



SMART

TO BEYOND Sustainable Growth

Annual Registration Statement /
Annual Report 2022
(Form 56-1 One Report)

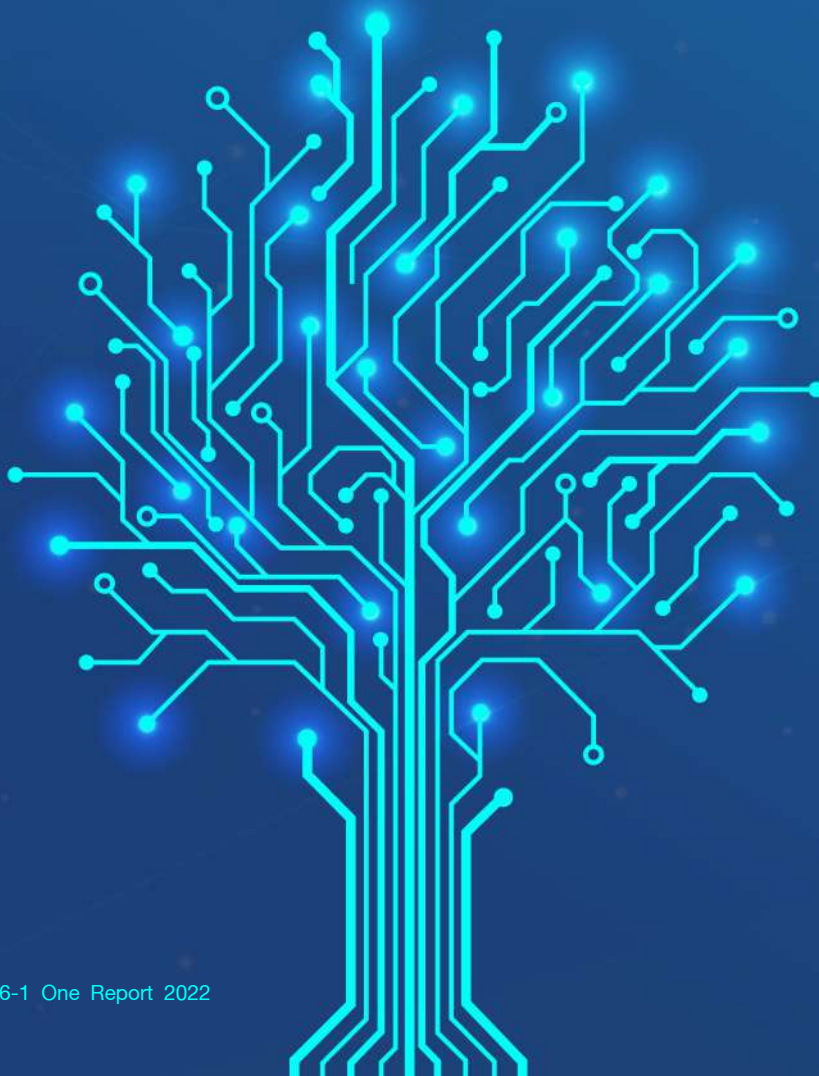
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TO BEYOND Sustainable Growth

SAMART Group focuses on building a solid foundation

by **looking for opportunities and investing
in businesses that generate regular income,**
as well as providing services of international
standards, while also promoting development
in all sectors **for sustainable growth.**





Sustainable BUSINESS

We always focus on investing in businesses that can grow and generate regular income to create a stable foundation for the organization, while also looking for opportunities to expand and diversify into new business lines.



Sustainable RELATIONSHIP

We conduct our business with consideration of stakeholders in all aspects, aiming to build strong relationships and long-lasting trust while doing our utmost to deliver benefits to all sectors.



TRANSFORM For Sustainability

Samart Group is prepared to handle all changes with professional teams and cutting-edge technology, adjusting to global and economic situations with agility.



Sustainable SOCIETY

We operate our business with obligations to all sectors in society, taking into account the environment and fostering public awareness of social development for sustainable growth.

MESSAGE FROM THE BOARD OF DIRECTORS



(Mr. Seri Suksathaporn)
Chairman

Samart Corporation Public Company Limited

(Mr. Charoenrath Vilailuck)
Executive chairman / CEO

Samart Corporation Public Company Limited

The Thai economy in 2022 continues to recover from 2021, helped by the success of the vaccination program and the abating of the COVID-19 pandemic. Moreover, the global easing of restrictions on international travel, the authorities were able to be fully reopen the country to foreign visitors in the middle of the year, and with this, tourist arrivals have begun to rebound rapidly. Nevertheless, the global environment remains troubling, and the outbreak of war in Ukraine and the reintroduction of widespread lockdowns in China helped to trigger renewed disruptions to supply chains worldwide. Worse, this coincided with the post-pandemic acceleration in demand as economies worldwide surged back to life, and the result of the two sides of the market pulling in opposite directions inevitably fed into sharply rising prices in both Thailand and the major economies. In response, central banks pivoted rapidly, and across much of the world monetary policy shifted from the accommodative position adopted throughout the pandemic to a dramatically more hawkish stance.

