6. Mr. Piyapan Champasut	6/6	-	-	-	-	-
7. Dr. Chotivid Chayavadhanangkur	6/6	-	-	-	-	-
8. Mr. Kunthit Arunyanakonda	6/6	-	-	-	-	-
9. Mr. Jong Diloksombat	-	4/5 ⁽³⁾	3/3	4/4	6/6	-
10. Mr. Wongkrit Jiamsripong	5/5 ⁽¹⁾	-	-	-	-	-
11. Ms. Boonrut Mongkolratanakorn	1/1 ⁽²⁾	-	-	-	-	-
12. General Sumpun Boonyanun	-	5/5	-	-	-	-
13. Mr. Vichai Pokasamrit	-	5/5	-	-	-	-
14. Ms. Rapeepan Luangaramrut	-	5/5	-	-	-	-
15. Mr. Kajornvut Tayanukorn	-	5/5	-	-	-	-
16. Ms. Chotika Kamloonwesaruch	-	-	3/3	4/4	-	-
17. Mr. Suchart Duangthawee	-	-	3/3	4/4	6/6	-
18. Mr. Dhillokpat Nisamaneevong	-	-	3/3	4/4	6/6	-
19. Ms. Sirilak Chuenprasert	-	-	-	-	6/6	-
20. Mr. Thongchai Petchyim	-	-	-	-	-	3/3
21. Mr. Krongkiat Udomratanachaiyakul	-	-	-	-	-	3/3

Remark : ⁽¹⁾ Resigned from the positions of Director on August 9, 2021. During his tenure, he attended every meeting;

⁽²⁾ Has been appointed as on August 10, 2021. During her tenure, no meeting was held;

⁽³⁾ The Company business engagement.

Directors' 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 1.33 times 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 2021, held on April 27, 2021, was 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

In 2021, 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 2021 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 (Baht)								
	The Company							Subsidiaries	Grand Total
	Meeting Allowance ⁽¹⁾					Performance Bonus	Total Cash Remuneration from The Company		
	Board of Directors	Audit Committee	Corporate Governance Committee	Nominating & Compensation Committee	Total Meeting Allowance				
1. Dr. Tongchat Hongladaromp Chairman / Independent Director	150,000	60,000	-	60,000	270,000	80,000	350,000	-	350,000
2. Mr. Pradang Prichayangkun ⁽²⁾ Vice Chairman / Independent Director	45,000	60,000	15,000	30,000	150,000	50,000	200,000	-	200,000
3. Mr. Seri Suksathaporn Director / Independent Director	75,000	60,000	40,000	45,000	220,000	50,000	270,000	-	270,000
4. Mr. Vichai Srikwan ⁽³⁾ Vice Chairman / Independent Director	30,000	60,000	-	15,000	105,000	-	105,000	-	105,000
5. Mrs. Siripen Vilailuck Director	75,000	-	-	-	75,000	50,000	125,000	-	125,000
6. Mr. Charoenrath Vilailuck Director	75,000	-	-	-	75,000	50,000	125,000	360,000	485,000
7. Mr. Watchai Vilailuck Director	75,000	-	-	-	75,000	50,000	125,000	375,000	500,000
8. Mr. Sirichai Rasameechan Director	75,000	-	30,000	-	105,000	50,000	155,000	310,000	465,000
9. Mr. Prinya Waiwatana Director / Independent Director	75,000	-	30,000	-	105,000	50,000	155,000	-	155,000
10. Mr. Thananan Vilailuck Director	75,000	-	-	-	75,000	50,000	125,000	125,000	250,000
11. Mr. Teerachai Phongpanangam Director	75,000	-	-	-	75,000	50,000	125,000	110,000	235,000
Total	825,000	240,000	115,000	150,000	1,330,000	530,000	1,860,000	1,280,000	3,140,000

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

⁽²⁾ Resigned from the positions of Vice Chairman / Independent Director / Chairman of the Audit Committee / Nominating & Compensation Committee member and Corporate Governance Committee member on May 12, 2021. During his tenure, he attended every meeting;

⁽³⁾ Has been appointed as Vice Chairman / Independent Director / Chairman of the Audit Committee and Nominating & Compensation Committee member to replace Mr. Pradang Prichayangkun. The effective date is on May 12, 2021, onwards. During his tenure, he attended every meeting.

2. Total Remuneration of core business subsidiaries in 2021

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

Directors	Cash Remuneration (Baht)								
	Company							Subsidiaries	Grand Total
	Meeting Allowance					Performance Bonus	Total		
	Board of Directors	Audit Committee	Corporate Governance Committee	Nominating & Compensation Committee	Total Meeting Allowance				
1. Mr. Piyapan Champasut Chairman of the Board of Directors/ Independent Director	180,000	60,000	-	-	240,000	80,000	320,000	-	320,000
2. Dr. Chotivid Chayavadhanangkur Independent Director	90,000	120,000	40,000	45,000	295,000	50,000	345,000	-	345,000
3. Mr. Kunthit Arunyananda Independent Director	90,000	60,000	30,000	60,000	240,000	50,000	290,000	-	290,000
4. Mr. Charoenrath Vilailuck Director	90,000	-	-	-	90,000	50,000	140,000	-	140,000
5. Mr. Watchai Vilailuck Director	90,000	-	-	-	90,000	50,000	140,000	-	140,000
6. Mr. Wongkrit Jiamsripong ⁽¹⁾ Director	60,000	-	15,000	15,000	90,000	2,000 ⁽³⁾	92,000	-	92,000
7. Ms. Boonrut Mongkolratanakorn ⁽²⁾ Director	15,000	-	15,000	15,000	45,000	-	45,000	-	45,000
Grand Total	615,000	240,000	100,000	135,000	1,090,000	282,000	1,372,000	-	1,372,000

Remark : ⁽¹⁾ Resigned from Director on August 9, 2021. During his tenure, he attended every meeting;

⁽²⁾ Was appointed as Director on August 10, 2021. During her tenure, she attended every meeting;

⁽³⁾ The bonus received in proportion to the number of position.

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

Directors	Cash Remuneration (Baht)								Subsidiaries	Grand Total
	Company									
	Meeting Allowance ⁽¹⁾					Performance Bonus (Baht)	Total Amount (Baht)			
	Board of Directors	Audit Committee	Corporate Governance Committee	Nominating & Compensation Committee	Total Meeting Allowance					
1. General Sumpun Boonyanun Chairman / Independent Director	150,000	60,000	-	60,000	270,000	80,000	350,000	-	350,000	
2. Mr. Vichai Pokasamrit Director / Independent Director	75,000	120,000	40,000	45,000	280,000	50,000	330,000	-	330,000	
3. Miss Rapeepan Luangaramrut Director / Independent Director	75,000	60,000	30,000	45,000	210,000	50,000	260,000	-	260,000	
4. Mr. Sirichai Rasameechan Director / Independent Director	75,000	-	30,000	-	105,000	50,000	155,000	-	155,000	
5. Mr. Kajornvut Tayanukorn Director	75,000	-	30,000	45,000	150,000	50,000	200,000	-	200,000	
6. Mr. Charoenrath Vilailuck Director	75,000	-	-	-	75,000	50,000	125,000	-	125,000	
7. Mr. Watchai Vilailuck Director	75,000	-	-	-	75,000	50,000	125,000	-	125,000	

Directors	Cash Remuneration (Baht)								
	Company							Subsidiaries	Grand Total
	Meeting Allowance ^(*)					Performance Bonus (Baht)	Total Amount (Baht)		
	Board of Directors	Audit Committee	Corporate Governance Committee	Nominating & Compensation Committee	Total Meeting Allowance				
8. Mr. Thananan Vilailuck Director	75,000	-	-	-	75,000	50,000	125,000	-	125,000
9. Mr. Jong Diloksombat Director	60,000	-	30,000	-	90,000	50,000	140,000	-	140,000
Total	735,000	240,000	160,000	195,000	1,330,000	480,000	1,810,000	-	1,810,000

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

2.3) Cash & Non-Cash Remuneration for Directors of Samart Communication Services Co., Ltd. (“SCS”)

- Meeting allowance shall not be paid to the Directors because all members are the executives who have remuneration as the executives already.

2.4) 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.

2.5) Cash & Non-Cash Remuneration for Directors of Portalnet Co., Ltd. (“PTN”)

- Meeting allowance shall not be paid to the Directors because all members are the executives who have remuneration as the executives already.

2.6) 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.

8.1.3 Supervision on Operation of the Subsidiaries and Affiliated Companies

The Company has policy and practice about supervision on Operation of the Subsidiaries and Affiliated Companies. The detail is in “6.1 Overview of Policies and Corporate Governance Policies” under “6.1.1 Policies and Practice related to the Board of Directors”.

In 2021, the subsidiaries and affiliated companies have no case of non-compliance with the policy of supervision on operation of the subsidiaries and affiliated companies.

8.1.4 Monitoring of compliance with the corporate governance policy and practice

In addition, the Company has monitored of compliance with the corporate governance policy and practice for 4 issues as follow;

1. Prevention of Conflict of Interest

To prevent conflicts of interest, the Company has drawn out guidelines in the Business Ethic of the Company and disclosed in topic “6.1.2 Policies and Practice related to Shareholders and stakeholders” under “Prevention of Conflict of Interest”. The Company has informed the guidelines for everyone in the organization for adherence that the Corporate Governance Committee is responsible for monitoring to comply with the rules, regulations, and corporate governance policy and the Company’s business ethics regularly and strictly.

However, in 2021, Directors, managements, employees and related persons have no conflict of interest transaction with the Company.

2. Inside Information

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.**

However, the Company has no case of directors or managements do insider trading in 2021.

3. 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 **"6.1.2 Policies and Practice related to Shareholders and stakeholders"**.

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.

4. Reporting and reporting channels

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 Company has disclosed **the procedures and methods on "Notifying the information on misconduct and the protection of the informant"** in **"6.1.2 Policies and Practice related to Shareholders and stakeholders"**

However, in 2021, there was no informer and complaints to the Company.

8.2 Report on the results of duty performance of the Audit Committee in the past year

The details can be found in the topic **Report of the Audit Committee** page 010.

8.3 Summary of the results of duty performance of the committees

- The Executive Board
The details can be found in the topic **Report of the Executive Board** page 012.
- The Risk Management Committee
The details can be found in the topic **Report of the Risk Management Committee** page 013.
- The Corporate Governance Committee
The details can be found in the topic **Report of the Corporate Governance Committee** page 014.
- The Nominating & Compensation Committee
The details can be found in the topic **Report of the Nominating & Compensation Committee** page 016.
- The Sustainable Development Committee
The details can be found in the topic **Report of the Sustainable Development Committee** page 020.

9. Internal Control and Connected Transactions

9.1 Internal Control in 2021

9.1.1 Opinions of the Board of Directors and the Audit Committee about the company's internal control system

The Company 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) Control Environment

The Company set out work plans and business goals as the annual plan with aims to make the employees having clear guidelines and working targets. Key performance indicator (KPI) has been specified to consider and measure their performance.

The Company has structured lines of reports, authority, responsibility, and communication in the delegation of authority and the work procedures, so that the works can be managed effectively and appropriately.

2) Risk Assessment

The Company has the policy that the management of the Company and its subsidiaries must be assigned to prepare risk management plans for operating business of their own department, and present to the meeting of the Risk Management Committee to find the guidelines on managing risks and monitoring activities.

The Company has careful and effective internal control measures appropriated with the changing risks to minimize likelihood of risks. Risks have been regularly presented to the meeting of the Risk Management Committee for consideration and finding risk management measures 3 times a year.

3) Control Activities

The Company has suitable policies and regulations for controlling risks associated with activities, duties, and work processes to minimize risks exposed by the organization. In addition, the Audit Committee, internal and external auditors also followed up and monitored on compliance with rules, regulations, and delegation of authority manual including the procedure manual on continued basis.

The Company's Executive Board has duties to supervise operations of the Company and its subsidiaries to ensure that they complied with the policy every month. In case any factors impacted the operations and made them unable to achieve the targets, the Executive Board would give advice to each relevant company for purpose of speedily management.

4) Information and Communication

The Company has arranged the information technology system and communicated information continually to ensure that information conveyed was qualified and adequate for the Board of Directors, the shareholders, the investors, and the relevant persons on making decision.

The Company has established the Data Center to serve as the data operating center of the organization and its usage has been controlled by the international standards. The Company has been certified for ISO 27001 Information Security Management Standard and it also has the back-up site to back up data of the information technology system.

The Company communicated internal information via website, email, public broadcasting system and computer system, etc., so relevant works can be instantly communicated and obtained from the Company.

5) Monitoring Activities

The Company placed strong emphasis on internal control. In case any material defect was found, the administration team and the management team of the Company must be immediately notified to consider, seek for preventive and corrective measures including specify rectification completion period. The rectification results have been followed-up by the Internal Audit Unit and reported to the Audit Committee for their acknowledgement.

The Company specified that the Company's Internal Audit Unit must directly report to the Audit Committee and has duty to audit and assess internal control system of the Company and its subsidiaries pursuant to the work plans approved in each year.

The Company followed-up the operating results to check whether they achieve the planned targets or not. The Executive Board Meeting has been arranged every month to monitor performance of the Company and its subsidiaries, as well as to solve possible problems and adjust the operation plans to make them consistent with the changing situations.

Conclusion

In the Board of Directors' Meeting No. 1/2022 on February 25, 2022 in which all three Independent Audit Committee members attended concluded that the Company has a sufficient internal control system. Furthermore, the Company's auditor, Miss Siriwan Suratepin an auditor license no. 4604, audited the Company's financial statement for period ending December 31, 2021 without any comment on the Company's internal control system as significant error.

9.1.2 Internal Auditing

Internal Audit Unit is an independent unit which directly reports to the Audit Committee. There is the Internal Audit Charter which clearly specified duties and responsibilities.

The Company's Internal Audit Unit planned the annual audit operations by considering from material risks, processes or work systems and from the management of the audited departments. Internal control system has been reviewed to ensure that it is adequately for each activity.

The Company's internal audit works in 2021 included controls of assets, expenses disbursement, production costs of the Company, security supervision of the project works, working capital of the project works. The audit works had been reported to the Company's management to improve for better efficiency.

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.

9.1.3 The Company's Head of Internal Audit and Head of Compliance

During the meeting of the Audit Committee No. 4/2021 on November 9, 2021, Mr. Suthep Siriwatcharawong has been appointed as the head of Internal Audit Unit of the Company because he possessed adequate and suitable knowledge, capability and working experiences to perform such duty. Mr. Suthep Siriwatcharawong has attended various courses relevant to internal audit operations, such as audit risk analysis on transfer pricing; taxes and duties both accounting systems and standards; in-depth knowledge on tax burden and business contract, etc. and during 2021, the Head of internal Audit has performed the following duties.

- Propose 2021 audit plan to the Audit Committee for consideration and approval.
- Supervise operations of the internal auditor and review on compliance with the standards.
- Provide guidance and recommendation on compliance with regulations, orders and internal control to the department being audited.
- Inspection and control of the Company's expenses disbursement, safekeeping of assets, storing document and Information to categories, supervised the performance of audit unit to compliance with the specified plans and determination of the employees' duties and operations clearly.

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 "Information of Head of Internal Audit" in Attachment 3.

9.2 Connected Transactions

9.2.1 Related transactions which might have conflicts of interest in Year 2021

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
1. Vilailuck International Holdings Co., Ltd. (VIH) The major shareholder of Samart Corporation PCL (SC) with 14.78% stake owner. <u>Related Directors</u> (Connected person) 1. Mrs. Siripen Vilailuck 2. Mr. Charoenrath Vilailuck 3. Mr. Watchai Vilailuck 4. Mr. Thananan Vilailuck	SC rented office space at Software Park Building via 30-year lease agreement for 11,926 sq. meters from VIH : The building owner. Rental, Services charge for public utilities and land and building tax. Remark : The rate of service fee will be increased 5% annually in accordance with the service conditions in the Services Agreement	41.450	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.
	Rental, Service charge for public utilities and land and building tax (11 th - 12 th floor, area 1,614 sq. Meters) for SC	11.970	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.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	Rental, Service charge for public utilities and land and building tax (1 st floor, area 229.58 sq. Meters) for SC	1.703	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.
	Rental, Service charge for public utilities and land and building tax (mezzanine floor, area 359.45 sq. Meters) for SC	2.665	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.
	Rental, Service charge for public utilities and land and building tax (HOF, area 127.98 sq. Meters) for SC	0.949	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.
	Rental, Service charge for public utilities and land and building tax (16 th floor, area 1,366.86 sq.meters) for SC	10.137	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.
	Advance payment by SC for telephone expenses and medical fee to VIH (Total outstanding as of December 31, 2021 was Baht 1,883)	-	Advance payment was the actual expenses for normal business transaction.
	Miscellaneous expenses paid for entertain, parking lots, electricity, water supply and overtime air condition to VIH by SC. (Total outstanding as of December 31, 2021 was Baht 77,794)	0.793	It was the actual payment for normal business transaction.
	Revenue for telephone preventive maintenance	0.005	It was the actual revenue for normal business, which was the same rate charged to other customers.
	Rental, service charge for public utilities and actual miscellaneous payments i.e. parking lots, electricity, water supply for subsidiaries of SC paid to VIH during January 1, 2021 - December 31, 2021 were as follows:		
	- Samart Engineering Co., Ltd. (Subsidiary of SC)	0.007	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.
	- Samart U-Trans Co., Ltd. (Subsidiary of SC)	0.001	
	- Vision and Security System Co., Ltd. (Subsidiary of SC)	0.060	
	- Teda Co., Ltd. (Subsidiary of SC)	0.073	
	- Samart Telcoms PCL. (STC) (SC is a major shareholder)	5.859	

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	- Samart Communication Services Co., Ltd. (Subsidiary of STC) - Posnet Co., Ltd. (Subsidiary of STC) - Thai Trade Net Co., Ltd. (Subsidiary of STC) - Samart Infonet Co., Ltd. (Subsidiary of STC) - Samart Comtech Co., Ltd. (Subsidiary of STC) - Smarterware Co., Ltd. (Subsidiary of STC) - Secureinfo Co., Ltd. (Subsidiary of STC) - Samart ed-Tech Co., Ltd. (Subsidiary of STC) - Samart Digital PCL. (SDC) (SC is a Major shareholder) - I-Sport Co., Ltd. (Subsidiary of SDC) (Total outstanding as of December 31, 2021 was Baht 1,822,607)	5.169 0.980 0.062 0.053 1.623 0.376 10.071 0.013 0.041 2.413	
	Samart Engineering Co., Ltd. (Subsidiary of SC) sold Metal Works to VIH Samart Digital Media Co., Ltd. (Subsidiary of SDC) provided horoscopes forecasts to VIH	0.435 0.061	It was a normal business transaction for sale and purchase of goods 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.
2. 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> (Connected person) 1. Mr. Charoenrath Vilailuck 2. Mr. Watchai Vilailuck 3. Mr. Thananan Vilailuck	Samart Corporation PCL. (SC) advance payment for miscellaneous expenses i.e. telephone and medical to VLX (Total outstanding as of December 31, 2021 was Baht 3,314) Smarterware Co., Ltd. (Subsidiary of STC) provided system development service to VLX (Total outstanding as of December 31, 2021 was Baht 100,537)	- -	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.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
3. Phuphatara Co., Ltd. whose indirect shareholder of 42.38% is Vilailuck International Holding Co., Ltd. (VIH) and VIH is the major shareholder of SC. Related Directors (Connected person) 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 entertain customers to Puphatara Co., Ltd.	0.032	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 entertain customers to Puphatara Co., Ltd.	0.009	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) Provided CCTV repair service to Puphatara Co., Ltd. (Total outstanding as of December 31, 2021 was Baht 46,492)	0.043	It was a normal business transaction for sale and purchase of service according to the market price and general trade conditions.
4. 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. Related Directors (Connected person) 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, 2021 was Baht 383,876)	-	Advance payment was the actual expenses for normal business transaction.
	Rental (Rangsit), service charge for public utilities, VPP paid to SC during May 17-31, 2021	0.027	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.
	Samart Engineering Co., Ltd. (Subsidiary of SC) sold DTH satellite dish to VPP (Total outstanding as of December 31, 2021 was Baht 24,663)	-	It was a normal business transaction for sale and purchase of goods according to the market price and general trade conditions.
	Samart Engineering Co., Ltd. (Subsidiary of SC) advance payment for officer's salary working to VPP (Total outstanding as of December 31, 2021 was Baht 552,648)	-	Advance payment was the actual expenses for normal business transaction.
	Samart Engineering Co., Ltd. (Subsidiary of SC) service charge for public utilities i.e. electricity paid to VPP	0.131	It was the actual payment for normal business transaction.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
5. Le Votel Khaoyai Co., Ltd. whose indirect shareholder of 21.02% is Vilailuck International Holding Co., Ltd. (VIH) and VIH is the major shareholder of SC. <u>Related Directors</u> (Connected person) 1. Mr. Watchai Vilailuck	Samart Infonet Co., Ltd. (Subsidiary of STC) provided internet services to Le Votel Khaoyai Co., Ltd. (Total outstanding as of December 31, 2021 was Baht 48,198)	0.535	It was a normal business transaction for sale and purchase of service according to the market price and general trade conditions.
	Samart Corporation PCL. (SC) paid for accommodation for entertain customers to Le Votel Khaoyai Co. Ltd.	0.010	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 entertain customers to Le Votel Khaoyai Co. Ltd. (Total outstanding as of December 31, 2021 was Baht 5,900)	0.165	It was a normal business transaction for sale and purchase of service according to the market price and general trade conditions.
6. CSV Asset Co., Ltd. (CSV) whose major shareholder of 99.97% is VIH and VIH is the major shareholder of SC. <u>Related Directors</u> (Connected person) 1. Mr. Charoenrath Vilailuck 2. Mr. Watchai Vilailuck	Samart Corporation PCL. (SC) paid for space rental, service charge for public utilities and actual miscellaneous payments i.e. electricity, water supply to CSV (Total outstanding as of December 31, 2021 was Baht 6,965)	3.440	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.
	Rental space, services charge for public utilities and actual miscellaneous payments i.e. electricity and water supply by subsidiaries of SC paid to CSV during January 1, 2021 – December 31, 2021 were as follows :		
	- Samart Communication Services Co., Ltd. (Subsidiary of STC)	1.924	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.
	- Samart Comtech Co., Ltd. (Subsidiary of STC)	0.048	
	- Samart Digital PCL. (SDC) (SC is a Major shareholder) (Total outstanding as of December 31, 2021 was Baht 372,384)	2.377	
7. I.Q. Wine Co., Ltd. has Executive Director of SC is a related person. <u>Related Directors</u> (Connected person) 1. Mr. Thananan Vilailuck	SC and its subsidiaries paid for beverage (wine) to I.Q. Wine Co., Ltd. during January 1, 2021 - December 31, 2021. Actual payments were as follows :		
	- Samart Corporation PCL. (SC)	2.284	It was a normal business transaction for sale and purchase of goods according to the market price and general trade conditions.
	- Vision and Security System Co., Ltd. (Subsidiary of SC)	0.391	
	- Samart Telcoms PCL. (STC) (SC is a major shareholder)	0.317	
	- Samart Communication Services Co., Ltd. (Subsidiary of STC)	0.034	
	- Samart Digital PCL. (SDC) (SC is a major shareholder)	0.220	

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	Samart Engineering Co., Ltd. (Subsidiary of SC) rental of storage space (area 530 sq. meters) service charge for public utilities and actual miscellaneous expenses i.e. electricity to I.Q. Wine Co., Ltd. (Total outstanding as of December 31, 2021 was Baht 121,953)	1.402	The rental was reasonable compared to market price in nearby area and the same price compared with other renters.
	Samart Engineering Co., Ltd. (Subsidiary of SC) sold digital tv with antenna to I.Q. Wine Co., Ltd.	0.002	It was a normal business transaction for sale and purchase of goods according to the market price and general trade conditions.
	Samart Infonet Co., Ltd. (Subsidiary of STC) provided internet service to I.Q. Wine Co., Ltd. (Total outstanding as of December 31, 2021 was Baht 23,005)	0.258	It was a normal business transaction for sale and purchase of service according to the market price and general trade conditions.
8. Win Performance Co., Ltd. has Executive Director of SC is a related person. <u>Related Directors</u> (Connected person) 1. Mr. Watchai Vilailuck	Samart Corporation PCL. (SC) provided maintenance services for electronic document storage system to Win Performance Co., Ltd.	1.200	It was a normal business transaction for sale and purchase of service according to the market price and general trade conditions.
	Samart Corporation PCL. (SC) Sold Asset to Win Performance Co., Ltd.	0.120	It was a normal business transaction for sale and purchase of goods according to the market price and general trade conditions.
	Samart Digital PCL. (SDC) (SC is a major shareholder) provided all the network peripheral maintenance services to Win Performance Co., Ltd. (Total outstanding as of December 31, 2021 was Baht 428,000)	4.800	It was a normal business transaction for sale and purchase of goods 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.	6.565	It was a normal business transaction for sale and purchase of service according to the market price and general trade conditions.
9. S39 Fish Market Co., Ltd. has Executive Director of SC is a related person. <u>Related Person</u> (Connected person) 1. Mr. Watchai Vilailuck	SC and its subsidiaries paid for food and beverages for entertain customers to S39 Fish Market Co., Ltd. during January 1, 2021 - December 31, 2021 were as follows;		
	- Samart Corporation PCL. (SC)	1.100	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)	0.055	
	- Samart Telcoms PCL. (STC) (SC is a major shareholder)	0.218	
	- Portalnet Co., Ltd. (Subsidiary of STC)	0.025	

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

9.2.2.1 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.