The 2023 should mark the point when the Thai economy finally returns to or surpasses its size prior to the outbreak of COVID-19. The overall Thai economy in 2023 is continuing to grow from 2022, driven in particular by the ongoing rebound in the tourism sector and stronger labor markets, especially in areas linked to tourism that will boost household consumption. Investment will also benefit from growth in the service sector, continuing expenditure on infrastructure, and an expansion in the scale of work undertaken in the Eastern Economic Corridor (EEC). However, investment in some industries, and across all of the export sector, will have to contend with what may be a darkening international business environment. Risk will rise from a global slowdown and especially from an underperformance by the Chinese economy, tighter financial conditions, the extension of the Ukraine-Russia war, worsening geopolitical tensions, and longer-term trends to deglobalisation. The net effect of these headwinds will then be to dampen growth prospects for Thailand.

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 application services and Thaimerit application services. "Digital" therefore is the line of business focusing on elevation of people' 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 government and private customers and then conduct business on the basis of sustainability delivering continuing growth, resulting in revenue of Baht 5,267 million and higher profit compared with that in the previous year with backlog revenue at the end of 2022 at Baht 6,880 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.

"Utilities and Transportations"

"Utilities and Transportations" was still affected by COVID-19 pandemic during the first half of 2022. However, the travel restrictions have been eased since the epidemic of COVID-19 was getting unraveled. This results airline industry across the world have been recovering and causing increase in number of flights for air traffic management services in Cambodia resulting in lower total revenue compared with that in 2021. Furthermore, Direct Coding Project under supervision of Excise Department had start the service and recognize revenue since May 2022. For the business regarding complete construction of power substations and high-voltage transmission system has continued to grow with backlog value of Baht 2,480 million at the end of 2022. 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 "Cybersecurity Hackathon by SECUREiNFO" that helping to raise Thai students' competence, in producing a new generation of cybersecurity personnel with professional cybersecurity skills, ready to take on growth opportunities in cybersecurity service business and future technological changes. 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 also held and contributions to various public charitable activities continuously made by "Samart Foundation"

The Company, besides, has been consecutively rated "Excellent" in Corporate Governance Report of Thai Listed Companies by Thai Institute of Directors (IOD).

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 MR. SERI SUKSATHAPORN

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



2 MR. VICHAI SRIKWAN

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



6 MR. SIRICHA RASAMEECHAN

- Director
- Corporate Governance Committee Member



7 MR. CHAROENRATH VILAILUCK

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



8 MR. WATCHAI VILAILUCK

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



3 DR. PAIROJ BOONKONGCHUEN, M.D.

- Independent Director
- Audit Committee Member
- Nominating & Compensation Committee Member



4 MR. PRINYA WAIWATANA

- Independent Director
- Corporate Governance Committee Member



5 MRS. SIRIPEN VILAILUCK

- Director



9 MR. THANANAN VILAILUCK

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



10 MR. TEERACHAI PHONGPANANGAM

- Authorized Director
- President of Utilities and Transportations LOB
- Executive Director
- Risk Management Committee Member
- Sustainable Development Committee Member



Vision

“SAMART Group” A leader in providing **high quality technological solutions** of international standards, creatively responding to service users’ needs while upgrading the quality of life, society and the environment in promoting the country’s sustainable development



Corporate Culture SAMART DNA



Think Ahead



Customer Focus



Team of Professionals



Commit to Excellence



Mission

To achieve the vision, we make it our mission to take care of our stakeholders as follows



“Clients”

To offer telecommunication and technological services with dedication and attention to satisfy the needs of service users for their maximum benefit



“Organization”

To build and develop a management process that ensures efficient, transparent, and fair operations



“Allies”

To strengthen relationships with business allies to seek opportunities and achieve business goals together



“Employees”

To promote professionalism in employees and provide them with career advancement opportunities



“Shareholders”

To create long-lasting, good returns as a stable, sustainable income for shareholders



“Society and Environment”

To participate in improving the life quality of people in society as well as in promoting environmental conservation and appreciative 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/or 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 2022, the Audit Committee has performed duties as per specified in the Audit Committee Charter, regulations and operating guidelines specified by the SET. In 2022, 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. Reviewed 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 which have been reviewed and/or audited by the Company's auditor to ensure that they have been prepared pursuant to the Thai Financial Reporting Standards. Including discussed significant matters with the external auditor 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. Auditing information is important to the preparation of financial statements and beneficial to the shareholders.

2. Reviewed related transactions or connected transactions

The Audit Committee has reviewed the related transactions or the connected transactions on a quarterly basis for compliance with the laws and regulations specified by the Capital Market Supervisory Board and other relevant agencies. The Audit Committee had an opinion that the connected transactions or the related 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. Reviewed compliance with laws and regulations of the relevant agencies

The Audit Committee has reviewed for the Company to comply with the laws of the SEC, 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 the SET as well as other relevant laws.

4. Reviewed 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 has reviewed the effectiveness and adequacy of the internal control system and reviewed the results to ensure that Management follows the internal control system recommendations to prevent recurrence of deficiencies.

The Audit Committee concluded that the Company's internal audit system is appropriate, effective, independent, 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 2022

The Audit Committee has considered on selection, proposal on appointment of the auditor and remuneration fee for 2022 to the Board of Directors to further propose to the shareholders' meeting by considering from the operating standard auditing experience, independence of Auditors, and provision of consultancy included, suitable remuneration fee.

The Audit Committee has considered and selected of the auditors of EY Company Limited as the Company's auditor for 2022 by considering from knowledge, capability, experiences, independency and understanding of the Company's business.

7. Performance assessment of the Audit Committee for 2022

The Audit Committee has assessed performance of the Committee every year. The result demonstrated that the Audit Committee carried out its duties and responsibilities in accordance with the accuracy, prudence, transparency, and independence.

In overall for the year 2022, the Audit Committee has completely performed duties as specified in the Audit Committee Charter approved by the Board of Directors and was of the opinion 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 the SEC regulations of the 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 2022, all sectors have been flexible the Precautionary Measures to control the pandemic of the COVID-19 in the second half of the year, so, the overall economic activities were recovered and improved. As a result, technology has been used more in business operations, clearly. The Executive Board managed the Company's businesses 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 2022, the Executive Board held 12 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.
- **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 2023, 2022 Bonus and 2023 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 2022, 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 Company has been affected by the COVID-19 pandemic for a long time, but the Executive Board has confidence and believe that the Company will be able to adapt, rehabilitate and grow from the cooperation, competence and work experience of all Managements and employees who have fully performed their duties with prudence by taking into account the best benefits of the Company and all stakeholders in order to create stability and sustainability for the Company, continually.



(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, risk management framework, and 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 2022, 3 meetings have been held to consider material matters which could be summarized as follows:

1. Identified and analyzed 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. Supervised to make sure that the Group of Companies placed importance to the risk management plans for implementation with the business operations and the suitable internal control system to support the risk management plans.
3. Followed up and reviewed 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 2022, the Risk Management Committee had the opinion that the Company has efficient risk management systems and material risks have been supervised. In addition, each line of business of Samart Group had presented material risks to the meetings of the Risk Management Committee, for managing risks continually and consistent with the changing situations.



(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) guidelines specified by the Stock Exchange of Thailand (SET) and Criteria for Assessment of Corporate Governance Survey Project of CGR Listed Companies (New Revised Version). 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 2022, 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 2022 (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 2022, the CG Committee's Meeting No. 2/2022, held on November 10, 2022, considered and proposed to the Board of Directors to consider and review the compliance with the principles of good corporate governance (CG Code), Corporate Governance policy, Business Ethics, the Board of Directors and the Committees' Charters, as well as consider the assessment of Corporate Governance Survey Project of CGR Listed Companies (New Revised Version). The Meeting was considered to revise in the main topics in the Corporate Governance Policy, the Board of Directors' Charter and the Nominating and Compensation Committee's Charter on the following topics 1) Composition 2) Roles, duties and responsibilities of the Chairman of the Board 3) Policy for the top management and senior managements on being director in other listed companies 4) Supervision on Operation of the Subsidiaries and Affiliated Companies 5) Inside Information Monitoring 6) Transparency of Nomination Directors and Managements 7) Roles and Responsibilities of the Nominating & Compensation Committee and 8) The Company Secretary.

The Board of Directors' Meeting No. 5/2022, held on November 10, 2022, 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 2022, 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-Executive Directors.**

In order to comply with corporate governance principles of the Stock Exchange of Thailand and the assessment of Corporate Governance Survey Project of CGR Listed Companies (New Revised Version), 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. In 2022, there were 2 Non-Executive Directors’ Meetings, held on August 11, 2022 and November 10, 2022, in order to discuss about the important projects of the Company. The minutes of meetings between non-executive directors were taken every time there had such a meeting.

- **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 as, the assessment of Corporate Governance Survey Project of CGR Listed Companies (New Revised Version).

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 as follows:

Evaluation	Company	Assessment Result	Organized by
Corporate Governance of Thai Listed Companies in 2022	SAMART	Excellent (5 Stars) with score 94	Institute of Directors Association (IOD) together with the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand
	SAMTEL SDC	Excellent (5 Stars) with score 93	
Quality on Arrangement of Annual General Meeting of Shareholders for 2022	SAMART, SAMTEL and SDC	4 TIA with score 98	Thai Investors Association

These achievements could clearly reflect the continual efforts to conducting business under the Good corporate governance policy, compliance with corporate governance policy, the Business Ethic, work practice, as well as efficient management system, transparent, and verifiable. Moreover, the Company has continued to develop the standards of good corporate governance as international standards in order to strengthen to the stakeholders that the Company will be able to grow the business, continuously and 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, which in this report, there are Dr. Tongchat Hongladaromp (2008-August 2022), Mr. Seri Suksathaporn (2008-present), Mr. Vichai Srikwan (2021-present) and Dr. Pairoj Boonkongchuen, M.D. (August 2022-present) All of them are the Independent Directors.

The NC Committee has performed its duties completely according to the Charter of the NC Committee as assigned by the Board of Directors. In 2022, the NC Committee held 4 meetings to consider important matters and constantly reported the meeting results including comments and recommendations to the Board of Directors for consideration of which they could be summarized as follows:

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

The NC Committee's Meeting No. 1/2022, held on, February 25, 2022, No. 2/2022, held on May 12, 2022, and No. 3/2022, held on August 11, 2022, have 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 2022, 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's Meeting No. 2/2022, held on May 12, 2022, 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 2022, 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 2022 were Baht 1.75 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's Meeting No. 4/2022, held on November 10, 2022, has considered the criteria on salary increase for 2023, bonus allocation for 2022 and bonus payment policy for 2023 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 2022, 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.