9.2.2.2 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 form 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.

9.3 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.

Part
3

Financial Statements

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 2021, 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 2021, 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 consolidated financial statements:

1. Significant litigations and commercial disputes

- a) Note 45.6 a) to the consolidated financial statements regarding a dispute relating to the Company's provision of financial support and installation of a telecommunication network system for an organisation. In December 2019, an arbitral tribunal rendered its decision and ordered the Company to pay such financial support and installation of a telecommunication network system and interest thereon to the organisation. Later in 2020, a law firm, appointed by the Company, has already submitted a petition asking the Civil Court to revoke the arbitral award. However, in December 2021, the organisation filed a complaint demanding the Court to enforce the arbitral award. The Court decided to accept such a complaint and temporarily dismiss this case from the case list in order to wait for the final judgment of the case has been previously considered. In accordance with the advice of the Company's legal advisor, the Company's management still believes that the adverse impact arising from this dispute will not be significant, and therefore as at 31 December 2021, the Company has not set aside any provision in its accounts.
- b) Note 45.6 b) to the consolidated financial statements. The Company and two private limited companies together, as SPS Consortium ("SPS"), entered into an agreement with a state enterprise to perform waste management in the area of Suvarnabhumi Airport. Subsequently, a dispute arose with respect to SPS's non-compliance with the conditions in this agreement. SPS therefore filed a lawsuit against the state enterprise with the Central Administrative Court in November 2016 to demand a full payment for the services that has been performed. In 2017, the state enterprise submitted testimony and filed a countersuit

with the Central Administrative Court, claiming damages and fines from SPS related to the non-compliance. Later in 2021, the state enterprise requested a bank to make payment in accordance with its obligations under letters of guarantee between SPS and the state enterprise. The bank made payment in accordance with its obligations and the Company recorded this payment as damage paid in accordance with the agreement, in the Company's work proportion. The Company believes that this is adequate in the current circumstances. The Company's management and legal advisor believe that the Company will not incur significant losses as a result of the dispute. Therefore, as at 31 December 2021, the Company has not set aside any additional provision in its accounts.

- c) Note 45.6 c) to the consolidated financial statements regarding a dispute of I-Mobile Plus Co., Ltd., a subsidiary company, relating to breach of contract with respect to 3G mobile network service trial project with an organisation. The subsidiary filed a claim claiming compensation from such organisation with the Civil Court since October 2018, and at present it is under consideration of the Civil Court. and in 2020 such organisation filed a suit against Samart Digital Public Company Limited and the subsidiary (Samart Digital Group) with the Central Administrative Court demanding payments of fees and interest there on. However, on 30 April 2021, the subsidiaries filed the amended claim with the Central Administrative Court. Subsequently, the subsidiaries filed an objection against the court's jurisdiction. On 27 May 2021, the Committee on Jurisdiction of Courts decided that the case is in jurisdiction of the Court of Justice, not Administrative Court. According to the opinion of the Samart Digital Group's legal advisor, the Samart Digital Group's management still believes that the adverse impact arising from this dispute will not be significant. Therefore as at 31 December 2021, the Samart Digital Group has not set up additional provision in their accounts.

However, the above 3 lawsuits and commercial disputes have not yet been finalised and their outcome depend on future legal proceedings.

2. Related party transactions

Note 6 to the consolidated financial statements regarding related party transactions relating to purchase and sales of goods, services and loans, the 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 and estimation of provision for the delay penalties and possible losses from 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 Notes 4.1, 5.1 and 33 to the consolidated 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 long-term contracts in each period forms a significant portion, representing 57% 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 compared the percentage of completion or actual project progress with the timeframe specified in contracts. I enquired with the management and legal counsels of the Group relating to dispute of the projects delay as described in Note 45.5 l) and 45.5 m) to the financial statements, reviewed the Group's legal opinions and the related supporting documents of work delivery and acceptance and the request for deadline extension that were used to support the estimation of the provisions for assessing the judgement exercised by the management in evaluating the probability of projects delay or estimate possible losses. 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 expected credit losses of trade and other receivables

As at 31 December 2021, the Group had significant balances of trade and other receivables (accounting for 10% and 1% of total assets in the consolidated and separate financial statements, respectively). Determining the net realisable value of trade and other receivables, as disclosed in Note 5.3, 8 and 9 to the consolidated 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 expected credit losses of trade and other receivables to be set aside. I therefore gave significant attention to allowance for expected credit losses of trade and other receivables.

I assessed and gained an understanding of the internal controls of the Group relevant to the determination of allowance for expected credit losses of trade and other receivables by making enquiry of the responsible executives, gaining an understanding of the basis applied in determining the allowance for expected credit losses and reviewing the consistency of the application. I also reviewed the debtor aging analysis report, tested the correctness of aging therein and, for long outstanding debts, considered the credit terms given and assessed collectability by taking into account historical debt collection experience. Moreover, I analysed financial information of debtor to assess the financial status of major and long outstanding trade and other receivables, considered subsequent collections after the period-end date, tested the calculation of the allowance for expected credit losses according to the policy set by the management, considered the reasonableness of estimated timing of debt collection and discount rate used for discount the expected loss to reflect time value of money and enquired about the rationale for the recording of specific allowances. I also considered the reasonableness and adequacy of the allowance for expected credit losses of trade and other receivables.

Goodwill and investments

I have focused my audit on the consideration of the impairment of goodwill and investments as discussed in Notes 4.12, 5.6, 16.1 and 20 to the consolidated financial statements, because the assessment of impairment of goodwill and investments is a significant accounting estimate requiring management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of goodwill and investments.

I assessed the identification of cash generating units and the financial models selected by management by gaining an understanding of management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised. In addition, I tested the key assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections. I also evaluated the discount rate applied by management through analysis of the moving average finance costs of the Group and of the industry and involving internal expert to assist in the assessment of this information by comparing it to external sources based on an expert's knowledge and past experience, tested the calculation of the realisable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rates. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill and investments, as well as sensitivity of the impact of changes in key assumptions to the cash flow projections.

Deferred tax

The Group has disclosed its accounting policy and details relating to deferred tax in Notes 4.20, 5.7 and 39 to the consolidated 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.

Compliance with loan covenants

As disclosed in Note 26 to the financial statements, as at 31 December 2021 the Group has long term loans amounting to Baht 5,462 million (accounting for 41% of total liabilities in the consolidated). Under the loan agreements, the Group has to comply with certain conditions including maintaining financial ratios as stipulated in the agreements. As the long-term loans have significant balances in the financial statements. However, there is a risk that a subsidiary could not comply with the certain conditions or maintain financial ratios in accordance with the loan covenants. This could result in the loan becoming payable on demand and reclassification from non-current liabilities to current liabilities and also the going concern of the subsidiary.

I have checked the condition and loan covenants as stipulated in the agreements and tested the correctness of the calculation of financial ratios whether they were complied with the loan covenants. I have inquired with the management regarding the process for tracking the condition and loan covenants as well as the process of the waiver in case of breaching the loan covenants. In addition, I have reviewed the appropriateness of the classification of loans and assessed the adequacy of information disclosed in notes to the financial statements with respect to the compliance with the loan covenants, as well as the appropriateness of the going concern basis used in preparing the financial statements of the Group.

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.



Siriwan Suratepin
Certified Public Accountant (Thailand) No. 4604

EY Office Limited
Bangkok: 25 February 2022

Statement of financial position

Samart Corporation Public Company Limited and its subsidiaries

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	7	1,308,556,568	1,599,856,639	228,462,507	169,602,302
Trade and other receivables	8	1,758,906,835	2,102,377,856	163,835,018	128,931,748
Accrued income		2,928,627,578	3,061,947,614	518,433	840,673
Current portion of finance lease receivables	10	64,218,675	127,658,188	-	-
Short-term loans	11	7,275	12,073,239	188,262,191	198,262,191
Inventories	12	749,315,939	605,177,666	-	-
Other current financial assets	13	205,204,779	60,534,975	7,244,208	5,770,500
Other current assets	14	1,426,078,726	1,323,990,619	37,225,363	141,252,158
Total current assets		8,440,916,375	8,893,616,796	625,547,720	644,659,572
Non-current assets					
Restricted bank deposits	7, 15	266,704,383	249,632,406	-	-
Other non-current financial assets	13	101,835,164	119,381,758	14,133,164	14,272,483
Other long-term receivables - net of current portion	9	119,990,369	130,479,085	119,990,369	130,479,085
Finance lease receivables - net of current portion	10	-	43,880,372	-	-
Investments in subsidiaries	16	-	-	7,585,024,449	8,666,690,636
Long-term loan to subsidiary company	6	-	-	319,237,661	319,237,661
Investment properties	17	84,636,000	84,636,000	97,962,218	104,473,185
Property, plant and equipment	18	5,999,230,760	5,349,911,636	1,994,449,290	1,903,763,261
Right-of-use assets	19	393,512,442	491,677,040	63,256,163	84,764,655
Goodwill	20	392,128,956	392,128,956	-	-
Intangible assets	21	1,010,443,390	1,003,856,907	29,442,001	35,337,727
Deferred tax assets	39	710,280,196	767,456,734	-	-
Other non-current assets					
Deposits		53,858,870	59,524,580	-	-
Others		575,205,358	444,774,898	55,944,229	43,914,885
Total other non-current assets		629,064,228	504,299,478	55,944,229	43,914,885
Total non-current assets		9,707,825,888	9,137,340,372	10,279,439,544	11,302,933,578
Total assets		18,148,742,263	18,030,957,168	10,904,987,264	11,947,593,150

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 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	22	2,981,536,413	3,465,914,709	1,081,000,000	1,600,000,000
Trade and other payables	23	1,553,828,195	1,634,634,040	168,939,996	183,230,606
Short-term loans	24	12,707,950	22,140,000	794,043,126	630,798,475
Current portion of debentures	25	1,199,376,744	-	1,199,376,744	-
Current portion of long-term loans from subsidiary company	6	-	-	36,000,000	-
Current portion of long-term loans from financial institutions	26	2,987,266,252	1,559,146,116	316,277,045	161,500,463
Current portion of lease liabilities	19	77,704,206	82,082,973	16,515,621	14,381,215
Income tax payable		7,536,127	20,704,782	-	-
Accrued project cost		819,421,707	1,017,842,997	-	-
Short-term provisions	27	94,666,630	81,525,329	1,247,009	2,455,758
Other current financial liabilities		27,127,306	38,304,939	-	-
Other current liabilities	28	471,556,919	500,849,616	1,869,524	6,227,410
Total current liabilities		10,232,728,449	8,423,145,501	3,615,269,065	2,598,593,927
Non-current liabilities					
Debentures - net of current portion	25	-	1,196,566,782	-	1,196,566,782
Long-term loan from subsidiary company	6	-	-	-	36,000,000
Long-term loans from financial institutions - net of current portion	26	2,474,339,383	3,438,993,634	1,229,601,670	926,241,935
Convertible debentures	16	27,631,556	-	-	-
Lease liabilities, net of current portion	19	91,890,150	144,743,201	17,820,135	35,520,012
Long-term provisions	27	130,480,759	116,377,180	-	-
Provision for long-term employee benefits	29	304,470,734	304,649,994	47,762,655	45,591,097
Deferred tax liabilities	39	140,362,729	150,842,578	19,178,574	18,821,516
Other non-current financial liabilities		18,834,978	18,696,026	14,354,600	14,324,256
Other non-current liabilities					
Deposits		1,691,200	1,769,200	-	-
Others		990,203	990,204	-	-
Total other non-current liabilities		2,681,403	2,759,404	-	-
Total non-current liabilities		3,190,691,692	5,373,628,799	1,328,717,634	2,273,065,598
Total liabilities		13,423,420,141	13,796,774,300	4,943,986,699	4,871,659,525

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 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Assets					
Current assets					
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital	30				
Registered					
1,509,755,864 ordinary shares of Baht 1 each					
(2020: 1,342,005,213 ordinary shares of Baht 1 each)		1,509,755,864	1,342,005,213	1,509,755,864	1,342,005,213
Issued and fully paid-up					
1,006,504,143 ordinary shares of Baht 1 each					
(2020: 1,006,503,910 ordinary shares of Baht 1 each)		1,006,504,143	1,006,503,910	1,006,504,143	1,006,503,910
Share premium	30	243,407,227	243,404,011	243,407,227	243,404,011
Deficit on changes in percentage of shareholding in subsidiaries		(503,318,974)	(1,207,065,040)	-	-
Retained earnings					
Appropriated - statutory reserve	32	134,200,521	134,200,521	134,200,521	134,200,521
Unappropriated		2,355,139,652	2,766,884,111	4,447,121,354	5,562,057,863
Other components of shareholders' equity		147,716,081	97,075,190	129,767,320	129,767,320
Equity attributable to owners of the Company		3,383,648,650	3,041,002,703	5,961,000,565	7,075,933,625
Non-controlling interests of the subsidiaries		1,341,673,472	1,193,180,165	-	-
Total shareholders' equity		4,725,322,122	4,234,182,868	5,961,000,565	7,075,933,625
Total liabilities and shareholders' equity		18,148,742,263	18,030,957,168	10,904,987,264	11,947,593,150

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 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Revenues					
Revenues from sales	33	544,620,300	794,213,809	-	-
Revenues from contract work	33	4,035,941,106	4,525,879,396	-	-
Service income	33	2,373,984,343	3,785,658,190	-	-
Other income	34	174,901,448	167,967,024	299,198,136	730,919,220
Gain on disposal of investments in subsidiary	16	-	217,109,138	-	355,823,775
Total revenues		7,129,447,197	9,490,827,557	299,198,136	1,086,742,995
Expenses	38				
Cost of sales		529,163,368	663,298,589	-	-
Cost of contract work		3,346,903,059	3,760,353,386	-	-
Cost of services		2,092,347,816	3,570,145,511	-	-
Selling and distribution expenses		222,421,514	260,039,777	-	-
Administrative expenses		909,083,316	1,034,670,169	285,947,812	260,147,196
Other expenses	35	10,166,098	184,173,614	1,002,743,456	1,907,500
Total expenses		7,110,085,171	9,472,681,046	1,288,691,268	262,054,696
Operating profit		19,362,026	18,146,511	(989,493,132)	824,688,299
Finance income	36	12,082,899	26,920,476	26,986,041	18,536,972
Finance cost	37	(388,287,348)	(409,135,081)	(129,027,308)	(131,285,782)
Reversal (loss) of impairment loss on financial assets		(56,869,699)	26,792,363	(19,497,399)	(83,525,101)
Profit (loss) before income tax		(413,712,122)	(337,275,731)	(1,111,031,798)	628,414,388
Income tax	39	(46,707,133)	(115,619,110)	(3,822,688)	(6,315,313)
Profit (loss) for the year		(460,419,255)	(452,894,841)	(1,114,854,486)	622,099,075
Profit (loss) attributable to:					
Equity holders of the Company		(389,083,827)	(309,141,467)	(1,114,854,486)	622,099,075
Non-controlling interests of the subsidiaries		(71,335,428)	(143,753,374)		
		(460,419,255)	(452,894,841)		
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company	40	(0.39)	(0.31)	(1.11)	0.62
Weighted average number of ordinary shares (shares)		1,006,504,056	1,006,503,910	1,006,504,056	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 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit (loss) for the year		(460,419,255)	(452,894,841)	(1,114,854,486)	622,099,075
Other comprehensive income:					
<i>Items to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currencies		13,221,488	20,318,849	-	-
		13,221,488	20,318,849	-	-
Items to be reclassified to profit or loss in subsequent periods - net of income tax		13,221,488	20,318,849	-	-
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>					
Gain (loss) on investment in equity designated at fair value through other comprehensive income	13	41,744,412	(2,400,000)	-	-
Income tax effect	39	(18,970,000)	480,000	-	-
		22,774,412	(1,920,000)	-	-
Actuarial gain (loss)		10,188,868	9,776,509	(102,529)	241,738
Income tax effect	39	(2,256,826)	(1,955,317)	20,506	(48,348)
		7,932,042	7,821,192	(82,023)	193,390
Items not to be reclassified to profit or loss in subsequent periods - net of income tax		30,706,454	5,901,192	(82,023)	193,390
Other comprehensive income for the year		43,927,942	26,220,041	(82,023)	193,390
Total comprehensive income for the year		(416,491,313)	(426,674,800)	(1,114,936,509)	622,292,465
Total comprehensive income attributable to:					
Equity holders of the Company		(361,103,568)	(284,685,386)	(1,114,936,509)	622,292,465
Non-controlling interests of the subsidiaries		(55,387,745)	(141,989,414)		
		(416,491,313)	(426,674,800)		

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 2021

(Unit: Baht)

Consolidated financial statements														
Equity attributable to owners of the Company														
	Issued and paid-up share capital	Share premium	Deficit on changes in percentage of shareholding in subsidiaries	Retained earnings		Other components of shareholders' equity						Total equity attributable to shareholders of the Company	Non-controlling interest of the subsidiaries	Total shareholders' equity
						Other comprehensive income								
						Exchange differences on translation of financial statements in foreign currencies	Deficit on investment in equity designated at fair value through other comprehensive income	Surplus on revaluation of land	Surplus on revaluation of subsidiary companies	Total other components of shareholders' equity				
Balance as at 31 December 2019	1,006,503,910	243,404,011	(1,015,366,985)	134,200,521	3,223,201,767	(202,153,507)	(37,179,691)	129,767,320	187,275,663	77,709,785	3,669,663,009	1,661,516,689	5,331,172,698	
Profit for the year	-	-	-	-	(309,141,467)	-	-	-	-	-	(309,141,467)	(143,753,374)	(452,894,841)	
Other comprehensive income for the year	-	-	-	-	5,068,609	20,352,656	(965,184)	-	-	19,387,472	24,456,081	1,763,960	26,220,041	
Total comprehensive income for the year	-	-	-	-	(304,072,858)	20,352,656	(965,184)	-	-	19,387,472	(284,685,386)	(141,989,414)	(426,674,800)	
Dividend paid (Note 41)	-	-	-	-	(150,946,077)	-	-	-	-	-	(150,948,077)	(150,948,077)	(150,948,077)	
Disposal of investment in a subsidiary	-	-	(191,698,055)	-	(1,296,721)	(22,067)	-	-	-	(22,067)	(193,016,843)	(187,909,719)	(380,926,562)	
Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(138,440,391)	(138,440,391)	
Balance as at 31 December 2020	1,006,503,910	243,404,011	(1,207,065,040)	134,200,521	2,766,884,111	(181,822,918)	(38,144,875)	129,767,320	187,275,663	97,075,190	3,041,002,703	1,193,180,165	4,234,182,868	
Balance as at 31 December 2020	1,006,503,910	243,404,011	(1,207,065,040)	134,200,521	2,766,884,111	(181,822,918)	(38,144,875)	129,767,320	187,275,663	97,075,190	3,041,002,703	1,193,180,165	4,234,182,868	
Loss for the year	-	-	-	-	(389,083,827)	-	-	-	-	-	(389,083,827)	(71,355,428)	(460,419,255)	
Other comprehensive income for the year	-	-	-	-	4,035,546	12,495,016	11,448,697	-	-	23,944,713	27,980,259	15,947,683	43,927,942	
Total comprehensive income for the year	-	-	-	-	(385,048,281)	12,495,016	11,448,697	-	-	23,944,713	(361,103,568)	(55,387,745)	(416,491,313)	
Exercise warrants (Note 30)	233	3,216	-	-	-	-	-	-	-	-	3,449	-	3,449	
Gain on disposals of warrants	-	-	-	-	-	-	-	-	-	-	-	42,817,265	42,817,265	
Change in the percentage of shareholding in the subsidiaries which not result in a loss of control	-	-	703,746,066	-	-	-	-	-	-	-	703,746,066	161,063,787	864,809,853	
Transfer of fair value reserve of equity instruments designated at fair value through other comprehensive income to retained earning	-	-	-	-	(26,696,178)	-	26,696,178	-	-	26,696,178	-	-	-	
Balance as at 31 December 2021	1,006,504,143	243,407,227	(503,318,974)	134,200,521	2,355,139,652	(169,326,902)	-	129,767,320	187,275,663	147,716,081	3,383,648,650	1,341,673,472	4,725,322,122	

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 2021

(Unit: Baht)

	Separate financial statements				
	Issued and paid - up share capital	Share premium	Retained earnings		Other components of shareholders' equity
			Appropriated - Statutory reserve	Unappropriated	
Balance as at 31 December 2019	1,006,503,910	243,404,011	134,200,521	5,090,713,475	6,604,589,237
Profit for the year	-	-	-	622,099,075	622,099,075
Other comprehensive income for the year	-	-	-	193,390	193,390
Total comprehensive income for the year	-	-	-	622,292,465	622,292,465
Dividend paid (Note 41)	-	-	-	(150,948,077)	(150,948,077)
Balance as at 31 December 2020	1,006,503,910	243,404,011	134,200,521	5,562,057,863	7,075,933,625
Balance as at 31 December 2020	1,006,503,910	243,404,011	134,200,521	5,562,057,863	7,075,933,625
Loss for the year	-	-	-	(1,114,854,486)	(1,114,854,486)
Other comprehensive income for the year	-	-	-	(82,023)	(82,023)
Total comprehensive income for the year	-	-	-	(1,114,936,509)	(1,114,936,509)
Exercise warrants (Note 30)	233	3,216	-	-	3,449
Balance as at 31 December 2021	1,006,504,143	243,407,227	134,200,521	4,447,121,354	5,961,000,565

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 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Cash flows from operating activities					
Profit (loss) before tax		(413,712,122)	(337,275,731)	(1,111,031,798)	628,414,388
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities					
Unrealised (gain) loss on exchange		(3,902,100)	6,480,625	65,248,545	(15,582,842)
Gain on disposals of listed equity investments	13, 34	-	(252,414)	-	-
(Gain) loss on change in value of other current financial assets	13, 34, 35	(3,904,030)	2,731,848	(1,473,708)	1,907,500
Gain on transferring right under finance lease agreement		-	-	(135,302)	-
Write-off trade and other receivables		57,044,437	1,557,399	-	-
Increase (decrease) in allowance for expected credit losses of trade and other receivables		(20,189,474)	(98,792,588)	-	65,439
Increase (decrease) of allowance for diminution in value of accrued revenue		14,554,980	389,413	-	-
Increase in allowance for expected credit losses of short-term loans to subsidiary	6	-	-	9,650,000	9,350,000
Increase in allowance for expected credit losses of long-term loans to subsidiary	6	-	-	-	3,067,339
Decrease in reduction cost of inventory to net realisable value	12	(44,533,829)	(35,892,052)	-	-
Decrease in allowance for expected credit losses of other current assets		(2,250,000)	-	-	-
Increase (decrease) in allowance for expected credit losses of other non-current financial assets	13	(1,247,900)	1,044,900	(152,601)	476,408
Increase in allowance for expected credit losses of other long-term receivables	9	10,000,000	70,565,915	10,000,000	70,565,915
Write-off withholding tax deducted at source	35	7,730,357	27,500,408	638,452	-
Write-off other current assets		2,250,000	-	-	-
Loss on impairment of investments in subsidiaries (reversal)	34, 35	-	-	930,000,000	(18,869,271)
Gain on disposals of investments and warrants	34	-	-	(84,846,181)	-
Gain on disposal of investments in subsidiaries	16	-	(217,109,137)	-	(355,823,775)
Gain on liquidation in subsidiaries		-	(65)	-	-
(Gain) loss on revaluation of investment properties	17, 35	-	-	6,510,967	(884,880)
Depreciation of plant and equipment	18	397,239,592	1,056,917,449	13,658,392	19,513,357
Depreciation of right-of-use assets	19	125,538,276	138,178,306	20,378,833	22,018,219