- **Considered and reviewed the Succession Plan**

The NC Committee's Meeting No. 4/2022, held on November 10, 2022, has considered and reviewed the Succession Plan by taking into account as 1) Key position of the Company operations 2) Criteria of the selection of the Managements which comply with the specified Criteria and 3) Development plan to prepare to be able to support positions in the future.

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

The NC Committee's Meeting No. 1/2023, held on February 23, 2023, has conducted a self-assessment for the year 2022, 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"**. It can be concluded that the NC Committee performs its duties effectively and in accordance with the scope of duties specified in the charter.

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.



(Mr. Vichai Srikwan)

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 2022

1. Considered and selected directors 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. Dr. Tongchat Hongladaromp Independent Director
 2. Mr. Prinya Waiwatana Independent Director
 3. Mr. Thananan Vilailuck Executive Director
2. Considered and selected the member of the committees who has been retired by rotation as follows;
 - Agreed to propose the appointment of Mr. Seri Suksathaporn as the Chairman of the Board of Director;
 - Agreed to propose the appointment of Mr. Vichai Srikwan as the Chairman of Nominating and Compensation Committee;
 - 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.
3. Considered and selected the director and the Committee to replace who have been resigned;
 - Agreed to propose and appoint Dr. Pairoj Boonkongcheun, M.D. as the director / Independent director / Audit Committee Member and Nominating and Compensation Committee member to replace Dr. Tongchat Hongladaromp.

List of the Board of Directors and Committees as of December 31, 2022 as follows:

The Board of Directors

1. Mr. Seri Suksathaporn	6. Mrs. Siripen Vilailuck
2. Mr. Vichai Srikwan	7. Mr. Charoenrath Vilailuck
3. Dr. Pairoj Boonkongchuen, M.D.	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. Mr. Seri Suksathaporn
3. Dr. Pairoj Boonkongchuen, M.D.

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. Mr. Vichai Srikwan
2. Mr. Seri Suksathaporn
3. Dr. Pairoj Boonkongchuen, M.D.

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

Report of the Sustainable Development Committee

Dear Shareholders of Samart Corporation Public Company Limited

In 2022, the Company has supervised business operations with responsibility to all groups of stakeholders and develop business along with sustainable growth to society and environment responsibility by setting up the policies and work plan for sustainable organizational development to respond to the relevant stakeholders, both inside and outside the organization. The Company has promoted and focused more to community, society and the environment, also. Presently, the Company's Executive Vice Chairman – Corporate Strategy & New Business Development is the Chairman of the Sustainable Development Committee ("the SD Committee").

During 2022, the SD Committee arranged 2 meetings to follow up operations and consider matters pursuant to the sustainability development policy and the SD Committee Charter. The meeting results have been constantly reported to the Board of Directors of which their main points can be summarized as follows:

- Considered and monitored operational results on social responsibility activities of the Company in 2022;
- Considered and approved the Business Sustainability Development part which will be disclosed in the Annual Registration Statement / Annual Report 2021 (Form 56-1 One Report);
- Considered and approved the amendments of the Sustainable Development Policy to ensure that the Company's sustainable development policy is clear and covers all issues in accordance with the sustainable development framework in 3 dimensions as economic, social and environmental dimensions.
- Considered and conducted the SD Committee self-evaluation for 2022, 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 Registration Statement / Annual Report 2022 (Form 56-1 One Report).

The SD Committee, the Managements, and relevant staffs have jointly performed their duties and created an organizational culture. As a result, all stakeholders are conscious and considerate of their social and environmental responsibilities. There were several of social projects that the employees can participate and realize the importance of such matters, so the Company can live with society, sustainably.



(Mr. Watchai Vilailuck)

Chairman of the Sustainable Development Committee
Samart Corporation Public Company Limited

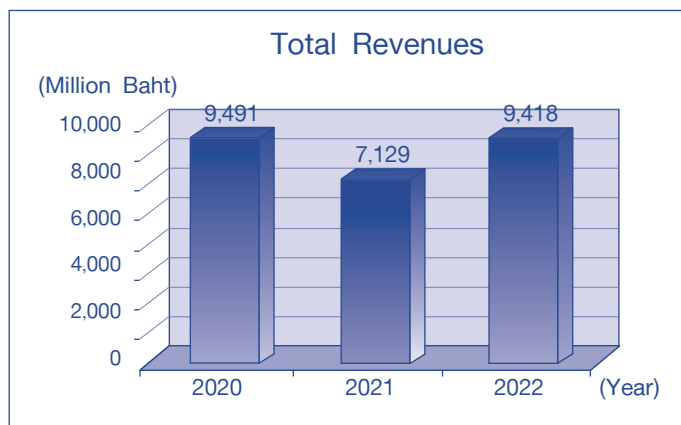
Financial Highlights

Samart Corporation Public Company Limited and Subsidiaries

(Unit : Million Baht)

Information from consolidate Financial Statements	2022	2021	2020
Total Asset	19,336	18,149	18,031
Total Liabilities	15,483	13,423	13,797
Non-controlling interests of the subsidiaries	1,174	1,342	1,193
Equity attributable to owners of the Company	2,679	3,384	3,041
Total Revenue	9,418	7,129	9,491
Revenues from sales, contract work and service	9,020	6,955	9,106
Gross Profit	1,510	987	1,112
Profit (loss) for the year (Equity holder of the Company)	(955)	(389)	(309)