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 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Gain on disposal of equipment	34	(31,125,566)	(10,549,975)	(1,082,896)	(858,396)
Gain on disposal of intangible assets	34	-	(5,507,610)	-	-
Gain on compensation received from insurance	34	(55,554)	(60,913)	-	-
Write-off equipment and intangible assets	35	739,015	629,900	-	-
Transfer intangible assets to expense		-	7,700	-	-
Increase in allowance for impairment of equipment and intangible assets	18, 35	106,639	151,739,048	-	-
Gain on reversal of provision under service concession		-	(7,999,997)	-	-
Amortisation of intangible assets	21	115,470,240	162,791,990	5,895,726	5,888,158
Loss from damage of project termination		21,590,300	-	-	-
Increase in provision for long-term employee benefits		9,639,711	4,090,211	2,069,029	4,674,321
Dividend income	34	(506,800)	(519,200)	(253,400)	(440,240,261)
Finance income	36	(12,082,900)	(26,920,477)	(26,986,041)	(18,536,972)
Interest expenses	37	373,191,642	393,844,837	117,368,614	122,591,224
Profit (loss) from operating activities before changes in operating assets and liabilities		601,584,914	1,277,589,790	(44,543,369)	37,735,871

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 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Cash flows from operating activities (continued)					
Operating assets (increase) decrease					
Trade and other receivables		303,741,063	1,895,982,552	(19,949,562)	21,699,750
Accrued income		118,765,056	1,132,162,847	322,240	89,096
Inventories		(192,374,582)	(207,773,001)	-	-
Other current financial assets		(140,765,774)	273,065,010	-	680,400
Other current assets		(240,592,696)	69,868,478	11,830,762	(95,441,299)
Other non-current financial assets		5,894,494	(30,186,339)	291,921	(6,436,588)
Other non-current assets		(48,226,354)	(110,781,243)	(5,491,897)	(11,090,765)
Operating liabilities increase (decrease)					
Trade and other payables		(238,891,941)	(67,672,027)	(18,345,991)	8,845,707
Other current financial liabilities		(11,177,633)	14,592,565	-	-
Other current liabilities		(31,627,598)	(345,128,618)	(4,357,886)	3,898,607
Other non-current financial liabilities		138,952	7,724,724	30,344	2,628,081
Other non-current liabilities		(78,000)	3,308,674	-	-
Cash flows from (used in) operating activities		126,389,901	3,912,753,412	(80,213,438)	(37,391,140)
Cash paid for interest expenses		(349,040,780)	(412,589,601)	(154,301,202)	(140,777,785)
Cash paid for corporate income tax		(148,078,669)	(351,487,127)	(8,215,151)	(8,452,671)
Cash received from withholding tax refundable		126,366,955	217,110,851	4,039,431	6,435,410
Cash received from value added tax refundable		92,861,918	-	92,569,896	-
Net cash flows from (used in) operating activities		(151,500,675)	3,365,787,535	(146,120,464)	(180,186,186)

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 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Cash flows from investing activities					
Cash paid to provide short-term loans to subsidiary companies	6	-	-	(9,650,000)	(9,350,000)
Cash received from repayment of short-term loans to subsidiary companies	6	-	-	10,000,000	100,000,000
Cash paid to provide short-term loans		(19,500)	(1,014,831)	-	-
Cash received from repayment of short-term loans		12,085,464	1,237,861	-	-
Cash paid to provide long-term loans to subsidiary companies	6	-	-	-	(322,305,000)
Cash received from interest income		6,628,754	15,080,604	9,749,772	11,745,821
Proceeds from disposals of listed equity investments	13	54,644,412	6,423,045	-	-
Dividend received from listed equity investments	34	506,800	519,200	253,400	259,600
Dividend received from subsidiaries	34	-	-	-	439,980,661
Increase in restricted bank deposits		(17,071,977)	(517,214)	-	-
Cash received from lease receivables under finance lease agreement		111,860,668	122,029,820	-	-
Net cash inflows from disposal of investments in subsidiary	16	-	410,416,732	-	445,433,264
Net cash outflows from subsidiaries' liquidation		-	(15,922)	-	-
Proceeds from disposal of equipment		30,572,993	18,955,978	1,138,692	881,958
Cash paid for acquisitions of equipment and assets under installation		(1,000,269,408)	(2,148,237,381)	(56,232,045)	(1,538,147,322)
Cash received from insurance claims		55,562	62,000	-	-
Proceeds from disposal of intangible assets		-	7,521,554	-	-
Cash paid for acquisition of intangible assets		(23,095,271)	(106,251,876)	-	(145,864)
Decrease in non-controlling interests of subsidiaries		-	(301,525)	-	-
Net cash flows used in investing activities		(824,101,503)	(1,674,091,955)	(44,740,181)	(871,646,882)

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 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Cash flows from financing activities					
Increase (decrease) in bank overdrafts		15,385,053	(2,442)	-	-
Proceeds from short-term loans from financial institutions		4,298,907,111	5,260,219,825	463,976,547	1,850,000,000
Cash paid to settle short-term loans from financial institutions		(4,296,279,219)	(6,390,562,441)	(482,976,547)	(1,980,000,000)
Proceeds from bill of exchange		-	100,000,000	-	100,000,000
Cash paid to bill of exchange		(100,000,000)	-	(100,000,000)	-
Decrease in trust receipts		(2,391,241)	(486,491,452)	-	-
Proceed from short-term loans from subsidiary companies	6	-	-	95,000,000	435,677,500
Repayment of short-term loans from subsidiary companies		-	-	-	(136,690,000)
Cash received from issuance debentures	25	-	1,601,000,000	-	1,201,000,000
Cash paid for transaction costs	25	-	(5,635,400)	-	(5,635,400)
Cash paid to debentures redemption	25	-	(2,050,000,000)	-	(1,250,000,000)
Proceed from issuance of convertible debentures	16	644,000,000	-	-	-
Proceeds from disposals of investment and warrants		236,512,368	-	236,512,368	-
Repayment of short-term loans from unrelated parties		(9,432,050)	-	-	-
Proceeds from long-term loans from financial institutions	26	66,976,547	1,101,039,000	66,976,547	1,101,039,000
Cash paid for front-end fee of long-term loans from financial institutions	26	(4,000,000)	(16,500,000)	(4,000,000)	(16,500,000)
Cash paid to settle long-term loans from financial institutions	26	(125,047,370)	(756,962,575)	(10,000,000)	-
Cash paid to settle liabilities under lease agreements		(90,755,545)	(100,993,294)	(15,771,514)	(18,886,478)
Dividend paid	41	-	(150,948,076)	-	(150,948,077)
cash received from exercise of warrants	31	3,449	-	3,449	-
Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiaries		-	(138,440,391)	-	-
Net cash flows from (used in) financing activities		633,879,103	(2,034,277,246)	249,720,850	1,129,056,545
Increase in translation adjustments		50,423,004	26,964,230	-	-
Net increase (decrease) in cash and cash equivalents		(291,300,071)	(315,617,436)	58,860,205	77,223,477
Cash and cash equivalents at beginning of the year		1,599,856,639	1,915,474,075	169,602,302	92,378,825
Cash and cash equivalents at end of the year		1,308,556,568	1,599,856,639	228,462,507	169,602,302

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 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Supplement disclosures of cash flows information					
Non-cash items					
Transfer allowance for expected credit losses of other long-term receivable to current portion	8	111,284	-	111,284	-
Transfer other long-term receivable to current portion		600,000	-	600,000	-
Increase in accounts payable for acquisitions of equipment		-	-	602,591	12,052,775
Increase in accounts receivable from disposals of equipment		292,755	-	-	-
Transfer inventories to equipment		31,109,247	74,296,114	-	53,000,000
Transfer inventories to other current assets		61,660,891	5,593,059	-	-
Transfer inventories to other intangible assets		-	610,545	-	-
Transfer inventories to other non-current assets		-	19,885,979	-	310,274
Transfer other current assets to other non-current assets		76,210,990	-	-	-
Transfer righth-of-use assets to investment properties	17, 19	-	-	-	12,830,160
Return equipment from sales		595,602	-	-	-
Transfer equipment to intangible assets		-	1,300,000	-	-
Transfer equipment to other current assets		1,015,640	1,437,500	1,015,640	-
Transfer other non-current assets to equipment		-	5,049,157	-	-
Transfer other non-current assets to intangible assets	21	6,210,041	11,140,723	-	-
Convert short-term loan to long-term loan	26	400,000,000	2,214,060,000	400,000,000	-
Increase in intangible assets related to service concession		-	1,367,266	-	-
Debentures converted to ordinary shares in subsidiary		670,000,000	-	-	-
Increase (decrease) in right-of-use assets	19	27,373,679	29,531,187	(1,129,660)	24,281,321

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 2021

1. General information

1.1 The Company's 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.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic has still slowed down the economic recovery, impacting most business and industries. This situation significantly affects the Group's business activities in terms of supply chains, limited provision of service and operational delays, and this is significantly impacting the Group's financial position, operating results, and cash flows at present, including compliance with debt covenants, and is expected to do so in the future.

The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

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, 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)	
			2021 Percent	2020 Percent
The Samart Engineering Co., Ltd.	Manufacture and distribution of television and radio antenna, Broadcast Network Solution as well as produce metal work, metal sheet products and related products which apply with electronic system, station equipment, all varieties of meters, and mobile base station provided 3G / 4G network, including metal forming products, aluminium, and zinc.	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.	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.	Thailand	70.14	70.14
Samart Digital Public Co., Ltd.	Provide integrated businesses in digital network, solution and content.	Thailand	73.52	83.36
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 (2016: Provision of waste management services in vicinity of Suvarnabhumi Airport)	Thailand	90	90
Samart RadiTech Co., Ltd.	Radiation technology business : Trading of radiation measurement equipments, radiation measurement service, and radiation project management.	Thailand	100	100
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	
			2021 Percent	2020 Percent
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	Cambodia	100	100

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			2021 Percent	2020 Percent
Subsidiaries held by Samart U-Trans Co., Ltd.				
Teda Co., Ltd.	Provide services regarding Engineering Design & Installation of Energy Management System & Energy Supply and Demand Controller for Industries and Commercial Buildings.	Thailand	94.36	94.36
Samart U-Trans (Myanmar) Co., Ltd.	Provide services and consultations regarding trades in Myanmar including all related general proceedings.(In process of liquidation)	Myanmar	100	100
Samart Green Energy Co., Ltd.	Operate business relating to renewable energy management.	Thailand	100	100
Samart Aviation Solutions Public Co., Ltd. (held by Samart U-trans Co., Ltd.: 66.67% and held by Samart Inter Holding Co., Ltd.: 33.33%)	Engaging in the business of investing in other companies (a holding company) with a focus on investing in companies operating in the provision of Air Navigation Service or other business related to the Air Traffic Management.	Thailand	100	100
Subsidiary held by Teda Co., Ltd.				
Transec Power Services Co., Ltd.	Provide services regarding Engineering, Construction, Installation & Commissioning and Maintenance services for Power Substation and any High Voltage system.	Thailand	94.36	94.36
Subsidiary held by Samart Aviation Solutions Public Co., Ltd.				
Cambodia Air Traffic Services Co., Ltd.	Provide 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	69.88	69.86
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
Subsidiary held by Samart Communication Services Co., Ltd.				
SLA Asia Co., Ltd.	Operate on installation of telecommunication network project (Deregistration in during the year)	Thailand	-	63.13
Subsidiary held by Samart Broadband Services Co., Ltd.				
IT Absolute Co., Ltd.	Distribution of information system and communications equipment	Thailand	70.10	70.10
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	
			2021 Percent	2020 Percent
Subsidiaries held by Samart Digital Public Co., Ltd.				
Samart Digital Media Co., Ltd.	Provision content services via Audiotext and Call center	Thailand	73.52	83.36
I-Mobile Plus Co., Ltd.	Temporarily ceased its business	Thailand	73.52	83.36
Zecureasia Co., Ltd.	Temporarily ceased its business	Thailand	73.52	83.36
SIM2ASSET Co., Ltd.	Temporarily ceased its business	Thailand	73.52	83.36
Thai Base Station Co., Ltd.	Provision space rental and other services and distribution telecommunication equipment and system	Thailand	73.52	83.36
Samart Mobile Services Co., Ltd.	Temporarily ceased its business	Thailand	71.61	81.19
Subsidiaries held by Samart Digital Media Co., Ltd.				
I-Sport Co., Ltd.	Provision of information of sports via full option interactive multimedia	Thailand	36.76	41.68
Entertainment Tree Co., Ltd.	Production, sale and provision of all kinds of entertainment-related content through multiple channels	Thailand	45.49	51.57
Subsidiaries held by I-Sport Co., Ltd.				
Siam Sport Television Co., Ltd.	TV media, sport license and sport-related business	Thailand	36.76	41.68

- 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.
- 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.
- The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- 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.
- Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- 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

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

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

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Revenue from sales of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

Revenues from contract work

Revenues from contract work is recognised over time when services have been rendered taking into account the stage of completion, measuring based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion. Provision for the total anticipated loss on the projects will be made in the accounts as soon as the possibility of loss is ascertained.

The likelihood of contract variations, claims and liquidated damages, delays in delivery or contractual penalties is taken into account in determining the revenue to be recognised, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the value and stage of completion of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

The service-type warranties provided customers with a service in addition to the assurance that the product complies with agreed-upon specifications are recognised as revenue over the periods in which the service is provided.

Rendering of services

Service revenue is recognised at a point in time upon completion of the service or recognised over time when services have been rendered taking into account the stage of completion.

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.

Transponder service income

Transponder service income under type-two telecom license without its own network is recognised as revenue on the monthly accrual basis in accordance with the payments due under the agreement.

Dividends

Dividends are recognised when the right to receive the dividends is established.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

4.2 Costs to fulfil contracts with customers

The Group recognises costs to fulfil a customer contract as an asset provided that the costs generate or enhance resources of the entity that will be used in satisfying performance obligations in the future and the costs are expected to be recovered. The asset recognised is amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. An impairment loss is recognised to the extent that the carrying amount of an asset recognised exceeds the remaining amount of consideration that the Group expects to receive less direct costs.

4.3 Contract balance

Contract assets

A contract asset is the excess of cumulative revenue earned over the billings to date which has been presented under the caption of “Accrued income” in the statement of financial position. Allowance for impairment loss is provided for the estimated losses that may be incurred in customer collection. Contract assets are transferred to receivables when the rights become unconditional (i.e. services are completed and delivered to customer).

Contract liabilities

A contract liability is the excess of the billings to date over the cumulative revenue earned and the Group has the obligation to transfer goods and services to a customer which has been presented under the caption of “Unearned revenue” in the statement of financial position. Contract liabilities are recognised as revenue when the Group fulfils their performance obligations under the contracts.

4.4 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.

4.5 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.

4.6 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

4.7 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.

4.8 Property, plant and equipment and depreciation

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 Group's 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 Group's 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 - 20 years
Office equipment	3 - 10 years
Machinery, tools and equipment	3 - 10 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.

4.9 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.

4.10 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 the straight-line 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:

Service concession and other intangible assets	5 - 32 years
Computer software	3, 5, 10 years and contract periods
Right for telecommunication tower service	10 years and contract periods

4.11 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. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any). The subsidiary amortises such intangible asset as expense in the profit or loss on a straight-line basis of the concession period.

4.12 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 Group's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group estimates 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.

4.13 Convertible debentures

Convertible debentures are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible debentures, based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

4.14 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Buildings and improvement	3 - 10 years
Equipment	3 - 10 years
Motor vehicles	5 - 7 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets which are classified as investment properties are presented as part of investment properties in the statement of financial position.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounts the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

The Group as a lessor

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

4.15 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 associates, 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.

4.16 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.

4.17 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, investment property and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries 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 Group 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 (except for goodwill), if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates 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.

4.18 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 Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats 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 plans are recognised immediately in other comprehensive income.

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

Provision for vacation

The Group has set up provision for vacation which is calculated in accordance with the Group's policy and formula, taking into consideration the employee's salary, the number of service years and the unused vacation days.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognizes restructuring-related costs.

4.19 Provisions

Provisions are recognised when the Group has 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.

4.20 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 Group recognises deferred tax liabilities for all taxable temporary differences while it recognises 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 Group reviews and reduces 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 Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.21 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

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

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

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value including interest income recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

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

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.22 Derivatives

The Group uses derivatives, which is forward currency contracts, to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes including interest income are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as other current financial assets or other current financial liabilities.

4.23 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures 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 Group determines 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 Revenue from contracts with customers

Identification of performance obligations

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

Determination of timing of revenue recognition

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Group recognises revenue over time in the following circumstances:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

In calculating the revenue recognised over time, the management is required to use judgement regarding measuring progress towards complete satisfaction of a performance obligation, measuring based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion. Significant judgement is required in determining the contract costs incurred for work performed to date, estimated total contract revenue and construction costs, and the recoverability of the contract costs to complete, as well as assessing potential deductions from revenue due to delays in delivery or contractual penalties. In making these judgements, management relies on past experience, historical information and information from the project engineers or the work of specialists.

Determination of transaction price

In determining transaction price, the management is required to use judgement in estimating the variable consideration. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold. The Group includes any amount of variable consideration in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Costs to obtain contracts

The recognition of costs incurred to obtain a contract as an asset requires management to use judgement regarding whether such costs are the incremental costs of obtaining a contract with a customer as well as what amortisation method should be used.

5.2 Leases**The Group as a lessee*****Determining the lease term with extension and termination options***

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The Group as lessor***Lease classification***

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to 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 expected credit losses of trade and other receivables and contract assets

In determining an allowance for expected credit losses of trade and other receivables and contract assets, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

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 Group 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 18.

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 Group 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 Group has contingent liabilities as a result of litigation and delay penalty. The management has 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 Group 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 Fixed deposit rate of the commercial banks that frequently use.
 - 5.3 12-month average fixed deposit rate of the big five commercial banks plus 0.25 percent per annum.
 - 5.4 Average saving deposit rate of the big five commercial banks plus 0.25 percent per annum.
 - 5.5 In case of USD Loans: LIBOR 3-month 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	
	2021	2020	2021	2020
Transactions with subsidiary companies (eliminated from the consolidated financial statements)				
Management fee income	-	-	65	58
Guarantee fee income	-	-	6	6
IT Service fee income	-	-	52	95
Dividend income	-	-	-	440
Interest income	-	-	24	16
Purchases of fixed assets	-	-	2	9
Other income	-	-	54	68
Other expenses	-	-	9	12
Interest expenses	-	-	5	6
Transactions with related companies				
Sales and service income	7	22	-	-
Purchases of goods and services	10	22	-	-
IT Service fee income	-	1	-	1
Other income	8	9	1	2
Other expenses	109	115	77	77

As at 31 December 2021 and 2020, the balances of the account between the Company and those related parties were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade accounts receivable - related parties (Note 8)				
Related companies (related by shareholder)	142	2,805	-	-
Total trade accounts receivable - related parties	142	2,805	-	-
Amount due from and advance to related parties (Note 8)				
Subsidiary companies	-	-	37,358	25,044
Related companies (related by shareholder)	1,492	7,723	389	5,154
Total amount due from and advance to related parties	1,492	7,723	37,747	30,198
Trade accounts payable - related parties (Note 23)				
Subsidiary companies	-	-	123,839	123,170
Related companies (related by shareholder)	-	3	-	-
Total trade accounts payable - related parties	-	3	123,839	123,170

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Other payables and accrued interest expenses - related parties (Note 23)				
Subsidiary companies	-	-	10,216	12,536
Related companies (related by shareholder)	2,644	2,786	419	1,249
Total other payables and accrued interest expenses - related parties	2,644	2,786	10,635	13,785

Loans to related parties and loans from related parties

As at 31 December 2021 and 2020, the balances of loans between the Company and those related parties and the movements were as follows:

Short-term loans to subsidiary companies

(Unit: Thousand Baht)

Short-term loans to subsidiary companies (Note 11)	Separate financial statements			
	31 December 2020	During the year		31 December 2021
		Increase	Decrease	
Suvarnabhumi Environment Care Co., Ltd.	234,611	9,650	-	244,261
The Samart Engineering Co., Ltd.	10,000	-	(10,000)	-
Total	244,611	9,650	(10,000)	244,261
<u>Less:</u> Allowance for expected credit losses	(46,349)	(9,650)	-	(55,999)
Total short-term loans to subsidiary companies - net	198,262	-	(10,000)	188,262

Long-term loan to subsidiary company

(Unit: Thousand Baht)

Long-term loans to subsidiary company	Separate financial statements		
	31 December 2020	Increase During the year	31 December 2021
Samart Digital Public Co., Ltd.	322,305	-	322,305
<u>Less:</u> Allowance for expected credit losses	(3,067)	-	(3,067)
Total long-term loan to subsidiary company	319,238	-	319,238

Financial support plan for Samart Digital Public Co., Ltd.

On 25 June 2020, a meeting of the Board of Directors of the Company passed a resolution to approve the financial support provided to Samart Digital Public Co., Ltd., a subsidiary company. The plan is to provide long-term loans under conditions as summarised below.

(Unit: Million Baht)

Loans conditions	Amount
The 1st financial support	
When the Company receives capital from the sale of the debentures in the amount of not exceeding	322
The 2nd financial support	
When the Company receives capital from listing Samart Aviation Solutions Public Co., Ltd. on the Stock Exchange of Thailand in the amount of not exceeding	200
The additional financial support	
The Company will consider providing additional financial support apart from the first and the second financial support in the total amount of not exceeding Baht 600 million from working capital of the Company	78
Total	600

The total amount of financial support is not exceeding Baht 600 million with a term of not exceeding 6 years or not beyond the year 2025. Interest rate is charged at fixed rate per annum. On 1 September 2020, a meeting of the Extraordinary General Meeting of Shareholders of Samart Digital Public Co., Ltd., a subsidiary company passed a resolution to approve the borrowing of loans from the Company under conditions of the financial support as mentioned above. Subsequently, on 2 September 2020, the Company had entered into a loan agreement with the subsidiary company, in total of not exceeding Baht 600 million which the loan has three installments of draw down and the Company drawn down 1st installment of Baht 322 million in September 2020. Interest rate is charged at fixed rate per annum and the loan shall be repaid in full amounts of loans within 30 December 2025.

Short-term loans from subsidiary companies

(Unit: Thousand Baht)

	Separate financial statements			
	31 December 2020	Increase during the year	Unrealised loss on exchange	31 December 2021
Short-term loans from subsidiary companies (Note 24)				
Samart Inter Holding Co., Ltd.	382,247	-	42,849	425,096
Cambodia Air Traffic Services Co., Ltd.	166,137	-	18,624	184,761
Kampot Power Plant Co., Ltd.	60,414	-	6,772	67,186
The Samart Engineering Co., Ltd.	-	20,000	-	20,000
Samart U-Trans Co., Ltd.	22,000	75,000	-	97,000
Total short-term loans from subsidiary companies	630,798	95,000	68,245	794,043

Long-term loans from subsidiary company

(Unit: Thousand Baht)

	Separate financial statements		
	31 December 2020	Decrease during the year	31 December 2021
Long-term loans from subsidiary company			
Kampot Power Plant Co., Ltd.	36,000	-	36,000
Total long-term loans from subsidiary company	36,000	-	36,000
Less: Current portion			(36,000)
Long-term loans from subsidiary company - net of current portion			-

The Company obtained a Baht loan from Kampot Power Plant Co., Ltd., a subsidiary company, amounting to 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 December 2022.

Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Short-term employee benefits	77	107	23	25
Post-employment benefits	2	2	1	1
Total	79	109	24	26

Significant agreements with related parties

Long-term rental agreements

- The Group 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 2023. The Group has to pay a monthly rental fee of approximately Baht 1.9 million (2020: Baht 1.9 million) (Separate financial statements: Baht 0.8 million (2020: Baht 0.8 million)).
- The Group entered into office rental agreements with CSV Asset Co., Ltd., a related company, for use in their operations. These contracts will expire in December 2023. The Group has to pay a monthly rental fee of approximately Baht 0.3 million (2020: Baht 0.3 million) (Separate financial statements: Baht 0.1 million (2020: Baht 0.1 million)).

The Group recognised these long-term rental agreements as right-of-use assets and lease liabilities, as included in Note 19 to financial statements.

Service agreements

- The Group entered into facility service agreements with Vilailuck International Holding Co., Ltd., a related company. These contracts will expire in April 2023, under which it has to pay monthly facility service fees of approximately Baht 6.0 million (2020: Baht 5.9 million) (Separate financial statements: Baht 4.0 million (2020: Baht 4.0 million)).
- The Group entered into facility service agreements with CSV Asset Co., Ltd., a related company. These contracts will expire in December 2023, under which it has to pay monthly facility service fees of approximately Baht 0.4 million (2020: Baht 0.4 million) (Separate financial statements: Baht 0.2 million (2020: Baht 0.2 million)).

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	
	2021	2020	2021	2020
Cash	2,944	2,952	20	20
Bank deposits	1,572,317	1,846,537	228,443	169,582
<u>Less:</u> Restricted bank deposits	(266,704)	(249,632)	-	-
Total	1,308,557	1,599,857	228,463	169,602

As at 31 December 2021, bank deposits in saving accounts and fixed deposits carried interests at the rate between 0.04 and 1.50 percent per annum (2020: between 0.05 and 1.50 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade receivables - related parties (Note 6)				
<i>Aged on the basis of due dates</i>				
Not yet due	71	489	-	-
Past due				
Up to 3 months	-	763	-	-
3 - 6 months	47	920	-	-
6 - 12 months	-	261	-	-
Over 12 months	125	473	-	-
Total	243	2,906	-	-
<u>Less:</u> Allowance for expected credit losses	(101)	(101)	-	-
Total trade receivables - related parties, net	142	2,805	-	-
Trade receivables - unrelated parties				
<i>Aged on the basis of due dates</i>				
Not yet due	471,654	517,729	-	-
Past due				
Up to 3 months	105,565	364,489	-	-
3 - 6 months	96,970	128,019	-	-
6 - 12 months	212,497	95,486	-	-
Over 12 months	3,096,171	3,230,499	117,038	117,038
Total	3,982,857	4,336,222	117,038	117,038
<u>Less:</u> Allowance for expected credit losses	(2,349,245)	(2,349,012)	(22,222)	(22,222)
Total trade receivables - unrelated parties, net	1,633,612	1,987,210	94,816	94,816
Total trade receivables - net	1,633,754	1,990,015	94,816	94,816

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Other receivables				
Amount due from and advance to related parties (Note 6)	1,492	7,723	37,747	30,198
Security business receivables	1,022,626	1,022,626	-	-
Other receivables - unrelated parties	201,784	191,196	30,352	3,437
Total	1,225,902	1,221,545	68,099	33,635
<u>Less:</u> Allowance for expected credit losses	(1,101,723)	(1,109,717)	(54)	(54)
Total other receivables - net	124,179	111,828	68,045	33,581
Other long-term receivables - current portion (Note 9)				
Other long-term receivables	1,150	600	1,150	600
<u>Less:</u> Allowance for expected credit losses	(176)	(65)	(176)	(65)
Total other long-term receivables - net	974	535	974	535
Total trade and other receivables - net	1,758,907	2,102,378	163,835	128,932

Set out below is the movements in the allowance for expected credit losses of trade and other receivables.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Beginning balance	3,458,895	3,567,100	22,341	22,276
Provision for expected credit losses	38,376	69,373	111	65
Amount recovered	(6,349)	(159,510)	-	-
Amount written off	(49,763)	(679)	-	-
Decrease from disposal of investments in subsidiaries	-	(16,585)	-	-
Translation adjustments	10,086	(804)	-	-
Ending balance	3,451,245	3,458,895	22,452	22,341

During the year 2021, the Group had received repayments from some debtors which had already been set up fully allowance for expected credit losses in the past. Therefore, the Group reversed allowance for expected credit losses amounted to Baht 6 million (2020: Baht 160 million) and reduced expected credit losses, respectively in income statement.

- a) As at 31 December 2021, Samart Digital Public Co., Ltd. and its subsidiaries (Samart Digital Group) had outstanding accounts receivable from unrelated parties past due over 12 months of approximately Baht 2,234 million (2020: Baht 2,390 million).

During the year 2021, Samart Digital Group had continually received repayments of approximately Baht 156 million (2020: Baht 567 million). As a result, net receivable as at 31 December 2021 was approximately Baht 180 million (2020: Baht 351 million).

Samart Digital Group has 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 Group has evaluated the accounts receivable collectability and believed that the allowance for expected credit losses, considering the current situation, as at 31 December 2021 was sufficient and appropriate and it would be able to collect the remaining debt after deducting the allowance for expected credit losses. Although Samart Digital Group 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.

In addition, in 2021 Samart Digital Group wrote-off trade accounts receivable and other receivables approximately Baht 9 million (2020: Baht 0.7 million).

- b) The Company and Samart Telcoms Public Co., Ltd., a subsidiary company, and subsidiary company have transferred their collection rights from and trade account receivable projects to banks as collateral of loans from banks and credit facilities. As at 31 December 2021, the balance of the above accounts receivable included the receivables that were transferred their collection rights to banks totaling approximately Baht 772 million (2020: the Company and two subsidiaries of Baht 641 million) (Separate financial statements: Baht 95 million (2020: Baht 95 million)).
- c) As at 31 December 2021, trade receivables of Samart Telcoms Public Co., Ltd., a subsidiary company, included amounts of Baht 3 million (2020: Baht 3 million) receivable from financial institutions which were ordered to cease their operations by the authorities. Samart Telcoms Public Co., Ltd. has already provided full allowance for expected credit losses for these amounts.
- d) Securities business receivables

As at 31 December 2021, 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 (2020: Baht 1,023 million), on which the subsidiary already fully set up allowance for expected credit losses.

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., another 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.

- e) As at 31 December 2021, Samart Telcoms Public Co., Ltd., the subsidiary company, has trade accounts receivable and accrued income from a project work of Baht 140.3 million and Baht 170.1 million, respectively. The management of the subsidiary company set up an allowance for expected credit losses for trade accounts receivable and accrued income of Baht 12.0 million and Baht 14.6 million, respectively, in the subsidiary company's books of account for the year ended 31 December 2021. This project work is under responsibility of the STSL Consortium ("the consortium"), comprising the subsidiary company and two private limited companies which entered into an agreement with a state enterprise to install and develop the core business information system amounting to Baht 579 million. Under the agreement, the consortium must deliver and install the system within 730 days from the agreement date. Subsequently, both parties agreed to extend the agreement period for 7 months as a result of the COVID-19 pandemic whereby the agreement expired on 22 August 2021. Subsequently, on 24 August 2021, the state enterprise notified of termination of the agreement with the consortium and demanded forfeiture of collateral which was a letter of guarantee issued by a bank. On 25 August 2021, the consortium sent a letter refusing the termination of the agreement as it considered that the termination by the state enterprise was unfair, exercising the rights unlawfully and against the terms of the agreement. The consortium also demanded a full payment for the work that has been performed.

The management and the legal advisor of the subsidiary company are of the opinion that the termination of the agreement is unfair and unreasonable grounds provided. The delay arose from factors beyond control, which was not the fault of the consortium.

Subsequently, on 28 October 2021, the state enterprise seized the letter of guarantee issued by the bank on behalf of the subsidiary company in the amount of Baht 20 million. Therefore, the subsidiary company recorded a damage loss from project termination in the account of Baht 20 million for the year ended 31 December 2021 which is adequate at this state. Subsequently, on 7 December 2021, the subsidiary filed lawsuits with the Civil Court, seeking to have the state enterprise settle its outstanding debts for a project work that had been performed and damages for the project termination. At present, the case is under further court proceedings.

- f) 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 expected credit losses for the portion of the Court which has not accepted the amount of 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 2021, the Company has not set aside any allowance for expected credit losses for the remaining amount.

Subsequently, on 9 August 2021, the bank, which issued the bank guarantee guaranteeing the performance of the contract on behalf of the SPS Consortium, had paid such state enterprise in accordance with the obligation under the two bank guarantees together with the interest rate charged by that state enterprise, amounting to Baht 67 million. The Company also paid the price of Baht 27 million on behalf of the other 2 SPS Consortium members. The Company, therefore, recorded the payment paid on behalf of the aforementioned members as advance payment in full as well as recorded the damages under the waste management service contract in accordance with the Company's work proportion in the amount of Baht 40 million as an expense in the income statement for the year ended 31 December 2021.

Nonetheless, the management and legal advisors of the company are of the opinion that SPS Consortium had already fulfilled both of its contractual and legal obligations as stated as mentioned in Note 45.6 b) to consolidated financial statements. Furthermore, the advisors strongly believe that the SPS Consortium will be able to get payment from the receivable and a refund of the guarantee according to the obligation under the letter of guarantee together with the interest rate already paid by the SPS Consortium. Incidentally, the record of the related information in compliance with the financial standard does not affect and constitute the waiver of the SPS Consortium's right to demand the payment of service fees and guarantee under the aforesaid letter of guarantee from such state enterprise and other suits that the SPS Consortium is in dispute and is under the Central Administrative Court's proceeding.

- g) As at 31 December 2021, trade receivables - unrelated parties of two subsidiary companies (Samart Comtech Co., Ltd. and Cambodia Air Traffic Services Co., Ltd.) included the amount of Baht 20 million (2020: Baht 19 million). The subsidiary companies recognised the allowance for expected credit losses from such amount of Baht 11 million (2020: Baht 8 million).

Samart Comtech Co., Ltd. as the main service providers of this debtor and they believe that the rendering of services will continue in the future and Cambodia Air Traffic Services Co., Ltd. is the only provider of air traffic control services in Cambodia.

The subsidiary companies' management has evaluated and is confident that the debtors will have adequate cash flows to repay the debts. Therefore, the allowance for expected credit losses, considering the current situation, as at 31 December 2021 was sufficient and appropriate. Although the subsidiary companies have evaluated and have exercised their best estimates, there are still uncertainties regarding the current situation and future changes in circumstances, which is normal for future events that have not yet occurred.

- h) Other than those mentioned in a) - g) above, as at 31 December 2021, allowance for expected credit losses has not been set aside in full amount for the outstanding balances of the subsidiaries' trade receivables - unrelated parties that were aged more than 12 months past due. This is because trade receivables 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 believes that the allowance for expected credit losses is appropriate and adequate.

9. Other long-term receivables

(Unit: Thousand Baht)

	Consolidated financial statements/Separate financial statements	
	2021	2020
Other long-term receivables	201,595	201,645
<u>Less:</u> Allowance for expected credit losses	(80,631)	(70,631)
Total other long-term receivables - net	120,964	131,014
<u>Less:</u> Current portion (Note 8)	(974)	(535)
Other long-term receivables - net of current portion	119,990	130,479

Movements in the allowance for expected credit losses account of other long-term receivables were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements/Separate financial statements	
	2021	2020
Beginning balance	70,631	-
Allowance for expected credit losses	10,000	70,631
Ending balance	80,631	70,631

During the year 2021, the Company recorded the significant increase in allowance for expected credit losses of an other receivables - unrelated party of Baht 10 million (2020: Baht 71 million) which was mainly due to the Coronavirus Disease 2019 (COVID-19). This impacted on temporary suspension of operation and directly affected the performance to repay the debts of other receivables. The Company's management believes that the debtor has an adequate future operating cash flow to repay the debts after return to normal operation. Therefore, the allowance for expected credit losses, considering the current situation, as at 31 December 2021 was sufficient and appropriate. Although the Company has evaluated and exercised its best estimate, there are still uncertainty regarding the current situation and future changes in circumstances, which is normal for future events that have not yet occurred.

10. Lease receivables

(Unit: Thousand Baht)

	Consolidated financial statements	
	2021	2020
Lease receivables (contractual value)	610,149	610,149
<u>Less: Receipts</u>	(545,526)	(433,665)
Lease receivables	64,623	176,484
<u>Less: Unearned interest income</u>	(404)	(4,946)
Lease receivables - net of unearned interest income	64,219	171,538
<u>Less: Current portion of lease receivables</u>	(64,219)	(127,658)
Lease receivables - net of current portion	-	43,880

Vision and Security System Co., Ltd., a subsidiary company, entered into a rental agreement for the phase 2 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.

11. Short-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Short-term loans to related parties (Note 6)	-	-	188,262	198,262
Short-term loan to unrelated party	-	12,000	-	-
Short-term loans to employees	7	73	-	-
Total short-term loans	7	12,073	188,262	198,262

Short-term loan to unrelated party of Baht 12 million is a loan that Samart Green Energy Co., Ltd., a subsidiary company, granted to a company in accordance with an agreement dated 27 October 2016 and due within one year from the agreement date. The loan agreement shall remain in full force and effect for one-year term from the date it expires without renewal. The loan carries interest rate at 7.125 percent per annum. The borrower had default on the loan to the subsidiary company. Subsequently, on 9 January 2020, the subsidiary filed a lawsuit with the Civil Court, seeking settlement of the outstanding principal and interest to be made by the borrower. On 22 February 2021, the Civil Court issued a judgement ordering the borrower to pay the principal of Baht 12 million plus interest at the rate of 7.125 percent per annum. On 28 December 2021, the subsidiary company received repayments with interests totaling Baht 13.5 million and returned the land title deed as its collateral to the borrower.

12. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2021	2020	2021	2020	2021	2020
Finished goods	672,240	532,179	(104,431)	(146,886)	567,809	385,293
Work in process	235,611	274,452	(64,589)	(64,888)	171,022	209,564
Raw materials and supplies	63,853	64,242	(53,691)	(55,471)	10,162	8,771
Goods in transit	323	1,550	-	-	323	1,550
Total	972,027	872,423	(222,711)	(267,245)	749,316	605,178

During the current year, the subsidiary companies reversed the write-down of cost of inventories by Baht 45 million (2020: Baht 36 million), and reduced cost of sale.

13. Other financial assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Financial assets at fair value through profit or loss				
Listed equity investments (Note 13.1)	15,891	11,987	7,244	5,771
Financial assets at fair value through other comprehensive income				
Listed equity investments (Note 13.2)	-	12,900	-	-
Financial assets at amortised cost				
Fixed deposit	68,250	48,059	-	-
Retention receivables	66,084	63,183	-	-
Deposits	175,277	63,498	15,297	15,589
Total	309,611	174,740	15,297	15,589
Less: Allowance for expected credit losses	(18,462)	(19,710)	(1,164)	(1,317)
Total financial assets at amortised cost - net	291,149	155,030	14,133	14,272
Total other financial assets - net	307,040	179,917	21,377	20,043
Current	205,205	60,535	7,244	5,771
Non-current	101,835	119,382	14,133	14,272
	307,040	179,917	21,377	20,043

As at 31 December 2021, fixed deposit carried at 2.75 percent per annum (2020: 2.75 percent per annum).

13.1 Financial assets at fair value through profit or loss

Movements of the listed equity investments account during the period ended 31 December 2021 and 2020 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Beginning balance	11,987	20,890	5,771	7,678
Decrease during the year				
Proceeds from disposals	-	(6,423)	-	-
Gain on disposals	-	252	-	-
Total	-	(6,171)	-	-
Gain (loss) on change in value (Note 34 and 35)	3,904	(2,732)	1,473	(1,907)
Ending balance	15,891	11,987	7,244	5,771

13.2 Financial assets at fair value through other comprehensive income

Movements of the listed equity investments account during the years ended 31 December 2021 and 2020 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2021	2020
Beginning balance	12,900	15,300
Proceeds from disposals of listed equity investments		
Disposals during the year - at cost	(107,750)	-
Transfer of fair value reserve of equity instruments designated at FVOCI to retained earnings	53,106	-
Total	(54,644)	-
Gain (loss) on change in value	41,744	(2,400)
Ending balance	-	12,900

Equity instruments designated at FVOCI include listed equity investments which the Group considers these investments to be strategic in nature.

14. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Advance for purchase of inventories and equipment	474,154	368,757	-	-
Refundable value added tax	333,939	401,114	6,699	101,314
Withholding tax and prepaid tax expenses	246,784	276,393	7,702	7,610
Prepaid expenses	184,288	142,916	10,643	19,615
Retention receivables	164,939	120,121	-	-
Advance payments	15,632	14,099	1,094	1,535
Others	22,073	18,570	11,087	11,178
Total	1,441,809	1,341,970	37,225	141,252
Less: Allowance for diminution in value	(15,730)	(17,980)	-	-
Total other current assets - net	1,426,079	1,323,990	37,225	141,252

The Group regards withholding tax deducted at sources as an asset since they have the right to claim for refund of it. However, the net realisable value of withholding tax depends on the exercise right to claim its, and the results of any tax audit by the Revenue officials.

During the year 2021, the Group received such refund of the withholding tax of 2017 - 2020 approximately Baht 126 million (2020: The Group received refund of the withholding tax of 2013 - 2018 approximately Baht 217 million) (Separate financial statements: the Company received refund of the withholding tax of 2019 approximately Baht 4 million (2020: the Company received such refund of the withholding tax of 2018 approximately Baht 6 million)).

As at 31 December 2021, the subsidiaries have allowance for diminution in value of withholding tax deducted at sources totaling approximately Baht 3 million (2020: Baht 3 million). The management of the subsidiaries believe that the allowance for diminution in value of withholding tax deducted at sources is adequate.

During the year 2021, Samart Telcoms Group reclassified retention receivables of Baht 76.2 million from other current assets to other non-current assets. The retention belongs to Samart Comtech Co., Ltd., a subsidiary company, and is derived from an information systems development agreement made with a government agency. In March and April 2021, the subsidiary requested 687 days extension of the schedule for delivery of the work from the government agency, from May 2021 to March 2023, as described in Note 45.5 I) to consolidated financial statements.

15. Restricted bank deposit

These represent fixed deposits pledged by some subsidiaries with the banks to secure credit facilities and letter of guarantees obtained from the banks.

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		Dividends received during the year	
	2021 Million Baht	2020 Million Baht	2021 Percent	2020 Percent	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
The Samart Engineering Co., Ltd.	550	550	100	100	587,258	587,258	-	-
Samart U-Trans Co., Ltd.	500	500	100	100	500,135	500,135	-	125,000
Samart Telcoms Public Co., Ltd.	618	618	70.14	70.14	1,537,050	1,537,050	-	138,709
Samart Digital Public Co., Ltd.	1,250	1,132	72.92	82.70	5,525,858	5,677,525	-	-
One to One Contacts Public Co., Ltd.*	-	-	-	-	-	-	-	176,272
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	-	-
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	-	-
Total investments in subsidiaries					8,866,846	9,018,513	-	439,981
Less: Allowance for diminution in value of investments					(1,281,822)	(351,822)		
Total investments in subsidiaries - net					7,585,024	8,666,691		

* On 9 December 2020, the Company disposed of all investments in One to One Contacts Public Co., Ltd.

During the current year, the Company recorded allowance for diminution in value of investment in Samart Digital Public Co., Ltd. of Baht 930 million in separate financial statement since its fair value was lower than its weighted average cost.

As at 31 December 2021, the Company has warrants SAMTEL-W1 and SDC-W1 of 72.2 million units and 1,479 million units, respectively (2020: SDC-W1 1,561 million units).

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	
	2021 (%)	2020 (%)	2021	2020	2021	2020	2021	2020
Samart Digital Public Co., Ltd. and its subsidiaries	26.48	16.64	226,174	70,618	(65,848)	(56,935)	-	-
Samart Telcoms Public Co., Ltd. and its subsidiaries	29.86	29.86	993,804	979,486	10,892	(82,165)	-	59,050
One to One Contacts Public Co., Ltd. and its subsidiaries (On 9 December 2020, the Company disposed all investments.)	-	-	-	-	-	988	-	79,391

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	
	2021	2020	2021	2020
Current assets	1,327,548	1,114,812	4,882,319	5,120,777
Non-current assets	3,224,285	3,277,348	2,262,077	1,850,975
Current liabilities	3,129,895	1,995,540	3,451,144	3,317,106
Non-current liabilities	585,758	1,901,276	321,953	350,745

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	
	2021	2020	2021	2020
Revenue	418,190	659,034	4,648,527	5,509,745
Profit (loss)	(355,656)	(354,464)	60,324	(287,506)
Other comprehensive income	26,492	489	7,784	3,757
Total comprehensive income	(329,164)	(353,976)	68,108	(283,749)

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	
	2021	2020	2021	2020
Cash flows from (used in) operating activities	(396,363)	445,884	211,681	2,959,578
Cash flows used in investing activities	(67,914)	(153,066)	(591,525)	(470,161)
Cash flows from (used in) financing activities	511,898	(383,903)	217,057	(2,253,275)
Net increase (decrease) in cash and cash equivalents	47,621	(91,085)	(162,787)	236,142

16.4 Change in investments in subsidiaries held by the Group

Disposal of investment in subsidiaries

One to One Contacts Public Co., Ltd.

On 20 November 2020, the meeting of the Company's Board of Directors, passed a resolution approving the disposal of investment of 193.7 million ordinary shares of One to One Contacts Public Co., Ltd., the subsidiary company, hold by the Company and The Samart Engineering Co., Ltd., another subsidiary company, to third party at a price of Baht 2.4 per share. The detail of transactions as below.

(Unit: Thousand Baht)

	Consolidated financial statements
	For the year ended 31 December 2020
Proceeds from disposal of investment	450,473
<u>Less:</u> Cash and cash equivalents at disposal date	(40,057)
Net cash inflows from disposal of investment	410,416
<u>Less:</u> Net assets excepted cash and cash equivalents at disposal date	(193,307)
Gain from disposals of investment	217,109

(Unit: Thousand Baht)

	Separate financial statements
	For the year ended 31 December 2020
Proceeds from disposal of investment in subsidiary company	445,433
<u>Less:</u> Net investments value under cost method at disposal date	(89,609)
Gain from disposals of investment in subsidiary company	355,824

The plan to allot ordinary shares of subsidiary

On 25 February 2020, a meeting of the Board of Directors of the Company passed a resolution to approve the allotment of ordinary shares of Samart Aviation Solutions Public Co., Ltd. (SAV), a subsidiary company, to existing shareholders of the Company in accordance with the proportion of their shareholding in the Company for the amount of not exceeding 10,065,039 shares, with the right ratio of 100 SAMART's shares to 1 SAV's share. At present, the Company has not proceeded the above matter.

Dissolution of subsidiaries

- a) On 11 May 2020, an Extraordinary Meeting of shareholders of Samart U-Trans (Myanmar) Co., Ltd., a subsidiary company held by Samart U-Trans Co., Ltd. (another subsidiary company), passed a resolution to dissolve the subsidiary company. The liquidation is currently in progress.
- b) On 30 June 2020, an Extraordinary Meeting of shareholders of Contact-In-One Co., Ltd., a subsidiary company held by The Samart Engineering Co., Ltd. (another subsidiary company), passed a resolution to dissolve the subsidiary company. The subsidiary company registered its dissolution with the Ministry of Commerce on 9 July 2020, and its liquidation was registered with the Ministry of commerce on 18 August 2020.

16.5 Change in investments in subsidiary held by Samart Telcoms Public Co., Ltd.

On 27 April 2021, the ordinary general meeting of shareholders of Samart Telcoms Public Co., Ltd., a subsidiary company, passed a resolution to approve as following:

a) Changes in share capital

To approve the reduction of the subsidiary company's registered capital by cancelled 120 million authorised but unissued shares amounted to Baht 120 million from the current registered capital of Baht 738 million to be the new registered share capital of Baht 618 million, comprising ordinary shares of 120 million shares with a par value of Baht 1 per share.

In addition, the meeting passed a resolution to approve an increase of the subsidiary company's registered capital for an additional amount of not exceeding Baht 103 million from the existing amount of Baht 618 million to be the new registered capital of Baht 721 million, by issued and allocation of not exceeding 103 million newly-issued ordinary shares, at the par value of Baht 1 per share, in order to accommodate the exercises of the warrants No. 1 (SAMTEL-W1) to the existing shareholders proportionate to their respective shareholdings (Right Offering).