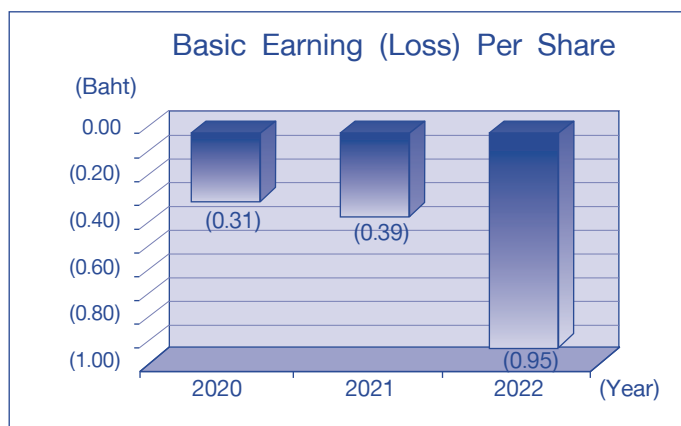
Financial Ratios	2022	2021	2020
Basic earnings (loss) per share (Baht)	(0.95)	(0.39)	(0.31)
Book Value Per Share (Baht)	2.66	3.36	3.02
Dividend Per Share (Baht)	-	-	-
Profit (loss) Margin	(10.14)	(5.46)	(3.26)
Return on Equity	(31.51)	(12.11)	(9.21)
Return on Total Assets	(5.10)	(2.15)	(1.58)



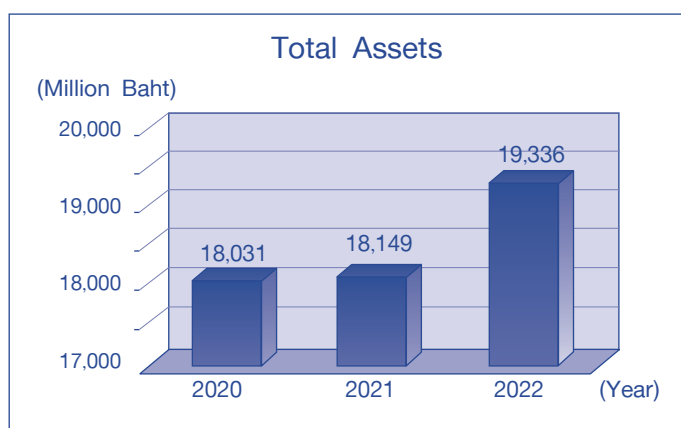
In 2022, total revenues was Baht 9,418 million, increased from 2021 by Baht 2,289 million or 32.10%. The increase was due to unravel the impact of COVID-19, which create the better momentum to the ICT Solution & Service and Utilities and Transportations business, especially the air traffic management business in Cambodia.



Loss for 2022 was Baht 955 million. The key contribution to the Company loss were Digital business and the impacts of long-term provisions from litigation.



In 2022, earnings (loss) per share was decreased to Baht -0.95 per share.



Total assets were Baht 19,336 million in 2022.

Changes in the previous year

Year 2022 was another year of challenges, even though COVID-19 has been unravelling, which affects directly to the recovery in tourism business around the globe and local economic. However, occurrence of Russia-Ukraine war forced the world economics to face the another challenge; for examples, rising in inflations that affects the cost of livings in food and energy and also cause to inflation, China continued to shut down their country throughout the year and many countries have been applying strictly monetary policy in order to fight against inflation and financial volatility.

In 2022, Samart Corporation Pcl. had total revenue of Baht 9,418 million that increase from 2021 at 32.10%. 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 2022, COVID-19 was getting unraveled which make the government was able to allocate more budget to invest in the new investment from the government, resulting in increase investment from part of the private sector. However, the affect from China's shut down to prevent the epidemic of COVID-19, Russia-Ukraine war and international trade policy between United Sates of America and China still created the global chipsets shortage and the limitation of shipment in chipsets and equipment between countries around the world. For Samart Telcoms Pcl., the company adjusted strategies in several aspects such as risk management, plan ahead and follow the situations closely in order to prevent and solve problems, which might affect the delay in shipment and services for our customers.

In 2022, Samart Telcoms Pcl. signed the contracts of the new projects valued at Baht 5,300 million from different agencies, e.g., Provincial Electricity Authority, Government Savings Bank, Industrial Estate Authority of Thailand. At the end of 2022, the backlog was valued at Baht 6,880 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 previous year, 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 and provides astrological services such as a live horoscope application 24 hours a day, an online merit-making application and an e-commerce business for various auspicious products. 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 2022, 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 during the first half of the year. However, the travel restrictions have been eased since the epidemic of COVID-19 was getting unraveled. This results airline industry across the world have been recovering.

For an impact easing in the travel restrictions of COVID-19 during the second half of the year, the number of flights under Cambodia Air Traffic Services Co., Ltd. (CATS), an air traffic management company in Cambodia, have increased to 68,390 flights (by 121.50%), more than the previous year that contained 30,876 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 previous year, TEDA signed contracts of several projects, e.g., Rayong 4 Sub Station of EGAT, valued at Baht 1,090 million. At the end of 2022, the backlog was valued at Baht 2,480 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 2022, The Company has installed the equipment in every beer manufacturer. The revenue has started to be gradually recognised in May 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 manufacturing and distribution various types of metal cabinets such as mobile phone signal booster cabinets, electrical control cabinet and CCTV control cabinet.

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.

In 2022, VSS signed contracts of several projects, e.g., Security system leasing (Phase 2) project with Closed - Circuit Television (CCTV) in 6 districts supported the Internal Security Operations Command, Region 4, Front division, valued at Baht 610 million.

Industry and Competition

In 2022, global economy expanded by 3.4 percent decreasing from 6.2 percent in 2021, due to the impact of Russia and Ukraine war increasing price of commodity in oil and food resulting in high inflation, the Zero-Covid policy and measures of China impacting global supply chain, and tight monetary policies used in several countries to alleviate inflation and financial instability¹. Thai economy in 2022 grew by 2.6 percent accelerating from 1.5 percent in 2021 due to recovery in tourism sector and mitigation of Covid-19 situation in Thailand. Although public investment contracted at 4.9 percent and government consumption had zero growth, private investment and consumption expanded at 5.1 and 6.3 percent respectively. The current account registered a deficit of 3.4 percent of Gross Domestic Product (GDP) compared with a deficit of 2.1 percent of GDP in 2021. The headline inflation was at 6.1 percent compared with 1.2 percent in 2021².

Global economy in 2023 is projected to expand at slow pace by 2.9 percent¹ while the Thai economy is forecasted to grow by 3.2 percent (in the range of 2.7 - 3.7 percent) mainly supported by continual recovery of domestic consumption demands and tourism sector despite of export value of goods contraction at 1.6 percent. Private and public investment will grow by 2.1 percent and 2.7 percent respectively. Private consumption is anticipated to expand by 3.2 percent while government consumption will decline by 1.5 percent. The headline inflation will decrease to the rate of 3.0 percent².

For worldwide IT spending in 2022, including spending in Communications Services, Gartner estimated it to decline by 0.2 percent to the value of \$4.38 trillion due to economy turbulence resulting in slow down of spending in ICT. Gartner also forecast the ICT spending in 2023 to reach \$4.49 trillion, an increase of 2.4 percent from 2022³.

2022 ICT spending in Thailand is estimated to be Baht 896,958 million increasing by 4.4 percent from 2021, comprising spending values in Communications Services segment at Baht 496,761 million or 5.0 percent growth, Devices segment at Baht 205,386 million declining by 4.1 percent, IT Services segment at Baht 98,974 million increasing by 9.9 percent, Enterprise Software segment at Baht 69,813 million or 15.1 percent growth, and Data Center segment at Baht 26,023 million expanding by 20.68 percent⁴.

In Thailand, ICT spending is forecast to reach almost Baht 934,886 million in 2023, an increase of 4.2% from 2022, consisting of Communication Services segment at Baht 522,239 million growing by 5.1 percent, Devices segment at Baht 195,687 million declining by 4.7 percent, IT Services segment at Baht 109,306 million increasing by 10.4 percent, Enterprise Software segment at Baht 80,193 million growing by 14.9 percent, and Data Center segment at Baht 27,461 million expanding by 5.5 percent⁴. The forecast indicates that spending in Devices continues to decline due to the inflation rate and supply chain issues raising the price resulting in longer use of device assets delaying upgrade and refreshing cycle. On the contrary, Enterprise Software spending with highest growth continues to rise at high rate as IT Service segment indicates significant expansion with the reason that enterprises and users has increasingly adopted technologies to support their works and elevate competitiveness, especially, during COVID-19 situation.

Furthermore, IDC (International Data Corporation) indicates that IT strategy is important to organizations and predicts that spending on digital technology by organizations will grow at 3.5 times of the economy growth in 2023. More than 60 percent of total spending is on digital transformation including sustainability management software⁵.

Thailand's ICT and digital industry still continues to grow with supportive government policies such as Digital Economy and Society policy aiming for digital economy to account for 30 percent of GDP within 2027⁶ and driving the country as ASEAN's digital hub according to the 13th National Economic and Social Development Plan, promotion of Bio-Circular-Green Economy (BCG) deploying ICT and digital technology to support, smart city development, and acceleration of Digital Government developing data security infrastructure with digital format management with promotion of digital ID proofing to deliver more electronic services to citizens.

Key technologies significant to various business and industries in the next three years are, for example, adaptive Artificial Intelligence, IoT applied in almost every industry, robotic system becoming more prevalent in manufacturing and service sector, 5G technologies for high speed communications and for industry application that requires fast data response, and Blockchain technology deployed increasingly for high security in transaction execution⁶. Moreover, other technology trends are Datafication⁸, technology that helps turning business operations into data and storing to monitor and assess for analytics, Big Data Analytics increasingly used, Immersive Technology deployed to increase experience and improve efficiency, Robotic Process Automation (RPA)⁹ facilitating organization with repetitive tasks more quickly with error reduction, Cloud Computing becoming more environmental friendly used for Edge Computing to support Anything-as-a-Service (XaaS) increasing speed and flexibility, and Cyber Security becoming more important and necessary for organizations in digital era.

Several factors to monitor affecting ICT and digital technology market are turbulence of global economy and finance, high inflation rate, supply chain issues, and domestic economic and political sentiments². If overall economy expands lower than anticipation, it will also have negative impact to ICT market driving more competition. In the ICT and digital technology market, ICT providers strives in such high competition as well as several business entities turning into technology companies coming from various industries such as banks, retails, transportation and logistics, and media. Furthers, more providers abroad have entered to the market increasing competition. Collaboration has been established among business partners creating strong ecosystem and players in the market have developed their own digital platform and to create Super App providing various features raising competition both directly and indirectly. Consequently, ICT providers have further adapted for competition in marketing strategy, innovation and development of value added in products and services, process improvement increasing efficiency, and new business model, in order to meet customer requirements and improve customer experience as well as satisfactions.