Registered share capital

	Number of ordinary shares	Amount	Registration date with the Ministry of Commerce
	(Shares)	(Baht)	
Balance as at 31 December 2020	738,000,000	738,000,000	
Decrease in registered share capital	(120,000,000)	(120,000,000)	13 May 2021
Increase in registered share capital	103,000,000	103,000,000	14 May 2021
Balance as at 31 December 2021	721,000,000	721,000,000	

b) Warrants issuance

To issue and offering of warrants representing the right to purchase the newly issued ordinary shares (SAMTEL-W1) of the subsidiary to the existing shareholders proportionate to their respective shareholdings (Right Offering) in the amount of not exceeding 103 million units, without any cost at the ratio of 6 existing issued shares to 1 warrant. The warrants have a period of 3 years from the first issuance date. The exercise ratio is 1 warrant:1 share, with an exercise price of Baht 12 each, which may be adjusted pursuant to the conditions for the adjustment of the rights and the allotment of up to 103 million warrants (SAMTEL-W1) to the subsidiary company's existing shareholders proportionate to their respective shareholdings. The warrants are exercisable on the last business day of May and November throughout the life of the warrants, commencing from 30 November 2021 and last exercise dates is 17 May 2024.

Warrants	Exercise price	Exercise ratio	Warrants issued	Exercised or cancelled	Warrants as at 31 December 2021
	(Baht per unit)	(Warrants: ordinary shares)	(Thousand units)	(units)	(Thousand units)
SAMTEL-W1	12	1:1	102,998	-	102,998

Liquidation of a subsidiary

On 19 July 2021, the Extraordinary General Meeting of shareholders of SLA Asia Co., Ltd., a subsidiary company, passed a resolution to dissolve such company. The subsidiary company filed the application for deregistration with the Ministry of Commerce on 19 July 2021 and its liquidation was registered with the Ministry of Commerce on 29 July 2021.

16.6 Changes in investments in subsidiaries held by Samart Digital Public Co., Ltd.

On 8 June 2021, an extraordinary meeting of shareholders of Samart Digital Public Co., Ltd., a subsidiary company, passed a resolution to approve as following:

a) Changes in share capital

To approve the reduction of the subsidiary company's registered capital of Baht 234 million from Baht 1,540 million to the new registered capital of Baht 1,306 million by cancelled of 2,345 million ordinary shares with par value of Baht 0.10 remaining from the allocation to the shareholders in proportionate to their respective shareholding (Rights offering) and the exercise of warrants in 2018. The subsidiary company registered the decrease in share capital with the Ministry of Commerce on 17 June 2021.

In addition, the meeting passed a resolution to approve the increase of the subsidiary company's registered capital of Baht 370 million from Baht 1,306 million to the new registered capital of Baht 1,676 million by issuing 3,704 million ordinary shares with par value of Baht 0.10 in order to reserve for the exercise of the conversion right of the Convertible Debentures. The subsidiary company registered the increase in share capital with the Ministry of Commerce on 21 June 2021.

Registered share capital

	Number of ordinary shares	Amount	Registration date with the Ministry of Commerce
	(Thousand shares)	(Thousand Baht)	
Balance as at 31 December 2020	15,400,875	1,540,088	
Decrease in registered share capital	(2,345,409)	(234,541)	17 June 2021
Increase in registered share capital	3,703,704	370,370	21 June 2021
Balance as at 31 December 2021	16,759,170	1,675,917	

Issued and paid-up capital

	Number of ordinary shares	Paid-up share capital	Share premium
	(Thousand shares)	(Thousand Baht)	(Thousand Baht)
As at 31 December 2020	11,324,423	1,132,442	2,615,287
Increase from exercise of convertible debentures	1,175,421	117,542	552,458
As at 31 December 2021	12,499,844	1,249,984	3,167,745

The subsidiary company has already registered the increase in paid-up share capital with the Ministry of Commerce.

b) Warrants

On 27 April 2018, the 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 until 1 June 2023.

Warrants	Exercise price	Exercise ratio	Warrants issued	Exercised or cancelled	Warrants as at 31 December 2021
	(Baht per unit)	(Warrants: ordinary shares)	(Thousand units)	(units)	(Thousand units)
SDC-W1	0.50	1:1	1,731,043	-	1,731,043

c) Issuance and offering of the Convertible Debentures

On 8 June 2021, the Extraordinary General Meeting of the subsidiary company's shareholder passed a resolution approving the issuance and offering of the convertible debentures to private placement investors who are not related with the subsidiary company in the amount of not exceeding Baht 1,000 million. The proceeds from this debenture issuance will be used for working capital investments in projects and repayments of loans from financial institutions. The convertible debentures details are summarised below:

Type of convertible debentures	Senior Unsecured Convertible Debentures
Currency	Thai Baht
Total principal amount	Not exceeding Baht 1,000 million as it can be broken down into 4 tranche as follows: 1. Tranche 1: Not exceeding Baht 200 million, divided into 20 sets of Baht 10 million per set 2. Tranche 2: Not exceeding Baht 250 million, divided into 25 sets of Baht 10 million Baht per set 3. Tranche 3: Not exceeding Baht 250 million, divided into 25 sets of Baht 10 million per set 4. Tranche 4: Not exceeding Baht 300 million, divided into 15 sets of Baht 20 million per set
Conversion condition	The subsidiary company gradually will sequentially issue the Convertible Debentures by series of each Tranche based on the liquidity of the subsidiary company. The issuance shall follow the condition precedent which is approved by the Securities and Exchange Commission and other related regulators including requirements and conditions of such convertible debentures. The timeframe of the conversion is within 3 years after shareholder's meeting approved the issuance. However, if the subsidiary company does not issue all convertible debentures within 3 years, the subsidiary company may request an approval of the shareholders' meeting to issue the unissued convertible debentures depending on the requirement for the subsidiary company's liquidity.

Interest rate	0.50 percent per annum, provided that the interest will be paid on a quarterly basis.
Maturity period	3 years after the issuance of each Tranche.
Payback condition	Repay in lumpsum after each due of specific Tranche according to the term and condition of the Convertible Debenture. In such, for each Tranche the maturity period is not over 3 years after the issuance by convert into the subsidiary company's share capital.
Redeem rights before due date	The holders of the Convertible Debentures may or may not have rights to redeem the Convertible Debentures before due date and/or the issuer of the Convertible Debentures may or may not have rights to redeem the Convertible Debentures before due date too. The redemption has to be followed by the terms and conditions of each set aligned with rules, regulations, laws and/or permissions from related authorised Governmental Bodies.
Conversion ratio	Principle amount of the Convertible Debentures dividend by the conversion price.
Conversion price	Not lower than 90 percent of market price which does not in the case the price is lower than the offering price offered pursuant to the Notification No. Tor Chor. 72/2558. The market price shall be calculated based on the weighted average price of the subsidiary company's shares trading on the Stock Exchange of Thailand for the past 7-15 consecutive business days (Floating Conversion Price). However, if the conversion price calculated above is lower than the par value of the subsidiary company's shares. The subsidiary company must issue additional compensation shares for the calculation of all shares issued at par value is based on the conversion price.
Conversion period	The holder of the Convertible Debentures may exercise their rights of conversion of the Convertible Debentures into the subsidiary company's until the close of business on the date falling 1 week prior to the maturity date of the Convertible Debentures.
Number of ordinary shares reserved for conversion	3,703,703,704 shares (equivalent to 22.01 percent of the total issued shares of the subsidiary company after registering the paid-up capital which are based on the assumption that the Convertible Debentures shall be entirely exercised.)
Secondary market for ordinary shares issued after conversion	The subsidiary company shall arrange to list the ordinary shares issued after the conversion of the Convertible Debentures on the Stock Exchange of Thailand or other stock exchange where the shares of the subsidiary company is a listed security at that time.
Movements of convertible debentures net from convertible debenture expenses for the year ended 31 December 2021 are summarised below.	

(Unit: Thousand Baht)

	Consolidated financial statements
Balance as at 31 December 2020	-
Convertible debentures	700,000
Deferred interest expense	(56,000)
Issuing during the period	644,000
Amortisation of debenture expenses	53,632
Total	697,632
Convert during the period	(670,000)
Balance as at 31 December 2021	27,632

The management of the subsidiary Company decided to classify the convertible debentures as financial liabilities since the number of shares required for their redemption will vary with the conversion price and the effective interest rate earned by the debenture holders will be close to the market interest rate or the subsidiary company's finance costs. Moreover, the conversion to share capital will take no more than one year from the date the debentures are issued. Therefore, the value of the financial liabilities is the fair value as at the transaction date and there is, consequently, no remaining embedded derivative.

17. Investment properties

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Land	84,636	84,636	-	-
Right-of-use assets under sublease agreements	-	-	97,962	104,473
Total	84,636	84,636	97,962	104,473

Movements of the investment properties account during the year ended 31 December 2021 and 2020 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Balance at beginning of year	84,636	84,636	104,473	90,758
Transfer from right-of-use assets (Note 19)	-	-	-	12,830
Gain (loss) on revaluation of investment properties (Note 34 and 35)	-	-	(6,511)	885
Balance at end of year	84,636	84,636	97,962	104,473

During the year, the Company entered into an additional office sublease agreement. Therefore, the Company has classified the right-of-use asset as the right-of-use asset under sublease agreement.

Fair value arranged to appraise the value of certain assets. The basis of the revaluation was as follows:

- Land for sale were revalued using the market approach
- Right-of-use assets under sublease agreements has been determined based on the valuation performed by an accredited independent valuer, using the income approach.

Key assumptions used in the valuation are summarised below.

	Separate financial statements		Result to fair value where as an increase in assumption value
	2021	2020	
Vacancy rate (%)	100	100	-
Discount rate (% per annum)	7.7	7.7	Decrease in fair value
Growth rate (% per annum)	5	5	Increase in fair value

18. 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							
31 December 2019	596,966	354,004	2,316,848	16,790,174	282,720	2,292,289	22,633,001
Adjustment to first time adoption of TFRS 16	-	-	(27,863)	(253,331)	(54,911)	-	(336,105)
1 January 2020	596,966	354,004	2,288,985	16,536,843	227,809	2,292,289	22,296,896
Additions	-	360	11,770	433,002	12,164	1,648,691	2,105,987
Transfer in (transfer out)	-	1,626	13,320	209,807	-	(159,475)	65,278
Disposals and write off	-	-	(14,048)	(70,672)	(22,162)	-	(106,882)
Decrease from disposal of investments in subsidiaries	-	-	(266,024)	(669,931)	(2,241)	-	(938,196)
Decrease from liquidation of subsidiary	-	-	(143)	-	-	-	(143)
Capitalised borrowing cost	-	-	-	-	-	33,203	33,203
Translation adjustments	(11)	(31)	(3,791)	(2,286)	(60)	984	(5,195)
31 December 2020	596,955	355,959	2,030,069	16,436,763	215,510	3,815,692	23,450,948
Additions	-	437	3,995	210,170	5,954	740,689	961,245
Transfer in (transfer out)	-	17,200	824	62,209	-	(49,520)	30,713
Disposals and write off	-	-	(18,117)	(5,512,472)	(21,637)	(636)	(5,552,862)
Capitalised borrowing cost	-	-	-	-	-	48,582	48,582
Translation adjustments	328	897	7,287	62,937	2,262	-	73,711
31 December 2021	597,283	374,493	2,024,058	11,259,607	202,089	4,554,807	19,012,337
Accumulated depreciation							
31 December 2019	-	297,442	1,998,560	12,651,098	232,233	-	15,179,333
Adjustment to first time adoption of TFRS 16	-	-	(24,482)	(56,346)	(25,543)	-	(106,371)
1 January 2020	-	297,442	1,974,078	12,594,752	206,690	-	15,072,962
Depreciation for the year	-	9,050	128,596	907,789	11,483	-	1,056,918
Transfer out	-	-	-	(408)	-	-	(408)
Accumulated depreciation on disposals and write off	-	-	(13,496)	(63,542)	(21,437)	-	(98,475)
Decrease from disposal of investment in subsidiary	-	-	(245,588)	(647,509)	(2,241)	-	(895,338)
Decrease from liquidation of subsidiary	-	-	(143)	-	-	-	(143)
Translation adjustments	-	(31)	(397)	(1,357)	(108)	-	(1,893)

(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	
31 December 2021	-	306,461	1,843,050	12,789,725	194,387	-	15,133,623
Depreciation for the year	-	8,463	86,595	292,389	9,793	-	397,240
Transfer in	-	-	24	-	-	-	24
Accumulated depreciation on disposals and write off	-	-	(17,947)	(2,759,288)	(21,621)	-	(2,798,856)
Translation adjustments	-	897	5,893	42,903	1,891	-	51,584
31 December 2021	-	315,821	1,917,615	10,365,729	184,450	-	12,783,615
Allowance for impairment loss							
31 December 2019	-	7,680	15,974	2,808,510	-	15,203	2,847,367
Increase (decrease) during the year	-	-	50	120,471	-	-	120,521
Translation adjustments	-	-	-	(475)	-	-	(475)
31 December 2020	-	7,680	16,024	2,928,506	-	15,203	2,967,413
Increase (decrease) during the year	-	-	107	(2,753,526)	-	-	(2,753,419)
Translation adjustments	-	-	-	15,497	-	-	15,497
31 December 2021	-	7,680	16,131	190,477	-	15,203	229,491
Net book value							
31 December 2020	596,955	41,818	170,995	718,532	21,123	3,800,489	5,349,912
31 December 2021	597,283	50,992	90,312	703,401	17,639	4,539,604	5,999,231
Depreciation for the year							
2020 (Baht 924 million included in cost of sales and services, and the balance in selling and distribution expenses and administrative expenses)							1,056,918
2021 (Baht 311 million included in cost of sales and services, and the balance in selling and distribution expenses and administrative expenses)							397,240

(Unit: Thousand Baht)

	Separate financial statements						
	Revaluation basis	Cost basis					Total
	Land	Buildings and improvement	Office equipment	Machinery and equipment	Motor vehicles	Assets under installation	
Cost/Revalued amount							
31 December 2019	235,555	176,539	580,348	127,626	50,944	1,740	1,172,752
Adjustment to first time adoption of TFRS 16	-	-	(27,862)	-	(6,898)	-	(34,760)
1 January 2020	235,555	176,539	552,486	127,626	44,046	1,740	1,137,992
Additions	-	59	609	3,437	-	1,546,095	1,550,200
Transfer in	-	1,626	5,222	117	-	46,035	53,000
Disposals	-	-	(548)	-	(3,858)	-	(4,406)
Capitalised borrowing cost	-	-	-	-	-	33,203	33,203
31 December 2020	235,555	178,224	557,769	131,180	40,188	1,627,073	2,769,989
Additions	-	-	48	134	-	56,652	56,834
Transfer in (out)	-	17,200	204	-	-	(18,420)	(1,016)
Disposals	-	-	(300)	-	(5,210)	-	(5,510)
Capitalised borrowing cost	-	-	-	-	-	48,582	48,582
31 December 2021	235,555	195,424	557,721	131,314	34,978	1,713,887	2,868,879

(Unit: Thousand Baht)

	Separate financial statements						
	Revaluation basis	Cost basis					Total
	Land	Buildings and improvement	Office equipment	Machinery and equipment	Motor vehicles	Assets under installation	
Accumulated depreciation							
31 December 2019	-	168,170	544,324	121,610	44,807	-	878,911
Adjustment to first time adoption of TFRS 16	-	-	(24,482)	-	(3,333)	-	(27,815)
1 January 2020	-	168,170	519,842	121,610	41,474	-	851,096
Depreciation for the year	-	2,125	13,420	2,209	1,759	-	19,513
Accumulated depreciation on disposals	-	-	(525)	-	(3,858)	-	(4,383)
31 December 2020	-	170,295	532,737	123,819	39,375	-	866,226
Depreciation for the year	-	2,279	8,674	2,125	580	-	13,658
Accumulated depreciation on disposals	-	-	(260)	-	(5,194)	-	(5,454)
31 December 2021	-	172,574	541,151	125,944	34,761	-	874,430
Net book value							
31 December 2020	235,555	7,929	25,032	7,361	813	1,627,073	1,903,763
31 December 2021	235,555	22,850	16,570	5,370	217	1,713,887	1,994,449
Depreciation for the year							
2020 (included in administrative expenses)							19,513
2021 (included in administrative expenses)							13,658

- a) The Group arranged for an independent professional valuer to appraise the value of land in 2019, using the market comparison approach.

Had the land carried in the financial statements on a historical cost basis, their net book value as of 31 December 2021 and 2020 would have been as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Land	124,192	124,192	87,649	87,649

- b) As at 31 December 2021, the Company had construction in process of Baht 1,714 million (2020: Baht 1,627 million). The Company used loan from bank for installation of machinery and equipment in during the year ended 31 December 2021 and capitalised borrowing cost as cost of assets of Baht 49 million (2020: Baht 33 million), which was calculated from interest rate at MLR minus fixed rate per annum (2020: interest rate at MLR minus fixed rate per annum).
- c) As at 31 December 2021, certain items of building and equipment of the Group 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 12,383 million and Separate financial statements: Baht 835 million (2020: Baht 16,494 million and Separate financial statements: Baht 792 million).

- d) On 26 May 2017, Kampot Power Plant Co., Ltd., a subsidiary company, entered into a sale and purchase agreement for equipment used in a residential project in Cambodia with a company with an investment value of USD 1.7 million, or equivalent to Baht 53 million. Subsequently, on 7 April 2020, the subsidiary company and the company entered into an amendment of this agreement due to a revision of the project business plan, leading to a decrease in assets used in the project of USD 0.3 million, or equivalent to Baht 10 million.
- e) 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 consolidated financial statements.
- f) During the year 2021, Portalnet Co., Ltd., a subsidiary company of Samart Telcom Group, reversed allowance for impairment loss on equipment which had been fully set aside of Baht 2,616 million because the subsidiary sold such equipment during the year.

During the year 2020, Samart Telcoms Public Co., Ltd., a subsidiary company, and its subsidiaries (Samart Telcoms Group) recognise an impairment loss for equipment amounting to Baht 121 million (2021: Nil) (Separate financial statement: Nil) to reduce the carrying amount of the assets to their recoverable amounts. The subsidiary of Samart Telcoms Group has determined the recoverable amounts of its assets based on value in use using cash flow projections from financial estimation approved by management.

Key assumptions used in value in use calculations are as follows:

(Unit: Percent per annum)

	2020
Pre-tax discount rate	8%
Growth rate	0%

19. Leases

The group as a lessee

The group has lease contracts for various items of building and improvement, equipment and motor vehicles used in its operations. Leases generally have lease terms between 3 - 10 years.

a) Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Buildings and building improvement	Equipment	Motor vehicles	Total
As at 1 January 2020	272,640	316,623	42,168	631,431
Increase (decrease)	(6,031)	(10,409)	45,971	29,531
Depreciation for the year	(50,465)	(68,947)	(18,766)	(138,178)
Decrease from disposal of investment in subsidiary	(31,107)	-	-	(31,107)
As at 31 December 2020	185,037	237,267	69,373	491,677
Increase	5,288	16,228	5,857	27,373
Depreciation for the year	(39,272)	(65,157)	(21,109)	(125,538)
As at 31 December 2021	151,053	188,338	54,121	393,512

(Unit: Thousand Baht)

	Separate financial statements			
	Buildings and building improvement	Equipment	Motor vehicles	Total
As at 1 January 2020	88,387	3,381	3,564	95,332
Increase	799	-	23,482	24,281
Transfer to investment properties	(12,830)	-	-	(12,830)
Depreciation for the year	(14,322)	(3,381)	(4,315)	(22,018)
As at 31 December 2020	62,034	-	22,731	84,765
Decrease	-	-	(1,130)	(1,130)
Depreciation for the year	(14,406)	-	(5,973)	(20,379)
As at 31 December 2021	47,628	-	15,628	63,256

b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Lease payments	182,869	245,242	35,887	53,008
<u>Less:</u> Deferred interest expenses	(13,275)	(18,416)	(1,551)	(3,107)
Total	169,594	226,826	34,336	49,901
<u>Less:</u> Portion due within one year	(77,704)	(82,083)	(16,516)	(14,381)
Lease liabilities - net of current portion	91,890	144,743	17,820	35,520

Movements of the lease liability account during the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Balance at beginning of year	226,826	320,431	49,901	42,737
Additions (decrease)	24,960	27,110	(1,265)	24,281
Accretion of interest	8,564	11,962	1,472	1,769
Repayments	(90,756)	(100,993)	(15,772)	(18,886)
Decrease from disposal of investment in subsidiaries	-	(31,684)	-	-
Balance at end of year	169,594	226,826	34,336	49,901

A maturity analysis of lease payments is disclosed in Note 47 to consolidated financial statements under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Depreciation expense of right-of-use assets	125,538	138,178	20,379	22,018
Interest expense on lease liabilities	8,564	11,962	1,472	1,769
Expense relating to short-term leases	2,826	28,719	144	144
Expense relating to leases of low-value assets	720	938	-	-

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 94 million (2020: Baht 131 million) (Separate financial statements: Baht 16 million (2020: Baht 19 million)), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

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 Group has 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 - 20 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)

	2021	2020
Growth rate	0 - 2.5	0 - 2
Discount rate	6 - 11	6 - 11

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 2021 and 2020, the management believed that goodwill is not impaired.

21. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements			
	Service concession	Computer software	Right for telecommunication tower service	Total
Cost				
31 December 2019	1,321,391	745,605	109,493	2,176,489
Additions	19,584	73,845	8,539	101,968
Disposal	(5,866)	(2,613)	-	(8,479)
Transfer in	11,141	603	1,300	13,044
Reversal of provision under service concession	(22,480)	-	-	(22,480)
Decrease from disposal of investments in subsidiaries	-	(97,515)	-	(97,515)
Translation adjustments	(2,505)	(486)	-	(2,991)
31 December 2020	1,321,265	719,439	119,332	2,160,036
Additions	19,257	2,326	-	21,583
Transfer in	6,210	-	-	6,210
Translation adjustments	159,783	15,707	-	175,490
31 December 2021	1,506,515	737,472	119,332	2,363,319
Accumulated amortisation				
31 December 2019	503,270	526,404	12,959	1,042,633
Amortisation during the year	57,729	91,086	13,977	162,792
Accumulated amortisation on write-off	(5,769)	(600)	-	(6,369)
Reversal of provision under service concession	(3,565)	-	-	(3,565)
Decrease from disposal of investments in subsidiaries	-	(66,040)	-	(66,040)
Translation adjustments	(3,900)	(590)	-	(4,490)
31 December 2020	547,765	550,260	26,936	1,124,961
Amortisation during the year	56,996	44,145	14,329	115,470
Translation adjustments	66,543	14,684	-	81,227
31 December 2021	671,304	609,089	41,265	1,321,658
Allowance for impairment loss				
31 December 2019	-	-	-	-
Increase	-	31,218	-	31,218
31 December 2020	-	31,218	-	31,218
31 December 2021	-	31,218	-	31,218
Net book value				
31 December 2020	773,500	137,961	92,396	1,003,857
31 December 2021	835,211	97,165	78,067	1,010,443

(Unit: Thousand Baht)

	Separate financial statements
	Computer software
Cost	
31 December 2019	58,820
Addition	137
31 December 2020	58,957
31 December 2021	58,957
Accumulated amortisation	
31 December 2019	17,731
Amortisation during the year	5,888
31 December 2020	23,619
Amortisation during the year	5,896
31 December 2021	29,515
Net book value	
31 December 2020	35,338
31 December 2021	29,442

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. In addition, Thai Base Station Co., Ltd., a subsidiary company, has transferred telecommunication tower to Department of National Parks, Wildlife and Plant Conservation. As a result, the subsidiary company recorded the right for telecommunication tower service as intangible assets with agreement term useful lives.

22. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020	2021	2020
Bank overdrafts	MOR	-	15,385	-	-	-
Short-term loans from financial institutions	MMR	MMR	2,799,986	3,197,359	1,081,000	1,500,000
Trust receipts	MMR	MMR	166,165	168,556	-	-
Bill of exchange	MMR	MMR	-	100,000	-	100,000
Total			2,981,536	3,465,915	1,081,000	1,600,000

- a) Bank overdrafts and short-term loans from financial institutions of the subsidiaries are secured by the pledge of certain bank deposits of the subsidiaries, cross-guarantee by the Group, guarantee by Siam Sport Syndicate Public Co., Ltd. (another shareholder) and transfer and assign of right over collection of any contract/project as specified in loan agreements.
- b) Short-term loans from financial institutions of the Company are secured by the pledge of ordinary shares of Samart Aviation Solutions Public Co., Ltd., a subsidiary company held by Samart U-Trans Co., Ltd. (another subsidiary company), of 100 million shares.

In addition, short-term loan agreements with banks of the Group contain certain conditions as specified in the agreements that require the Group to comply.

- c) On 24 May 2021, the Company entered into an amendment memorandum of loan agreement with a commercial bank in order to convert short-term loan into long-term loan. Under the memorandum, the Company agreed to partially repay loan principal to the commercial bank of Baht 100 million. The outstanding loan amount of Baht 400 million, whereby the agreement term is extended to not more than 3 years from the memorandum date. As a result, the new maturity date is within April 2024 as mentioned in Note 26 to consolidated financial statements.

23. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade payables - related parties (Note 6)	-	3	123,839	123,170
Trade payables - unrelated parties	1,049,091	1,206,025	1,959	781
Total trade payables	1,049,091	1,206,028	125,798	123,951
Other payables				
Other payables - related parties	2,644	2,786	1,385	7,063
Accrued interest expenses to related parties	-	-	9,250	6,722
Total other payables and accrued interest expenses - related parties (Note 6)	2,644	2,786	10,635	13,785
Other payables - unrelated parties	198,786	246,489	11,052	25,064
Accrued expenses	288,239	164,292	10,503	9,195
Accrued interest expenses to unrelated parties	15,068	15,039	10,952	11,236
Total other payables	504,737	428,606	43,142	59,280
Total trade and other payables	1,553,828	1,634,634	168,940	183,231

24. Short-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Short-term loans from related parties (Note 6)	-	-	794,043	630,798
Short-term loans from unrelated parties	12,708	22,140	-	-
Total short-term loans	12,708	22,140	794,043	630,798

Short-term loans from unrelated parties

Short-term loan as at 31 December 2021 amounting Baht 12.7 million (2020: Baht 22.1 million) from Siam Sport Syndicate Public Co., Ltd., carries interest at the average 12-month fixed deposit rate of the big five commercial banks plus 0.5 percent per annum.

25. Debentures

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	2021	2020
Debentures	1,199,377	1,196,567
Less: Current portion of debentures	(1,199,377)	-
Debentures - net of current portion	-	1,196,567

Movements in the debentures account for the years ended 31 December 2021 and 2020 were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Beginning balance	1,196,567	1,650,000	1,196,567	1,250,000
Add: Debentures issued during the year	-	1,601,000	-	1,201,000
Amortisation of transaction costs for debenture issuance during the year	2,810	1,202	2,810	1,202
Less: Redemption of debentures during the year	-	(2,050,000)	-	(1,250,000)
Transaction costs	-	(5,635)	-	(5,635)
Ending balance	1,199,377	1,196,567	1,199,377	1,196,567

Debentures are unsubordinated, unsecured debentures with registered name and carried fixed interest rate of 4 percent per annum, quarterly repayments, as stipulated in each debenture with fully principal repayment in July 2022.

26. Long-term loans from financial institutions

The details of long-term loans from financial institutions as at 31 December 2021 and 2020 were summarised below.

No.	Credit facilities (Million Baht)	Significant terms and conditions of loan agreements			Consolidated financial statements		Separate financial statements	
		Repayment term	Collateral	Interest rate (percent per annum)	2021 (Thousand Baht)	2020 (Thousand Baht)	2021 (Thousand Baht)	2020 (Thousand Baht)
The Company								
1.	1,101	Repayment of principal in 60 monthly installments within April 2022, beginning by the earlier of the month in which the Company collects the service fee for this project from the Excise Department or the last day of 31 March 2027. The interest is to be paid on monthly basis. - Installment 1 - 59 : Baht 18.44 million each - Installment 60 : The remaining principal and interest	As assignment of the right to receive the payments for such the project to enhance collection of excise tax on local beer	MLR minus fixed rate per annum	1,091,052	1,087,742	1,091,052	1,087,742
2.	400	Repayment of principal in 9 quarterly installments within April 2024, beginning in June 2022. - Installment 1 - 8 : Not less than Baht 45 million each - Installment 9 : Repayment of loan principal of Baht 40 million and the remaining interest	Ordinary shares of Samart Telcoms Public Co., Ltd., a subsidiary company, of 155 million shares.	MLR minus fixed rate per annum	397,850	-	397,850	-
3.	67	Repayment of principal in 10 quarterly installments within December 2023, beginning in September 2021. The interest is to be paid on monthly basis. - Installment 1 - 6 : Not less than Baht 5 million each - Installment 7 - 9 : Not less than Baht 10 million each - Installment 10 : Repayment of loan principal, not less than of Baht 7 million	-	Fixed rate per annum	56,977	-	56,977	-

No.	Credit facilities (Million Baht)	Significant terms and conditions of loan agreements			Consolidated financial statements		Separate financial statements	
		Repayment term	Collateral	Interest rate (percent per annum)	2021 (Thousand Baht)	2020 (Thousand Baht)	2021 (Thousand Baht)	2020 (Thousand Baht)
Subsidiaries								
Samart Digital Public Co., Ltd.								
4.	493	Repayment of the first installment in March 2018, with quarterly payment of principal and monthly payment of interest to be completed within 20 installments (within December 2022): - Installment 1 - 4 : Baht 0.05 million each - Installment 5 - 8 : Baht 7.4 million each - Installment 9 : Baht 7.4 million in March 2020 Baht 12.3 million in May 2020 - Installment 10 - 14 : Only interest - Installment 15 : Baht 8.87 million - Installment 16 : Baht 4.93 million - Installment 17 : Baht 210.41 million - Installment 18- 19 : Baht 56.05 million each - Installment 20 : The remaining principal and interest	-	MLR minus fixed rate per annum	369,798	383,602	-	-
5.	359	Repayment on a quarterly basis within 30 December 2022 - 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 (June 2020: moratorium on principal payment) - Year 2021 March : moratorium on principal payment June : Baht 1.08 million September : Baht 5.38 million December : Baht 5.38 million - Year 2022 March : Baht 149.42 million - June and September : Baht 39.71 million each - December : The remaining principle and interest	-	MLR minus fixed rate per annum	267,407	279,251	-	-

No.	Credit facilities (Million Baht)	Significant terms and conditions of loan agreements			Consolidated financial statements		Separate financial statements	
		Repayment term	Collateral	Interest rate (percent per annum)	2021 (Thousand Baht)	2020 (Thousand Baht)	2021 (Thousand Baht)	2020 (Thousand Baht)
Subsidiaries								
Samart Digital Public Co., Ltd.								
6.	200	Repayment on a quarterly basis within 17 installments within 30 December 2022 - Installment 1 : Baht 0.02 million - Installment 2 - 5 : Baht 3 million each - Installment 6 : Baht 3.3 million - Installment 7 - 10 : moratorium on principal payment - Installment 11 : Baht 0.6 million - Installment 12 - 13 : Baht 3 million each - Installment 14 - 15 : Baht 2 million each - Installment 16 : Baht 3 million - Installment 17 : The remaining principal and interest	-	MLR minus fixed rate per annum	149,020	155,620	-	-
7.	194	Repayment on a quarterly basis within 26 installments within 30 December 2025 - Installment 1 - 2 : Baht 3 million each - Installment 3 : Baht 3 million in March 2020 Baht 4.98 million in April 2020 - Installment 4 - 8 : moratorium on principal payment - Installment 9 : Baht 3.6 million - Installment 10 - 11 : moratorium on principal payment - Installment 12 - 14 : Baht 7 million each - Installment 15 - 18 : Baht 8.2 million each - Installment 19 - 22 : Baht 12.09 million each - Installment 23 - 26 : Baht 12.46 million each	-	MLR of a bank minus fixed rate per annum	152,020	155,620	-	-

No.	Credit facilities (Million Baht)	Significant terms and conditions of loan agreements			Consolidated financial statements		Separate financial statements	
		Repayment term	Collateral	Interest rate (percent per annum)	2021 (Thousand Baht)	2020 (Thousand Baht)	2021 (Thousand Baht)	2020 (Thousand Baht)
Subsidiaries								
Samart Digital Public Co., Ltd.								
8.	2,034	Repayment on a quarterly basis within 7 installments within 30 December 2022, the first installment in last business day of June 2021 - Installment 1 : Baht 6.6 million - Installment 2 : Baht 33 million - Installment 3 : Baht 710.82 million - Installment 4 - 6 : Baht 250.14 million each - Installment 7 : The remaining principal and interest	-	MLR minus fixed rate per annum	1,639,215	1,711,815	-	-
9.	180	Repayment on a quarterly basis within 9 installments within 30 December 2022, the first installment in last business day of December 2020 - Installment 1 : Baht 24.32 million - Installment 2 - 3 : Moratorium on principal payment - Installment 4 : Baht 3.6 million - Installment 5 : Baht 3 million - Installment 6 - 8 : Baht 22.74 million each - Installment 9 : The remaining principal and interest	-	MLR minus fixed rate per annum	149,020	155,619	-	-

		Significant terms and conditions of loan agreements			Consolidated financial statements		Separate financial statements	
No.	Credit facilities	Repayment term	Collateral	Interest rate	2021	2020	2021	2020
	(Million Baht)			(percent per annum)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Samart Aviation Solutions Public Co., Ltd. and Cambodia Air Traffic Services Co., Ltd.								
10.	2,161 (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 - 10 : USD 1.51 million each - Installment 11 - 14 : Moratorium on principal payment - Installment 15 - 20 : USD 2.26 million each - Installment 21 - 24 : USD 3.39 million each - Installment 25 : USD 4.52 million each - Installment 26 : USD 3.95 million each	Ordinary shares of Cambodia Air Traffic Services Co., Ltd., a subsidiary company, of 1 million shares of USD 10 each and certain assets	LIBOR 3-month plus fixed rate per annum	1,189,247	1,068,871	-	-
Total long-term loans from financial institutions					5,461,606	4,998,140	1,545,879	1,087,742
Less: Current portion					(2,987,266)	(1,559,146)	(316,277)	(161,500)
Long-term loans - net of current portion					2,474,340	3,438,994	1,229,602	926,242

Movements in the long-term loans account during the years ended 31 December 2021 and 2020 summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Beginning balance	4,998,140	2,451,283	1,087,742	-
Add: Additional borrowing	66,977	1,101,039	66,977	1,101,039
Convert from short-term loans	400,000	2,214,060	400,000	-
Amortisation of front end fee	5,160	3,203	5,160	3,203
<u>Less:</u> Repayment	(125,047)	(756,963)	(10,000)	-
Front end fee	(4,000)	(16,500)	(4,000)	(16,500)
Translation adjustments	120,376	2,018	-	-
Ending balance	5,461,606	4,998,140	1,545,879	1,087,742

- a) On 24 May 2021, the Company entered into an amendment memorandum of loan agreement with a commercial bank in order to convert short-term loan into long-term loan with the loan amount of Baht 400 million, whereby the agreement term is extended to not more than 3 years. As a result, the new maturity date is within April 2024.

Such loan is secured by the pledge of some ordinary shares of Samart Telcoms Public Co., Ltd., a subsidiary company, of 155 million shares as stipulated in the loan agreement. Under the loan agreement, the Company must comply with certain covenants such as maintenance of financial ratios.

- b) In December 2021 the Samart Digital Public Co., Ltd., a subsidiary company, received a waiver letter from two commercial banks in order to waive moratorium on loan repayment for December 2021 installment of Baht 154 million and Baht 107 million, respectively, to the new maturity within March 2022.

In addition, in December 2021, the subsidiary company, entered into an amendment to the loan agreement with another commercial bank in order to revise the terms of the long-term loan repayment for the December 2021 installment of Baht 62 million to the new maturity by December 2022. However, as at 31 December 2021 the subsidiary company classified these loans as current portion.

Under the subsidiary company's loan agreement and memorandum, the subsidiary company must comply with certain conditions stipulated in the agreement such as to maintain the percentage of shareholding of the Company in the subsidiary, to maintain financial ratios and to receive financial support from the Company in the total amount of not exceeding Baht 600 million. The amount of the financial support was approved by the Extraordinary General Meeting of Shareholders of the subsidiary on 1 September 2020.

According to the financial information as at 31 December 2021 of the subsidiary, the subsidiary was unable to maintain certain financial ratios or conditions as stipulated in the loan agreements with the aforementioned banks. Therefore, the loan of Baht 1,788 million (2020: Baht 156 million) is payable on demand. The subsidiary classifies this loan as current portion. The subsidiary is in the process of negotiation to revise these conditions with banks.

- c) Samart Aviation Solutions Public Co., Ltd. and its subsidiary (Samart Aviation Group) entered into a loan agreement with a financial institution of USD 66 million or equivalent to Baht 2,161 million. The loan carried interest at 3-month LIBOR plus fixed rate, and the loan principal and interest are repayable on the three-month period basis by 28 installments, commencing in May 2018.

On 19 November 2020, Samart Aviation Group entered into a memorandum of amendment to such loan agreement in order to use the prepaid amount in revising the term of repayment of the long-term loan of USD 7.5 million from the maturity between November 2020 and August 2021 to the new maturity between May and August 2024.

Under loan agreement of Samart Aviation Group, the subsidiary company has to comply with the conditions stipulated in the agreement, such as maintaining of certain financial ratios. In addition, Samart Aviation Group has pledged ordinary shares of Cambodia Air Traffic Services Co., Ltd., a subsidiary company, of 1 million shares of USD 10 each and fixed deposit with bank to secure the loan.

According to the financial statements for the year ended 31 December 2021 of the subsidiary, the subsidiary was unable to maintain a certain financial ratio stipulated in the loan agreement with the aforementioned financial institution due to the impact of the COVID-19 pandemic. However, the management of Samart Aviation Group has negotiated with the financial institution. On 1 December 2021, Samart Aviation Group obtained a waiver letter for the condition to maintain certain financial ratios for the year ended 31 December 2021.

27. Provisions

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Balance at beginning of year	197,902	206,207	2,456	3,925
Increase during the year	63,007	63,375	-	-
Utilised	(23,232)	(35,175)	(1,209)	(1,469)
Reversal of provisions	(18,189)	(36,673)	-	-
Translation adjustments	5,659	168	-	-
Balance at end of year	225,147	197,902	1,247	2,456

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Provision				
Current	94,666	81,525	1,247	2,456
Non-current	130,481	116,377	-	-
	225,147	197,902	1,247	2,456

Warranties

The Group recognised a provision for expected warranty claims on products and equipment of the contract, based on past experience of the level of repairs. The Group expected 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 Group 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.

28. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Unearned revenue	381,071	391,285	254	230
Undue output tax	43,483	51,533	-	-
Deposits	330	19,514	-	-
Value added tax payable	4,842	1,234	-	-
Others	41,831	37,284	1,616	5,997
Total	471,557	500,850	1,870	6,227

29. 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	
	2021	2020	2021	2020
Provision for long-term employee benefits at beginning of year	304,650	327,976	45,591	41,159
Included in profit or loss:				
Current service cost	28,762	28,716	1,927	1,917
Interest cost	3,295	4,521	347	573
Past service cost	-	729	-	-
Increase from employee transferal	-	-	1,768	2,463
Gain on settlement	(2,061)	(13,437)	-	(279)
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Financial assumptions changes	(36,570)	7,263	(3,103)	1,191
Experience adjustments	24,129	(16,976)	3,205	(1,433)
Benefits paid during the year	(19,947)	(16,439)	(1,972)	-
Decrease from disposal of investment in subsidiary	-	(17,629)	-	-
Unrealised loss (gain) on exchange	(881)	53	-	-
Translation adjustments	3,094	(127)	-	-
Provision for long-term employee benefits at end of year	304,471	304,650	47,763	45,591

The Group expects to pay Baht 10 million of long-term employee benefits during the next year (Separate financial statements: Baht 0.2 million) (2020: Baht 6 million, Separate financial statements: Baht 2 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 6 - 36 years (Separate financial statements: 7 years) (2020: 7 - 37 years, Separate financial statements: 9 years).

Key actuarial assumptions are summarised below.

(Unit: Percent per annum)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Discount rate	1 - 3.5	0.6 - 2.7	1.2	0.8
Salary increase rate	2.0 - 5.5	2.0 - 6.0	3.5 - 4.5	3.5 - 6.0
Turnover rate	0 - 29	0 - 29	0 - 24	0 - 24

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 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%	
	2021	2020	2021	2020	2021	2020	2021	2020
Discount rate	(21)	(24.2)	23.8	27.9	(2.5)	(2.8)	2.7	3.1
Salary increase rate	21.7	22.7	(19.6)	(19.7)	2.4	1.9	(2.2)	(1.7)
	Increase 20%		Decrease 20%		Increase 20%		Decrease 20%	
	2021	2020	2021	2020	2021	2020	2021	2020
Turnover rate	(20.5)	(25.0)	24.1	30.1	(1.7)	(2.2)	2	2.5

30. Share capital and share premium

On 27 April 2021, the ordinary general meeting of shareholders of the Company passed a resolution to approve an increase of the Company's registered capital for an additional amount of Baht 168 million, from the exiting amount of Baht 1,342 million to be the new registered capital of Baht 1,510 million, by issuing 168 million new ordinary shares at the par value of Baht 1 each, in order to accommodate the exercises of the warrants No. 3 (SAMART-W3) to the existing shareholders proportionate to their respective shareholdings (Right offering), at the allocation ratio of 6 existing ordinary shares to 1 newly-issued ordinary shares, at Baht 10 per share.

Registered share capital

	Consolidated financial statements/ Separate financial statements		
	Number of ordinary shares	Amount	Registration date with the Ministry of Commerce
	(shares)	(Baht)	
Balance as at 31 December 2020	1,342,005,213	1,342,005,213	13 May 2021
Increase in registered share capital	167,750,651	167,750,651	
Balance as at 31 December 2021	1,509,755,864	1,509,755,864	

Issued and fully paid-up share capital

	Consolidated financial statements/ Separate financial statements		
	Number of ordinary shares	Amount	Share premium
	(shares)	(Baht)	(Baht)
Balance as at 31 December 2020	1,006,503,910	1,006,503,910	243,404,011
Exercised warrants (Note 31)	233	233	3,216
Balance as at 31 December 2021	1,006,504,143	1,006,504,143	243,407,227

31. Warrants

Movements in warrants for the year ended 31 December 2021 were summarised below

Issued by	Allocated to	Approval Date	Determined exercising date		As at 31 December 2020	Increase during the period	Decrease during the period						
							Exercise ratio for ordinary shares 1 warrant	Issued ordinary shares during the period	Exercise Price	Amount	Warrants	Expired period of warrant	
			Exercise (Unit)	(Unit)	Warrants (Unit)	Outstanding warrants						As at 31 December 2021	
													First exercise
The Company	Existing-shareholder (SAMART-W2)	27 April 2018	16 November 2018	17 May 2021	335,429,635	-	(231)	1,014	233	14.8	3,449	(335,429,404)	-
The Company	Existing-shareholder (SAMART-W3)	27 April 2021	30 November 2021	17 May 2024	-	167,711,498	-	1,000	-	10.0	-	-	167,711,498
Total					335,429,635	167,711,498	(231)		233		3,449	(335,429,404)	167,711,498

On 27 April 2021, the ordinary general meeting of shareholders of the Company passed a resolutions to approve the issue and offering of warrants representing the right to purchase the newly issued ordinary shares No. 3 (SAMART-W3) to the existing shareholders proportionate to their respective shareholdings (Right offering) in the amount of not exceeding 168 million units, without any cost at the ratio of 6 existing shares to 1 warrant. The warrants have a period of 3 years from the first issuance date. The exercise ratio is 1 warrant:1 share, with an exercise price of Baht 10 each, which may be adjusted pursuant to the conditions for the adjustment of the rights. The warrants can be exercised on the last business day of every 6 months from the issuance date of SAMART-W3 throughout the term of the warrants. The first exercise date is on 30 November 2021.

On 20 May 2021, the Company reported on the results of sale of newly issued ordinary shares derived from exercised warrants No. 2 (SAMART-W2), by issued 233 new ordinary shares with total amount of Baht 3,449.

32. 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.

33. Revenue from contracts with customers

33.1 Disaggregated revenue information

(Unit: Million Baht)

	Consolidated financial statements	
	2021	2020
Type of revenue:		
Revenues from sales	545	794
Revenues from contract work	4,036	4,526
Service income	2,374	3,786
Total revenue from contracts with customers	6,955	9,106
Timing of revenue recognition:		
Revenue recognised at a point in time	545	1,508
Revenue recognised over time	6,410	7,598
Total revenue from contracts with customers	6,955	9,106

33.2 Contract balances

(Unit: Thousand Baht)

	Consolidated financial statements	
	2021	2020
Contract assets		
Accrued income	2,927,950	3,061,948
Retention receivable	542,914	359,328
Total	3,470,864	3,421,276
<u>Less:</u> Allowance for expected credit losses	(16,059)	(1,875)
Total contract assets, net	3,454,805	3,419,401
Contract liabilities		
Unearned revenue	379,294	391,055
Total contract liabilities	379,294	391,055

During the current year, the Group recognised allowance for expected credit losses on contract assets by Baht 14.2 million (2020: the Group reversed allowance for expected credit losses on contract assets by Baht 0.3 million) (Separate financial statements: Nil (2020: Nil)).

33.3 Revenue recognised in relation to contract balances

(Unit: Million Baht)

	Consolidated financial statements	
	2021	2020
Revenue recognised that was included in contract liabilities at the beginning of the year	377	522

33.4 Revenue to be recognised for the remaining performance obligations

As at 31 December 2021, revenue totaling Baht 8,149 million (2020: Baht 8,439 million) is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unsatisfied.

The subsidiaries expect to satisfy these performance obligations within 5 years (2020: 4 years).