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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 49 years (concession period is between 2002 - 2051).

1.1.1 Corporate Vision, Mission, Culture, Goals and Strategies

- **Vision**

“**Samart Group**” A leader in providing high quality technological solutions of international standards, creatively responding to service users’ needs while upgrading the quality of life, society and the environment in promoting the country’s sustainable development.

- **Mission**

To achieve the vision, we make it our mission to take care of our stakeholders as follows:

“Clients”

To offer telecommunication and technological services with dedication and attention to satisfy the needs of service users for their maximum benefit.

“Organization”

To build and develop a management process that ensures efficient, transparent, and fair operations.

“Allies”

To strengthen relationships with business allies to seek opportunities and achieve business goals together.

“Employees”

To promote professionalism in employees and provide them with career advancement opportunities.

“Shareholders”

To create long-lasting, good returns as a stable, sustainable income for shareholders.

“Society and environment”

To participate in improving the life quality of people in society as well as in promoting environmental conservation and appreciative 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 along with offering products and services that meet lifestyle needs also, cooperate with business partners e.g. Digital Trunked Radio and Co-Tower concerning to drive business earnings.
Utilities and Transportations : Technology Related Services	The main goal in this year is to get Samart Aviation Solutions Public Company Limited (SAV) to be listed on the Stock Exchange of Thailand. Moreover, also 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 include preparing for new business opportunities.

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

Year 2022

- **On 18 March 2022**, an extraordinary general meeting of Samart Digital Public Co., Ltd., a subsidiary company's shareholder passes the following resolutions.
 1. Approving the decrease of the subsidiary's registered capital of Baht 182 million from the Baht 1,676 million to the new registered capital of Baht 1,494 million by cancelling 1,821 million ordinary shares with par value of Baht 0.10 remaining from the allocation to reserve for the issuance of convertible debentures. The subsidiary registered the decrease in share capital with the Ministry of Commerce on 21 March 2022.
 2. Approving the increase of the subsidiary's registered capital of Baht 221 million from Baht 1,494 million to the new registered capital of Baht 1,715 million by issuing 2,213 million new ordinary shares with par value of Baht 0.10 in order to reserve for the exercise the conversion right of the Convertible Debentures. The subsidiary registered the increase in share capital with the Ministry of Commerce on 22 March 2022.
- **On 18 March 2022**, the Extraordinary General Meeting of Samart Digital Public Co., Ltd., a 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.
- **On 22 April 2022**, the Ordinary General Meeting of shareholders of the Company passed a resolution to approve 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 to reflect the decrease in the Company's registered capital.
- **On 11 November 2022**, the meeting of the Extraordinary General Meeting of Shareholders of Siam Sport Television Co., Ltd., which is a subsidiary company held by I-Sport Co., Ltd., is a subsidiary company approved the increase in the subsidiary's share capital by increase its registered capital of Baht 175 million from Baht 60 million to the new registered capital of Baht 235 million by issuing 17.5 million ordinary shares with par value of Baht 10 to be offered to its existing shareholders according to their shareholding ratio. At the offering price of Baht 10 per share, the shares were paid in full on 15 November 2022.

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:

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).

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.

- **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.

1.1.3 Propose of Fund Raise

1. Use of Proceeds from the offering of equity or debt securities

The Company has issued and offered debt securities to institutional investors and/or investors (PP-II&HNW) in the amount of Baht 1,675.3 million on behalf of Samart Corporation Public Company Limited No. 1/2022, Due B.E.2568 (SAMART251A) with details as follows:

No.	Detail	Amount (Million Baht)	Tenor / Period
1.	For early redemption of debentures	1,201.0	January 28 - April 25, 2022
2.	Working capital	474.3	January 28 - December 31, 2022
Total		1,675.3	

2. Applicable laws on debt securities

Domestic bonds Unsecured, unsubordinated (enforced under Thai law).