33.5 Assets recognised in respect of costs to fulfill a contract with a customer

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Net book value at beginning of year	260,282	241,108	11,404	-
Additions	76,192	111,576	3,614	11,404
Transfer to cost	(122,792)	(92,402)	-	-
Net book value at end of year	213,682	260,282	15,018	11,404

34. Other income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Gain on disposals of listed equity investments at fair value through profit or loss (Note 13)	-	252	-	-
Management fee income (Note 6)	-	93	65,067	57,542
Gain on exchange	15,437	3,777	-	16,903
Gain on revaluation of investment properties (Note 17)	-	-	-	885
Gain on reversal of impairment on investments in subsidiary	-	-	-	18,869
Gain on change in value of listed equity investments (Note 13)	3,904	-	1,473	-
Gain on disposal of equipment	31,126	10,550	1,083	858
Gain on disposals of intangible assets	-	5,508	-	-
Dividend income from subsidiaries (Note 16)	-	-	-	439,981
Dividend income from listed equity investment at fair value through profit or loss	507	519	253	259
IT service fee from subsidiary companies and related parties	13,883	954	65,405	95,476
Gain on compensation received from insurance	56	61	-	-
Gain on disposals of investments and warrants	-	-	84,846	-
Others	109,988	146,253	81,071	100,146
Total	174,901	167,967	299,198	730,919

35. Other expenses

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Loss on diminution in value of investment in subsidiary (Note 16)	-	-	930,000	-
Loss on impairment of equipment (Note 18)	107	120,521	-	-
Loss on impairment of intangible assets	-	31,218	-	-
Write-off withholding tax deducted at source	7,729	27,500	638	-
Loss on exchange	-	-	64,111	-
Loss on change in value of listed equity investment at fair value through profit or loss (Note 13)	-	2,732	-	1,907
Write-off bad debts	108	1,557	-	-
Write-off equipment and intangible assets	739	630	-	-
Loss on revaluation of investment properties	-	-	6,511	-
Others	1,483	16	1,483	-
Total other expenses	10,166	184,174	1,002,743	1,907

36. Finance income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Interest income on debt instruments measured at amortised cost:				
Bank deposit	4,758	13,074	193	448
Lease receivables	4,541	9,402	-	-
Loans	2,784	4,444	26,793	18,089
Total	12,083	26,920	26,986	18,537

37. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Interest expenses on:				
Bank loans, overdrafts and trust receipts and debentures	363,123	380,412	110,973	114,485
Loans from related parties	-	-	4,925	6,336
Liabilities under lease agreements	8,563	11,962	1,471	1,770
Long-term provision under service concession	1,096	1,101	-	-
Others	410	370	-	-
Total interest expenses	373,192	393,845	117,369	122,591
Bank charges	15,095	15,290	11,658	8,695
Total finance cost	388,287	409,135	129,027	131,286

38. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Salaries, wages and other employee benefits	1,279,360	1,817,637	103,798	100,913
Promotion and advertising expenses	13,661	22,096	105	376
Revenue sharing under service concession arrangement	157,717	260,088	-	-
Changes in of finished goods and work in progress	(101,220)	(120,736)	-	53,310
Provision for expected credit losses	60,478	131,962	19,650	83,049
Depreciation	397,240	1,056,918	13,658	19,513
Right-of-use assets depreciation	125,538	138,178	20,379	22,018
Rental expenses from operating lease agreements	3,546	29,657	-	144
Raw materials and consumables used	38,290	45,831	-	-
Amortisation expenses	115,470	162,792	5,896	5,888
Raw materials, equipment and cost of projects used	2,744,572	3,492,758	-	-
Purchase finished goods for sales	218,771	425,378	-	-
Loss on diminution in value of investment in subsidiary (Note 16)	-	-	930,000	-
Loss on impairment of equipment (Note 18)	107	120,521	-	-
Loss on impairment of intangible assets	-	31,218	-	-

39. Income tax

39.1 Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Current income tax:				
Current income tax charge	38,140	64,379	3,435	4,592
Adjustment in respect of current income tax of previous year	(7,821)	4,637	10	-
Deferred tax:				
Relating to origination and reversal of temporary differences	16,388	46,603	378	1,723
Income tax expense reported in profit or loss	46,707	115,619	3,823	6,315

39.2 The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Deferred income tax relating to profit (loss) on measuring financial assets at fair value through other comprehensive income	18,970	(480)	-	-
Deferred tax relating to actuarial gain (loss)	(2,257)	(1,955)	21	(48)
Total	16,713	(1,475)	21	(48)

39.3 The reconciliation between accounting profit (loss) and income tax expenses was shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Accounting profit (loss) before tax	(413,712)	(337,276)	(1,111,032)	628,414
Applicable tax rate	8% - 30%	8% - 30%	8% - 20%	8% - 20%
Accounting profit (loss) before tax multiplied by applicable tax rate	(87,625)	(74,679)	(227,068)	118,657
Adjustment in respect of current income tax of previous year	(7,821)	4,637	10	-
Effects of:				
Utilisation of tax loss carry forward	(3,168)	(69,805)	-	(66,905)
Non-deductible expenses	16,346	2,909	9,585	1,040
Additional expense deductions allowed	(597)	(3,133)	(4)	(254)
Income not subject to tax	(288)	(77)	(51)	(57,392)
Non-deductible taxable income	(3,667)	(16,822)	(321)	-
Adjustment of taxable income from exchange rate	(16,437)	4,462	-	-
Gain on disposal of investments in subsidiaries	-	28,551	-	-
Tax losses from disposals of investments and warrants	(89,000)	-	(105,969)	-
Dividend income from subsidiary subject to tax	-	31,377	-	-
Write-off of deferred tax assets	141,687	112,989	-	-
Others	(4,134)	3,354	-	-
Total	40,742	93,805	(96,760)	(123,511)
Deferred tax assets not recognised	58,034	91,582	189,924	11,169
Additional recognition of deferred tax assets from tax losses	143,379	-	137,717	-
Deferred tax assets not recognised in the prior year that recognise in the current year	(102,883)	-	-	-
Decrease in deferred tax assets not recognised	2,881	274	-	-
Income tax expenses reported in profit or loss	46,707	115,619	3,823	6,315

39.4 The components of deferred tax assets and deferred tax liabilities were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Deferred tax assets				
Unrealised fair value loss on listed equity investment at fair value through other comprehensive income	-	18,970	-	-
Allowance for expected credit losses	37,782	30,152	-	-
Allowance for diminution in value of inventories	27,885	32,787	-	-
Allowance for expected credit losses of other current financial assets	65	95	65	95
Allowance for expected credit losses of other non-current financial assets	677	837	-	-
Allowance for asset impairment	37,197	58,504	-	-
Accumulated depreciation - Equipment	75,273	111,998	47	52
Provision for long-term employee benefits	56,498	57,404	8,972	9,118
Accrued vacation leave	1,203	1,194	120	120
Unused tax loss	484,178	447,356	-	-
Unrealised loss from revaluation of trading investments	13,367	14,088	3,108	3,351
Provision for maintenance warranties	15,197	14,605	248	490
Right-of-use assets	1,019	1,340	171	140
Others	51,575	56,420	596	522
Total	801,916	845,750	13,327	13,888

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Deferred tax liabilities				
Accumulated amortisation - License	4,874	5,770	-	-
Accumulated amortisation - Intangible assets	109,237	96,997	-	-
Surplus on revaluation of land	94,554	94,554	29,581	29,581
Other receivables - unrelated parties	17,564	17,564	-	-
Lease liabilities	2,339	11,103	-	-
Others	3,431	3,148	2,925	3,129
Total	231,999	229,136	32,506	32,710
Deferred tax - net	569,917	616,614	(19,179)	(18,822)

Deferred tax assets and liabilities in statement of financial position were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Deferred tax assets	710,280	767,457	-	-
Deferred tax liabilities	(140,363)	(150,843)	(19,179)	(18,822)
Deferred tax - net	569,917	616,614	(19,179)	(18,822)

39.5 As at 31 December 2021, the Group had deductible temporary differences and unused tax losses totaling Baht 4,933 million and Myanmar Kyat 15 million (Separate financial statements: Baht 2,260 million) (2020: Baht 4,517 million and Myanmar Kyat 38 million (Separate financial statements: Baht 622 million)), on which deferred tax assets have not been recognised which are summarised as below.

(Unit: Million)

	Consolidated financial statements			
	2021		2020	
	(Baht)	(Myanmar Kyat)	(Baht)	(Myanmar Kyat)
Unused tax losses				
31 December 2021	-	-	725	-
31 December 2022	722	-	92	23
31 December 2023	414	-	377	-
31 December 2024	103	15	480	15
31 December 2025	313	-	429	-
31 December 2026	999	-	-	-
Deductible temporary differences	2,382	-	2,414	-
	4,933	15	4,517	38

The Group believes that future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

As at 31 December 2021, Samart Digital Public Co., Ltd., a subsidiary company, and its subsidiaries have deferred tax assets of Baht 291 million (2020: Baht 310 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 signed for a new business under the expertise and experience of the subsidiary company during the year of 2021 and it is able to commence business operations immediately thereafter. The subsidiary company expects to gain sufficient profit to utilize tax loss carried forward. It therefore believes that it will benefit from the recorded deferred tax assets, 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.

In addition, as at 31 December 2021, the Samart Digital Group have deductible temporary differences Baht 2,071 million (2020: Baht 2,065 million) and unused tax losses which will expire in 2022 - 2026 totaling Baht 1,202 million (2020: Baht 1,370 million), on which deferred tax assets have not been recognised as the Samart Digital Group believe that the future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

40. Earnings per share

Basic 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 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.

The Company did not compute the diluted earnings (loss) per share for the year ended 31 December 2021 and 2020 since their exercise price was higher than the fair value of the ordinary shares.

41. Dividends

Dividends	Approved by	Total dividends	Dividend per share	Paid on
		(Million Baht)	(Baht)	
2021 No announcement of dividend payment during the year	Board of Director Meeting on 9 April 2020			8 May 2020
2020 Interim dividends from 2019 earnings		151	0.15	
Dividends from income for the year 2019 paid in 2020		151	0.15	

42. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group contributed to the fund monthly at the rate of 3 percent to 10 percent of basic salary and its 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 2021 amounting to approximately Baht 50 million (2020: Baht 61 million) (Separate financial statements: Baht 6 million (2020: Baht 6 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.
1. Certificate No.	59-1099-1-00-2-0
2. Promotional privileges for	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 5 years commencing until 30 March 2023
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
3.3 Exemption from import duty on imported machinery for use in production as approved by the Board.	Ended on 24 February 2019
4. Date of first earning operating income	31 March 2018

Revenues of subsidiary company for the years ended 31 December 2021 and 2020 are software development services which could be divided between BOI promoted activities and Non-BOI promoted activities as follows:

(Unit: Thousand Baht)

	2021	2020
BOI promoted	-	5,194
Non-BOI promoted	51,726	40,090
Total service income	51,726	45,284

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 Group is organized into business units based on its operation and has four reportable segments as follows:

- | | |
|----------------------------------|---|
| 1. ICT Solution and Service | Provide solutions and services in information and communication technology and Digital Solutions 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. Utilities and Transportations | Provide air traffic control services, electricity supply in Cambodia, and also provide design and installation services of electrical power transmission systems. |
| 4. 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 Group financing activities (including finance costs and finance income) and income taxes is managed on a Group basis and is not allocated to operating segments.

The basis of accounting for any transactions between reportable segments is set out in Note 6 to consolidated financial statement.

The following tables present revenue and profit and total assets/total liabilities information regarding the Group's operating segments for the year ended 31 December 2021 and 2020, respectively.

(Unit: Million Baht)

For the years ended 31 December													
ICT Solution and Service		Digital		Call Center*		Utilities and Transportations		Technology Related Services		Adjustments and eliminating		Consolidation	
2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenues from sales, contract work and service													
- Third parties	4,365	5,370	365	590	-	630	1,968	2,113	249	381	-	6,947	9,084
- Related parties	216	61	29	46	-	15	-	-	329	88	(566)	8	22
Total revenues from sales, contract work and service	4,581	5,431	394	636	-	645	1,968	2,113	578	469	(188)	6,955	9,106
Cost of sales, contract work and services	4,002	5,071	401	585	-	559	1,651	1,618	476	368	(207)	5,968	7,994
Gross profit (loss)	579	360	(7)	51	-	86	317	495	102	101	(4)	987	1,112
Unallocated income (expenses):													
Other income												175	168
Gain on disposal of investments in subsidiaries												-	217
Selling and distribution expenses												(223)	(260)
Administrative expenses												(909)	(1,035)
Reversal (loss) on impairment loss on financial assets												(57)	27
Other expenses												(10)	(184)
Finance income												12	27
Finance cost												(388)	(409)
Income tax expenses												(47)	(116)
Non-controlling interests of the subsidiaries												71	144
Loss for the year												(389)	(309)

(Unit: Million Baht)

As at 31 December														
	ICT Solution and Service		Digital		Call Center*		Utilities and Transportations		Technology Related Services		Adjustments and eliminating		Consolidation	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Assets														
Trade receivables	1,350	1,371	265	475	-	-	150	252	474	490	(541)	(470)	1,698	2,118
Inventories	131	111	243	102	-	-	360	364	15	28	-	-	749	605
Investment properties	-	-	-	-	-	-	-	-	85	85	-	-	85	85
Property, plant and equipment	1,085	719	2,377	2,335	-	-	73	82	2,295	2,202	169	(20)	5,999	5,318
Right-of-use assets	109	155	160	183	-	-	4	5	125	154	(4)	(5)	394	492
Intangible assets	64	130	80	95	-	-	878	820	29	35	(41)	(45)	1,010	1,035
Others	4,355	4,440	1,421	1,196	-	-	2,996	2,712	6,465	6,158	(7,023)	(6,128)	8,214	8,378
Segment total assets	7,094	6,926	4,546	4,386	-	-	4,461	4,235	9,488	9,152	(7,440)	(6,668)	18,149	18,031
Segment total liabilities	3,724	3,612	3,709	3,890	-	-	2,707	2,553	5,451	5,601	(2,168)	(1,859)	13,423	13,797
Additions (decrease) to non-current assets other than financial instruments and deferred tax assets	(398)	(448)	(6)	(1)	-	(102)	(30)	59	(18)	1,815	(193)	25	(645)	1,348

* On 9 December 2020, the Company disposed of all investments in One to One Contacts Public Co., Ltd.

Geographic information

Revenue from external customers is based on locations of the customers.

(Unit: Thousand Baht)

	2021	2020
Revenue from external customers		
Thailand	6,414,058	8,249,314
Cambodia	467,090	745,372
Others	73,398	111,065
Total	6,954,546	9,105,751
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	7,830,780	7,258,686
Cambodia	1,064,931	991,816
Total	8,895,711	8,250,502

Major customers

For the year 2021, the Group had revenue from three major customers totaling of Baht 2,199 million, mainly arising from sales by ICT Solution and Service segment, and Utilities and Transportations segment. (2020: revenue from three major customers totaling of Baht 2,671 million, mainly arising from sales by ICT Solution and Service segment, Utilities and Transportations segment, and Call Center segment).

45. Commitments and contingent liabilities

The Group has commitments and contingent liabilities other than those disclosed in other notes as follows:

45.1 Capital commitments

- 45.1.1 As at 31 December 2021, the Company and Samart Comtech Co., Ltd., a subsidiary company, had capital commitments totally of approximately Baht 6 million (2020: Baht 44 million), regarding the purchase and installation of equipment for the project to enhance collection of excise tax on local beer.
- 45.1.2 As at 31 December 2020, the Company had capital commitments of approximately Baht 11 million (2021: Nil), regarding the purchase of equipment.
- 45.1.3 As at 31 December 2021, Samart Digital Public Co., Ltd., and Samart Comtech Co., Ltd., the subsidiary companies, had capital commitments totally of approximately USD 17.2 million or equivalent to Baht 577 million and Baht 190 million (2020: USD 17.4 million or equivalent to Baht 526 million and Baht 25 million) regarding the purchase of equipment for Digital Trunked Radio System (DTRS) services.
- 45.1.4 As at 31 December 2021, Thai Base Station Co., Ltd., a subsidiary company, had capital commitments of approximately Baht 92 million (2020: Baht 92 million), regarding the purchases of equipment and installing for telecommunication tower service for Tower-Co project.
- 45.1.5 As at 31 December 2021, Cambodia Air Traffic Services Co., Ltd., a subsidiary company, had capital commitments of approximately USD 7.1 million or equivalent to Baht 237.7 million (2020: USD 0.7 million or equivalent to Baht 20 million), regarding the additionally invest in project assets as condition stipulated in the extend agreement.

45.2 Short-term leases and leases of low-value assets commitments

As at 31 December 2021, the Group has future lease payments required under short-term leases and leases of low-value assets as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Within 1 year	802	2,568	96	144
Over 1 and up to 3 years	-	3,150	-	-
Total	802	5,718	96	144

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)	
		2021	2020
The local subsidiary companies	Baht	130	130
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 Group, in respect of certain performance bonds as required in the normal course of business. The details of bank guarantees are as follows:

(Unit: Million)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Baht				
Performance guarantees	4,564	5,159	573	620
Guarantee electricity use and others	336	377	1	1
Yen				
Performance guarantees	26	26	-	-
Euro				
Performance guarantees	1	1	-	-
Swiss franc				
Performance guarantees	2	2	-	-
US Dollar				
Performance guarantees	1	2	-	-
Chinese Yuan				
Performance guarantees	2	2	-	-

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 Group. 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)

	Guaranteed facilities	
	2021	2020
Baht		
Teda Co., Ltd.	4,498	4,243
Transec Power Services Co., Ltd.	1,625	1,625
Vision and Security System Co., Ltd.	927	684
The Samart Engineering Co., Ltd.	87	397
Samart U-Trans Co., Ltd.	121	100
Samart Aviation Solutions Public Co., Ltd.	18	-
Suvarnabhumi Environment Care Co., Ltd.	45	72
Samart RadiTech Co., Ltd.	40	40
Samart Digital Public Co., Ltd.	393	-
	7,754	7,161
US Dollar		
Teda Co., Ltd.	8	8
The Samart Engineering Co., Ltd.	-	6
Samart Digital Public Co., Ltd.	-	1
	8	15

- 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	
	2021	2020
I-Sport Co., Ltd. and Siam Sport Television Co., Ltd.	10	35
I-Sport Co., Ltd.	-	10

- c) As at 31 December 2021, 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 6,592 million (2020: Baht 6,592 million).
- d) As at 31 December 2021, the Company has credit bank guarantee facilities of Baht 1,000 million (2020: Baht 1,000 million) by the banks and has allowed Samart U-Trans Co., Ltd., full access to the credit facilities. The Samart Engineering Co., Ltd., a subsidiary company, is also allowed to draw down amounts of Baht 150 million (2020: Baht 150 million), from the credit facilities.

In addition, as at 31 December 2021, the Company cancelled to allow Suvarnabhumi Environment Care Co., Ltd. to draw down from the joint facilities (2020: joint facilities Baht 20 million).

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 May 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. The subsidiary company signed an amendment to the concession agreement with the Royal Government of the Kingdom of Cambodia to extend the concession period until the year 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) 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)	
	2021	2020
Australian dollar	1	3
Baht	13	3
Euro	2	1

- c) As at 31 December 2021, 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 1,205 million (2020: Baht 1,525 million).
- d) As at 31 December 2021, 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 24 million (2020: Baht 34 million).
- e) As at 31 December 2021, the Group has other outstanding commitments from service agreements with various companies totaling approximately Baht 29 million (2020: Baht 51 million). These commitments mainly related to management, strategic planning, and other business operations consultant services between 1 and 4 years. The Group has to pay a monthly service fee at the rate stipulated in the agreements.

- f) As at 31 December 2021, Samart Aviation Solutions Public Co., Ltd., a subsidiary company, was committed to pay premium to a company in accordance with long-term loan agreement amounting to USD 0.3 million, or equivalent to Baht 9.7 million (2020: Nil).

Other commitments of Samart Telcoms Public Co., Ltd.'s group

- g) 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 (2020: Baht 0.1 million per month).
- h) 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	
	2021	2020
Payable:		
In up to 1 year	238	227
In over 1 and up to 5 years	512	738
Total	750	965

- i) Portalnet Co., Ltd., a subsidiary company, entered into purchase, equipment installation and services agreements with many companies for the installation and services for computer software applications for core business operation with Provincial Electricity Authority. As at 31 December 2021, the subsidiary is obligated to pay for equipment and service fee amounting to Baht 105 million, EUR 1.3 million, and USD 0.2 million, or equivalent to Baht 163 million (2020: Baht 107 million, EUR 2 million, and USD 0.4 million, or equivalent to Baht 181 million).
- j) 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. In December 2020, the subsidiary company entered into an agreement for develop e-coupon system totaling Baht 1.6 million as compensation. Both parties agree not to claim money or damages or take any action civil and criminal whether directly or indirectly. Deliverables of the project were completed and the counterparty has acknowledged receipt in May 2021.
- k) 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 2021, the subsidiary is obligated to pay for equipment and service fee totaling approximately Baht 207 million (2020: Baht 467 million).

- l) On 9 May 2018, Samart Comtech Co., Ltd., a subsidiary company, entered into an agreement with a government agency to develop information systems. The subsidiary is obliged to install and deliver hardware and application software within 1,095 days from the agreement date (8 May 2021). If the subsidiary fails to deliver the works within the specified deadlines, the government agency, as the contract counterparty, will charge a delay penalty, calculated from the day after each delivery deadline until the works have been delivered properly. Subsequently, on 8 April 2021, the subsidiary received a letter notifying of penalty charge from the government agency amounting to Baht 9 million. The government agency settled the penalty against the third payment payable amount to the subsidiary.

The subsidiary's management and legal counsel view that the subsidiary is not obliged to pay the penalty to the government agency as the delay was not the subsidiary's fault. In addition, the management believes that the negotiation with the government agency will be successful. The subsidiary delivered the work for the delivery period of 2 and 3 within the specified timeframe (within 5 March 2019 and 13 June 2019 respectively). However, the government agency reviewed the delivery period 2 work and notified the subsidiary of the work acceptance in September 2019, which was behind the deadline of the delivery period 3 in June 2019. As a result, the subsidiary had to develop and install additional work system. The subsidiary delivered the said additional work in December 2019. The government agency accepted all works of delivery period 3 in February 2021. In April 2021, the subsidiary filed an appeal against the government agency to provide clarification and request a waiver of penalty and an extension of work delivery period for additional 687 days due to the delay for work acceptance and the COVID-19 pandemic, from May 2021 to March 2023. However, for the year ended 31 December 2021, the subsidiary company estimated the potential deductions from contractual value due to delays in delivery or contractual penalty of Baht 29 million.

- m) On 15 January 2021, Samart Communication Services Co., Ltd., a subsidiary company, entered into an agreement with a learning foundation to procure education equipment. The subsidiary is obliged to install and deliver the education equipment within 150 days from the agreement date until 14 June 2021. If the subsidiary fails to deliver the work within the specified deadlines, the learning foundation, as the contract counterparty, will charge a delay penalty, calculated from the day after each delivery deadline until the day the work has been delivered properly. Subsequently, the subsidiary received an approval from the learning foundation for an extension of the delivery deadlines of Part 1 and Part 2 works to 30 June 2021 and 30 October 2021, respectively. The subsidiary company delivered Part 1 and Part 2 works, which are already passing the acceptance by the learning foundation. However, for the year ended 31 December 2021, the subsidiary company estimated the potential deductions from contractual value due to delays in delivery or contractual penalty of Baht 10 million.

Other commitments of Samart Digital Public Co., Ltd.'s group

- n) 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. (currently, CAT Telecom Public Co., Ltd. has been merged with TOT Public Co., Ltd. into National 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 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. The term shall be automatically extended for another one-year term, unless either party provide the other with written notice of its election not to extend on before the date of expiration. Under the terms of the agreement, Samart Digital Public Co., Ltd. is obliged to pay minimum wholesale service fees at a stipulated rate.

45.6 Litigation and commercial disputes

- 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 Organising 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 Organising 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 an objection to such request of the Organizing Committee and the Sports Authority of Thailand to the Arbitrator. 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 Civil 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.

Later on 11 July 2019, the Supreme Court upheld the ruling of the Civil Court. The Organizing committee and the Sports Authority of Thailand, then, declared such ruling to the Arbitral tribunal on 13 November 2019. Afterward, on 12 December 2019, the Arbitral tribunal, of black case No. 90/2553 and red case No. 67/2556, rendered an award in favor of the Organizing committee and the Sports Authority of Thailand that is the Company was obligated to make payment to the Organizing Committee and the Sports Authority of Thailand in the amount of approximately Baht 332 million plus interest on principal of Baht 190 million and the interest at the rate of 15 per cent per annum calculated from 21 October 2010 until fully paid.

The legal advisor of the Company is of the opinion that such award was not rendered in compliance with Arbitration Act B.E. 2545 and therefore engaged a law firm to submit a petition to the Civil Court for the revocation of the arbitral award on 9 March 2020. However, due to the Coronavirus Disease 2019 pandemic (COVID-19), the Civil Court postponed the hearing date. Currently, the Civil Court announced the date of witness hearing of plaintiff and defendant in June and July 2022.

On 14 January 2022, the Company received a civil court writ as on 23 December 2021 BAGOC filed a complaint demanding the Court to enforce the arbitral award. The Court decided to accept such a complaint and temporarily dismiss the case from the case list in order to wait for the final judgment of the case. The legal advisor of the Company, here, is of the opinion that while waiting for such final judgment, the Company is not obliged to pay any amounts to BAGOC.

The legal advisor of the Company expects that the court proceedings will take no less than 2 years and believes that the Court will finally rule in favor of the Company. Thus, the Company shall not be liable to pay for such claim to the Organizing Committee and the Sports Authority of Thailand.

As at 31 December 2021, this case is under further court proceedings and the Company therefore did not set up any provision in its account.

- b) On 11 September 2006, the Company, as a member of SPS Consortium (60 percent of work proportion) ("SPS") entered into a service agreement with the state enterprise for full service waste management in area of Suvarnabhumi Airport for a term of 10 years from 15 September 2006 to 14 September 2016. SPS has complied with the conditions of the Environmental Impact Assessment (EIA) and the report on request for changes of environmental measures of Suvarnabhumi Airport in 2012 that was approved by EIA and applicable laws by regularly disposing of garbage in the Suvarnabhumi Airport area throughout the agreement period.

Under the agreement, SPS was required to deliver an incinerator to the state enterprise upon the end of a period of 3 years and 1 month. However, the amount of waste was substantially less than anticipated amount. Since the state enterprise was unable to require that all operators in the airport send waste to SPS, SPS has reported this a problem to the state enterprise and sent research reports from 3 educational institutions. Based on the impact analysis of installation of an incinerator, it was found that, based on the type and amount of waste that SPS has managed for almost 3 years, there should not be an incinerator in the area of Suvarnabhumi Airport because it will cause air pollution that affects the environment and may cause carcinogenic substances that affect the health of passengers, employees, operators and people

around Suvarnabhumi Airport. Therefore, it is advisable to manage waste by sorting, landfilling, and disposing of the waste outside and it is not suitable to use the fermentation method. Therefore, the state enterprise has submitted a request for an additional change of environmental measures for the Suvarnabhumi Airport project in 2012 to the EIA Committee of the Office of Natural Resources and Environmental Policy and Planning. The EIA Committee considered changing the waste management methods in the Suvarnabhumi Airport area from disposing of sorted waste and using an incinerator to using sanitary landfill or other suitable methods instead including anaerobic fermentation method to obtain biogas used as animal feed. The EIA has considered and approved the methods proposed by state enterprise. SPS therefore manages waste in accordance with the methods approved by EIA until the end of the agreement term.

After the end of the service agreement, SPS has not received repayments from the state enterprise from the 44th-120th installments (from 15 April 2010 to 14 September 2016) totaling Baht 194 million (included VAT), accounting for Baht 116 million in proportion to the Company's work. SPS has continually sent reminders to the state enterprise for the unpaid balances. the period of the agreement, the state enterprise had considered amending the service agreement because the state enterprise agrees to change the waste management method as recommended by EIA and to waive the fines on the delay of delivering the incinerator. Later, in 2012, the state enterprise submitted a letter to the Office of the Attorney General to request for an opinion about the amendment of the service agreement to change the waste management method as recommended by EIA and to reduce service fee as negotiated with SPS as the state enterprise does not lose benefits from the fee reduction. In addition, waiver of the fines was requested by the state enterprise. The Attorney General was of the opinion that the authority to amend the agreement is at the discretion of the Director of the state enterprise and the authority to consider approving the reduction or waiver of the fines is at the discretion of the Committee of state enterprise. However, since there are changes of the Chairman of Procurement Committee, General Director and the Board of Directors of the state enterprises for several times, the consideration of the matter was discontinued and not completed. Even though the agreement had ended, the amendment of the agreement was not finalized.

The management and legal advisor of the Company are of the opinion that SPS has complied with the conditions stipulated in the solid waste management agreement and with the law in all respects, and the state enterprise was the party in breach of the agreement. Therefore, a law firm was engaged to file a lawsuit against the state enterprise with the Central Administrative Court by SPS on 23 November 2016 demanding that the state enterprise, settle outstanding service fees under the 44th - 120th installments, totaling Baht 194 million with interest thereon, totaling Baht 238 million. Moreover, the state enterprise is required to settle two letters of guarantee issued by bank on behalf of SPS to the state enterprise as performance bond, totaling Baht 50 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. On 15 August 2017, the state enterprise submitted testimony and countersued via the Central Administrative Court for damages and fines totaling Baht 1,038 million and requested the bank to make payment in accordance with the letters of guarantee. On 9 August 2021, the bank made payment to the state enterprise in accordance with the letters of guarantee. However, the Company recorded related transactions for accounting purposes as described in Note 8 f) to consolidated financial statements that this will not affect this case and does not represent a waiver of the SPS's legal rights to reclaim service fee and the amount paid under the letters of guarantee and will not affect other cases under consideration of the Central Administrative Court. As present, SPS is preparing an amendment of the plaint to demand the state enterprise return the amount received under letters of guarantee.

With respect to fines and damages for which the state enterprise submitted testimony and countersued via the Central Administrative Court, the Company's legal advisor was of the opinion that SPS shall not be liable to the fines stipulated in the agreement as building an incinerator and anaerobic fermentation method are against the law according to the EIA's conditions. In addition, SPS has never sent an unconditional consent letter for the fines and has always argued against such matter. Moreover, the state enterprise has yet to proceed with the termination of the agreement until the amount of fines was over 10 percent of service fee's limit under the agreement, which was considered not in compliance with the law. In case the Court ordered SPS to pay the fines in accordance with the agreement to the state enterprise, the Court would exercise its authority to reduce the fines pursuant to Section 383 Paragraph 1 of the Civil and Commercial Code and Note 31.2 the Airports of Thailand's measurement of Inventory Administration B.E.2553. According to the Supreme Court judgment Aor.869/2560, the Court reduced the amount of the fines to 10 percent of the service fee's limit. The amount of the service fees under the agreement that SPS group has actually received throughout the agreement period is Baht 288 million. Therefore, 10 percent of fines shall not exceed Baht 29 million. The Company will be responsible for the fines in proportion to its work, which is 60 percent, not exceeding Baht 17 million. Thus, for the year ended 31 December 2021, the Company has recorded these damages based on the proportion of its work in the account of Baht 40 million in accordance with the letters of guarantee issued by the bank on behalf of SPS to the state enterprise. The damages recorded by the Company is greater than the amount of the fines at ten percent of the service fee's limit. The Company believes that this is adequate in the current circumstances.

In addition, The Company's legal advisor is of the opinion that the court proceedings will take no less than 2 years and believes that the Court will finally rule in favor of the Company. Thus, SPS Group shall not be liable to pay for the fines and damages claimed by the state enterprise. The state enterprise was ordered to pay the service fees under the agreement and return the amount paid under the letter of guarantee to SPS since SPS had fully complied with the agreement under dispute, the environmental impact assessment (EIA) and relevant laws.

At present, the case is under consideration of the Central Administrative Court.

- c) On 22 February 2017, TOT Public Co., Ltd. (currently, CAT Telecom Public Co., Ltd. has been merged with TOT Public Co., Ltd. into National Telecom Public Co., Ltd.) submitted a letter to Office of The National Broadcasting and Telecommunications Commission (the NBTC) to notify the NBTC of the cancellation of the cooperation under the Memorandum of Understanding with respect to 3G mobile network service trial project prior to notifying of such cancellation to I-Mobile Plus Company Limited, a subsidiary company. On 1 March 2017, the subsidiary company submitted a letter to TOT Public Co., Ltd. and The 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. had not expanded its base station following its business plan in order to expand the coverage across the country. On 22 June 2017, the NBTC submitted to the subsidiary a letter regarding an approval of the termination of the Telecommunications Business License type 1 and agreed with the subsidiary company's recovery plan for the users of i-mobile 3GX. Subsequently, the subsidiary submitted a letter notifying the NBTC that it had mutually agreed with TOT Public Company Limited that the date of discontinuing the i-mobile 3GX service would be 18 July 2017.

Later, the subsidiary company has been notified by TOT Public Co., Ltd. demanding the payment for payment for Home Location Register (HLR) amounting to Baht 19 million (2020: Baht 19 million). However, the management and the legal department of the subsidiary company were of the opinion that a subsidiary company was not liable to such payment because the data storage on HLR did not reach the quota specified in the agreement. The subsidiary company filed a plaint with TOT Pcl. to the Civil Court since October 2018 and at present it is under consideration of the Civil Court. In this regard, as at 31 December 2021 the subsidiary company did not set up a provision in the account.

In addition, TOT Public Co., Ltd. submitted a letter to the subsidiary company demanding the payment for accrued service fee totaling Baht 137 million (including, Home Location Register, mentioned above). Subsequently, the subsidiary company submitted a letter requesting to offset the service fee with prepaid bulk or package that the subsidiary company had purchased from TOT Public Co., Ltd. with the balance of Baht 70 million.

Subsequently, during 2020, TOT Public Co., Ltd. filed a suit against Samart Digital Public Company Limited and the subsidiary (Samart Digital Group) with the Central Administrative Court for breach of an administrative contract with an amount in dispute of Baht 212 million (including interest thereon). The Central Administrative Court issued an order not to accept the specific plaint regarding the service fee payment for preparing and storing data in the Home Location Register (HLR) from April 2011 to October 2014 with interest and VAT. Subsequently, in 2021, the Supreme Administrative Court overturned the order of the Central Administrative Court to accept the plaint. On 30 April 2021, Samart Digital Group filed the amended plaint with the Central Administrative Court. While the case is under the consideration of the Administrative Court, on 21 October 2020, Samart Digital Group filed an objection against the jurisdiction and requested a court decision per the Act on the Determination of the Powers and Duties among Courts. Subsequently, on 27 May 2021, the Committee on Jurisdiction of Courts decided that the case is in jurisdiction of the Court of Justice, not the Administrative Court. Subsequently, on 12 November 2021, the Administrative Court issued a letter notifying of an order to transfer the case to the Civil Court. On 12 January 2022, the Civil Court notified Samart Digital Group that the case had been transferred from the Administrative Court and made an appointment for both parties to appear in the Court to schedule the date for the taking of evidence. On 17 February 2022, the plaintiff's lawyer and the subsidiary's lawyer (the defendant's lawyer) went to the Court, and the defendant's lawyer requested to amend the statement on such date. The Court then postponed the appointment to 18 April 2022 to determine the proceedings or to schedule the settlement of issues.

Samart Digital Group's legal advisor was of the opinion that TOT Public Co., Ltd. breached the contract, causing a significant business damage to Samart Digital Group. The subsidiary company filed the plaint with the Civil Court as mention above, and the Court would finally rule in favor of the subsidiary. Samart Digital Group's management still believes that the adverse impact arising from this dispute will not be significant.

As at 31 December 2021, the case is under further court proceedings. Samart Digital Group is confident that the provision in its account is adequate in current situation.

46. Fair value hierarchy

As at 31 December 2021 and 2020, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated Financial Statements		
	31 December 2021		
	Level 1	Level 2	Total
Assets measured at fair value			
Financial assets measured at FVTPL			
Equity investments	16	-	16
Land	-	597	597
Investment properties	-	85	85

(Unit: Million Baht)

	Consolidated Financial Statements		
	31 December 2020		
	Level 1	Level 2	Total
Assets measured at fair value			
Financial assets measured at FVTPL			
Equity investments	12	-	12
Financial assets measured at FVOCI			
Equity investments	13	-	13
Land	-	597	597
Investment properties	-	85	85

(Unit: Million Baht)

	Separate Financial Statements			
	31 December 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Equity investments	7	-	-	7
Land	-	236	-	236
Investment properties	-	-	98	98

(Unit: Million Baht)

	Separate Financial Statements			
	31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Equity investments	6	-	-	6
Land	-	236	-	236
Investment properties	-	-	104	104

47. Financial instruments

47.1 Financial risk management

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, loans, investments, bank overdrafts, debentures, 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 Group is exposed to credit risk primarily with respect to trade and other receivables, contract assets, loans, deposits with banks and financial institutions, and other financial instruments. The maximum exposure to credit risk is limited to the carrying amount as stated in the statement of financial position.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Trade receivables and contract assets

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables and contract assets are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions. In addition, the Group does not have high concentrations of credit risk since it has a large customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. For trade receivables from projects that have different credit risk characteristics, expected credit losses are assessed on individual basis. The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off according to the Group's policy determining the appropriateness.

Market risk

There are two types of market risk comprising foreign currency risk and interest rate risk.

Foreign currency risk

The Group's exposure to foreign currency risk arises primarily to its trading transactions that are denominated in foreign currencies.

As at 31 December 2021 and 2020, the Group has financial assets and liabilities denominated in foreign currency are summarised below.

Foreign currency	Consolidated financial statements		Separate financial statements		Exchange rate as at 31 December	
	2021	2020	2021	2020	2021	2020
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
Financial assets						
US dollar	2	6	2	1	33.2469	29.8674
Financial liabilities						
Euro	1	2	-	-	38.2813	37.2578
US dollar	6	1	20	20	33.5929	30.2068

As at 31 December 2021 and 2020, Samart Aviation Solutions Public Co., Ltd., a subsidiary company, whose functional currency is USD, has the following significant financial assets and liabilities denominated in foreign currencies (currencies other than US Dollars) as summarised below.

Foreign currency	Consolidated financial statements		Exchange rate as at 31 December	
	2021	2020	2021	2020
	(Million)	(Million)	(USD per 1 foreign currency unit)	
Financial assets				
Baht	13	11	0.0301	0.0335
Euro	1	-	1.1282	-
Financial liabilities				
Baht	11	11	0.0298	0.0331

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its loans, debentures and long-term borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date as follows:

(Units: Million Baht)

	Consolidated financial statements									
	Fixed interest rates				Floating interest rate		Non-interest bearing		Total	
	Within 1 year		Over 1 - 5 years							
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Financial assets										
Cash and cash equivalents	81	138	-	-	989	1,042	239	420	1,309	1,600
Trade and other receivables	-	-	-	-	-	-	1,759	2,102	1,759	2,102
Accrued income	-	-	-	-	-	-	2,929	3,062	2,929	3,062
Short-term loans	-	-	-	-	-	12	-	-	-	12
Deposits at bank with restrictions	267	250	-	-	-	-	-	-	267	250
Other long-term receivables - net of current portion	-	-	-	-	-	-	120	130	120	130
Other financial assets	68	48	-	-	-	-	239	428	307	476
Total	416	436	-	-	989	1,054	5,286	6,142	6,691	7,632
Financial liabilities										
Short-term loans from financial institutions	3	106	-	-	2,979	3,360	-	-	2,982	3,466
Trade and other payables	-	-	-	-	-	-	1,554	1,635	1,554	1,635
Short-term loans from unrelated parties	-	-	-	-	13	22	-	-	13	22
Debentures	1,199	-	-	1,197	-	-	-	-	1,199	1,197
Convertible debentures	-	-	28	-	-	-	-	-	28	-
Long-term loans from financial institutions	-	-	-	-	5,462	4,998	-	-	5,462	4,998
Other financial liabilities	-	-	-	-	-	-	46	57	46	57
Total	1,202	106	28	1,197	8,454	8,380	1,600	1,692	11,284	11,375

(Units: Million Baht)

	Separate financial statements									
	Fixed interest rates				Floating interest rate		Non-interest bearing		Total	
	Within 1 year		Over 1 - 5 years							
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Financial assets										
Cash and cash equivalents	-	-	-	-	228	169	-	1	228	170
Trade and other receivables	-	-	-	-	-	-	164	128	164	128
Accrued income	-	-	-	-	-	-	1	1	1	1
Short-term loans	-	-	-	-	188	198	-	-	188	198
Other long-term receivables - net of current portion	-	-	-	-	-	-	120	130	120	130
Long-term loan to subsidiary company	-	-	319	319	-	-	-	-	319	319
Other financial assets	-	-	-	-	-	-	21	20	21	20
Total	-	-	319	319	416	367	306	280	1,041	966
Financial liabilities										
Short-term loans from financial institution	-	100	-	-	1,081	1,500	-	-	1,081	1,600
Trade and other payables	-	-	-	-	-	-	169	183	169	183
Short-term loans from related parties	-	-	-	-	794	631	-	-	794	631
Debentures	1,199	-	-	1,197	-	-	-	-	1,199	1,197
Long-term loans from related parties	-	-	-	-	36	36	-	-	36	36
Long-term loans from financial institution	-	-	-	-	1,546	1,088	-	-	1,546	1,088
Other financial liabilities	-	-	-	-	-	-	14	14	14	14
Total	1,199	100	-	1,197	3,457	3,255	183	197	4,839	4,749

Effective interest rates of financial assets and liabilities were separately shown in related notes to financial statements.

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of floating rate loan to and loan from affected as at 31 December 2021 and 2020.

Currency	Consolidated financial statements			
	2021		2020	
	Increase/decrease	Increase/(decrease) in loss before tax	Increase/decrease	Increase/(decrease) in loss before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
THB	+0.1	4,874	+0.1	5,417
	-0.1	(4,874)	-0.1	(5,417)
USD	+0.1	1,883	+0.1	1,684
	-0.1	(1,883)	-0.1	(1,684)

Currency	Separate financial statements			
	2021		2020	
	Increase/decrease	Increase/(decrease) in loss before tax	Increase/decrease	Increase/(decrease) in loss before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
THB	+0.1	(2,135)	+0.1	(2,547)
	-0.1	2,135	-0.1	2,547
USD	+0.1	(677)	+0.1	(609)
	-0.1	677	-0.1	609

The above analysis has been prepared assuming that the amounts of the floating rate loans to subsidiary companies, loans from subsidiary companies, loans from financial institutions, and derivatives and all other variables remain constant over one year. Moreover, the floating legs of these loans to subsidiary companies, loans from subsidiary companies, loans from financial institutions, and derivatives are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest receivable/payable for the full 12-month period of the sensitivity calculation.

Liquidity risk

The Group has a policy to control the risk of a shortage of liquidity by maintaining an adequate level of cash and cash equivalents for the Group's operation. As at 31 December 2021, approximately 76% (2020: 61%) of the Group's debt will mature in less than one year (Separate financial statements: 73% 2020: 53%) based on the carrying value of borrowings reflected in the financial statements. The Group has access to a sufficient variety of sources of funding to mitigate an impact of cashflow fluctuation.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2021				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	215	2,775	-	-	2,990
Trade and other payables	432	1,122	-	-	1,554
Short-term loans	13	-	-	-	13
Debentures	-	1,228	-	-	1,228
Convertible debentures	-	-	30	-	30
Lease liabilities	-	83	100	-	183
Long-term loans from financial institutions	-	3,147	2,624	-	5,771
Other financial liabilities	-	27	-	19	46
Total non-derivatives	660	8,382	2,754	19	11,815

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2020				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	-	3,483	-	-	3,483
Trade and other payables	-	1,635	-	-	1,635
Short-term loans	22	-	-	-	22
Debentures	-	-	1,276	-	1,276
Lease liabilities	-	90	155	-	245
Long-term loans from financial institutions	-	1,741	3,602	-	5,343
Other financial liabilities	-	38	-	19	57
Total non-derivatives	22	6,987	5,033	19	12,061

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2021				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	200	882	-	-	1,082
Trade and other payables	-	169	-	-	169
Short-term loans	794	-	-	-	794
Debentures	-	1,228	-	-	1,228
Lease liabilities	-	17	19	-	36
Long-term loans from financial institutions	-	383	1,332	-	1,715
Long-term loans from subsidiary	-	36	-	-	36
Other financial liabilities	-	-	-	14	14
Total non-derivatives	994	2,715	1,351	14	5,074

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2020				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	-	1,610	-	-	1,610
Trade and other payables	-	183	-	-	183
Short-term loans	631	-	-	-	631
Debentures	-	-	1,276	-	1,276
Lease liabilities	-	16	37	-	53
Long-term loans from financial institutions	-	207	1,015	-	1,222
Long-term loans from subsidiary	-	-	36	-	36
Other financial liabilities	-	-	-	14	14
Total non-derivatives	631	2,016	2,364	14	5,025

47.2 Fair values of financial instruments

Since the majority of the Group's 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 Group' capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value and it meets financial covenants attached to the loan agreements. The Group has complied with these covenants throughout the reporting periods.

As at 31 December 2021, the Group's debt-to-equity ratio was 2.84:1 (2020: 3.26:1) and the Company's was 0.83:1 (2020: 0.69:1).

49. Events after the reporting period

49.1 On 28 January 2022, the Company issued and offered name-registered unsubordinated and unsecured debentures, with the issuer having the right to redeem the debentures before maturity date, of Baht 1,675 million with term of 3 years and fixed interest of 4.25 percent per annum.

49.2 Samart Digital Public Co., Ltd., a subsidiary company has offered and issued a newly convertible debentures No. 15 pursuant to the convertible debenture agreement in December 2021 totaling of Baht 30 million. The convertible debentures will be matured on 19 November 2024. The convertible debenture holders have exercised convertible rights in January 2022 of Baht 30 million. The subsidiary company registered the latest paid-up share capital with the Ministry of Commerce on 5 January 2022.

In addition, the subsidiary company has offered and issued a newly convertible debentures No. 16 - 21 pursuant to the convertible debenture agreement in January and February 2022 totaling of Baht 300 million. The convertible debentures will be matured on 7 January 2025. The convertible debenture holders have exercised convertible rights in January and February 2022 of Baht 240 million and Baht 60 million, respectively. The subsidiary company registered the latest paid-up share capital with the Ministry of Commerce on 9 February 2022.

49.3 On 5 January 2022, the Extraordinary General Meeting of the shareholders of SIM2ASSET Co., Ltd., its subsidiary held by Samart Digital Public Co., Ltd., approved to change the company's name from "SIM2ASSET Co., Ltd." to "Lucky Heng Heng Co., Ltd.". The subsidiary registered with the Ministry of Commerce for the change of its name on 13 January 2022.

49.4 On 10 February 2022, a meeting of the Board of Director of Samart Digital Public Co., Ltd., a subsidiary company, passed a resolution to propose to the Extraordinary General Meeting of Shareholders the significant matters as follows:

1. The decrease of the subsidiary company's registered capital of Baht 182 million from Baht 1,676 million to the new registered capital of Baht 1,494 million by reduction of 1,821 million ordinary shares with par value of Baht 0.10 remaining from the reserve for the conversion rights of the convertible debentures.
2. The issuance and offering of the newly issued convertible debentures of the subsidiary company of not exceeding Baht 1,000 million (the "Convertible Debentures") by way of private placement to specific investor which is not related person.
3. The increase of the subsidiary company's registered capital of Baht 221 million from Baht 1,494 million to the new registered capital of Baht 1,715 million by issuing 2,231 million ordinary shares with par value of Baht 0.10 in order to reserve for the exercise of the conversion right of the Convertible Debentures.

In this regard, the subsidiary company convenes the Extraordinary General Meeting of Shareholders on 18 March 2022 to consider the above matters.

49.5 On 24 February 2022, a meeting of the Board of Director of Samart Telcoms Public Co., Ltd., a subsidiary company, passed the resolution to propose to the Annual General Meeting of the shareholders for approval of the dividend payment, in respect of profit for the year 2021, of Baht 0.05 per share, or a total of Baht 31 million.

49.6 On 25 February 2022, a meeting of the Board of Directors of the Company passed the resolutions to be proposed to the Ordinary General Meeting of shareholders for approval of a decrease of Baht 336 million in the Company's registered capital, from Baht 1,510 million to Baht 1,174 million, by cancelling 336 million ordinary shares with a par value of Baht 1 per share, and an amendment to Clause 4 of the Memorandum of Association so as to reflect the decrease in the Company's registered capital.

50. Reclassification

Certain amounts in the prior year's statement of financial position as at 31 December 2020, presented as comparative information, have been reclassified to conform to the current year's classification, but with no effect to previously report profit (loss) or shareholders' equity. The reclassifications were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	As previously report	Reclassified	As reclassified
Statement of financial position			
Other current financial assets	180,656	(120,121)	60,535
Other current assets	1,203,869	120,121	1,323,990
Other non-current financial assets	295,675	(176,293)	119,382
Property, plant and equipment	5,318,694	31,218	5,349,912
Intangible assets	1,035,075	(31,218)	1,003,857
Other non-current assets	328,006	176,293	504,299

51. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised Directors on 25 February 2022.

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, 2021, 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

Attachments which are disclosed in the Company's website

Attachments	
Attachment 1	The Board of Directors, Managements, Controlling Person, The Person Taking The Highest Responsibility in Accounting and Finance, The Person Supervising Accounting and Company Secretary
Attachment 2	Information of Directors and Managements in Subsidiaries and Related Companies
Attachment 3	Information of Head of Internal Audit & Head of Compliance
Attachment 4	Assets for business undertaking and details of asset appraisal
Attachment 5	Corporate Governance Policy, Business Ethic, Charter of the Board of Directors and Charter of the Committees (Full version)
Attachment 6	Report of the Audit Committee

You can find more about the Company from the details in the attachment shown on the Company website at www.samartcorp.com

- In case that this Annual Registration Statement / Annual Report 2021 (Form 56-1 One Report) refers to information which disclosed on the Company's website, it shall be deemed that the information disclosed on the website is a part of this Annual Registration Statement / Annual Report 2021 (Form 56-1 One Report) by the Board of Directors responsible for the accuracy and completeness of the referenced information; as well as providing the information in this Annual Registration Statement / Annual Report 2021 (Form 56-1 One Report).

SAMART

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