1.1.4 The Company's commitment in the registration statement for securities offering and/or the approval conditions of the SEC Office (if any) and/or the conditions for the SET's acceptance of securities (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, 35th 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 1,174,254,794 (As of December 31, 2022)
Share type	:	Ordinary share
Number of shares sold	:	1,006,504,143 shares (As of December 31, 2022)
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 2022 ⁽¹⁾	2022		2021		2020	
			Revenue ⁽²⁾	%	Revenue ⁽²⁾	%	Revenue ⁽²⁾	%
1) ICT Solution and Service	Samart Telcoms Pcl.	70.14	1,748.1	19.4	867.4	12.5	856.3	9.4
	Samart Comtech Co., Ltd.	70.14	1,112.4	12.3	1,386.8	19.9	2,039.6	22.4
	Portalnet Co., Ltd.	70.14	704.1	7.8	802.1	11.5	1,104.7	12.1
	Samart Communication Services Co., Ltd.	70.14	481.9	5.3	788.7	11.3	965.3	10.6
	Other subsidiaries	-	438.5	4.9	521.2	7.6	405.1	4.5
	Sub Total		4,485.0	49.7	4,366.2	62.8	5,371.0	59.0
2) Digital	Samart Digital Pcl.	65.91	486.3	5.4	241.0	3.5	399.2	4.4
	Other subsidiaries	-	119.6	1.3	130.3	1.8	198.9	2.2
	Sub Total		605.9	6.7	371.3	5.3	598.1	6.6
3) Call Center	One To One Contacts Pcl.	-(3)	-	-	-	-	623.1	6.8
	Other subsidiaries	-	-	-	-	-	19.7	0.2
	Sub Total		-	-	-	-	642.8	7.0
4) Utilities and Transportations	Cambodia Air Traffic Services Co., Ltd.	100	1,217.6	13.5	455.8	6.6	714.1	7.8
	Teda Co., Ltd.	94.35	1,102.6	12.2	1,167.4	16.8	1,102.0	12.1
	Other subsidiaries	-	205.3	2.3	344.5	4.9	296.9	3.3
	Sub Total		2,525.5	28.0	1,967.7	28.3	2,113.0	23.2
5) Technology Related Services	Samart Corporation Pcl.	-	620.3	6.9	-	-	-	-
	Vision and Security System Co., Ltd.	73.00	751.9	8.3	208.6	3.0	293.9	3.2
	Samart Engineering Co., Ltd.	99.99	30.9	0.3	39.7	0.6	86.0	1.0
	Other subsidiaries	-	1.0	0.1	1.0	-	0.9	-
	Sub Total		1,404.1	15.6	249.3	3.6	380.8	4.2
Total Sales and Services income			9,020.5	100.0	6,954.5	100.0	9,105.7	100.0

 Remarks: ⁽¹⁾ Direct & Indirect stake holding on December 31, 2022;

⁽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 ^(*) 2022
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.	49.72%
2	Digital	Provide integrated businesses in digital network, solution and content.	6.71%
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.	28.00%
4	Technology Related Services	Manufacture and distribution of television and radio antennas and satellite dishes, distribution, installation and maintenance of communication and security systems.	15.57%

Remark: ^(*) Percentage of 2022 consolidated revenue from sales, contract work and service.

The Company and subsidiaries have revenue from sales, contract work and service in 2022 was Baht 9,020 million with gross profit of Baht 1,510 million equivalent to 16.74%, other incomes were Baht 398 million. Selling, distribution and administrative including others expenses were Baht 2,188 million. Finance cost was Baht 484 million and the loss attributable to equity holders of the Company was Baht 955 million.

ICT Solution and Service's revenue proportion was 49.72%, while Digital was 6.71%, Utilities and Transportations was 28.00%, and Technology Related Services was 15.57%.

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 2022, this Line of Business generated revenue of Baht 4,485.0 million equivalent to 49.7% 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 and 13) 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, Palo Alto Networks, 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 2022, this Business Group had projects in progress such as projects regarding supply of digital trunked radio handsets, security network service with CCTV system, rental of computer system for branch offices, rental of satellite equipment and supply of satellite communication channel, and 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 under international standard regarding service quality, ISO 9001. Samart Comtech Company Limited is the leading company of this Business Group. Furthermore, SecureInfo Company Limited has been certified for ISO 27001, international standard for Information Security Management Systems (ISMS), for its Cyber Security Operation Center, penetration testing process, vulnerability assessment services, and security consultant services. 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 2022, this Business Group had projects in progress such as projects regarding Advanced Metering Infrastructure (AMI) for commercial and industrial customers, information system services, digital platform development for centralized services, supply of network security equipment, Cyber Security Operation Center Services, CCTV implementation for security escalation, Cyber threat monitoring and cyber security management, 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 with subsidiaries certified for 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 provides 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 2022, this Business Group had projects in progress, for example, Core Business System phase 2 for Provincial Electricity Authority, SAP Upgrade, data transfer system for banking, maintenance of Core Banking System for Government Housing Bank, and other maintenance projects, including ongoing services for customers.

b) Marketing and Competitive Situations

In 2022, global economy expanded by 3.4 percent decreasing from 6.2 percent in 2021, due to the impact of Russia and Ukraine war increasing price of commodity in oil and food resulting in high inflation, the Zero-Covid policy and measures of China impacting global supply chain, and tight monetary policies used in several countries to alleviate inflation and financial instability¹. Thai economy in 2022 grew by 2.6 percent accelerating from 1.5 percent in 2021 due to recovery in tourism sector and mitigation of Covid-19 situation in Thailand. Although public investment contracted at 4.9 percent and government consumption had zero growth, private investment and consumption expanded at 5.1 and 6.3 percent respectively. The current account registered a deficit of 3.4 percent of Gross Domestic Product (GDP) compared with a deficit of 2.1 percent of GDP in 2021. The headline inflation was at 6.1 percent compared with 1.2 percent in 2021².

Global economy in 2023 is projected to expand at slow pace by 2.9 percent¹ while the Thai economy is forecasted to grow by 3.2 percent (in the range of 2.7 – 3.7 percent) mainly supported by continual recovery of domestic consumption demands and tourism sector despite of export value of goods contraction at 1.6 percent. Private and public investment will grow by 2.1 percent and 2.7 percent respectively. Private consumption is anticipated to expand by 3.2 percent while government consumption will decline by 1.5 percent. The headline inflation will decrease to the rate of 3.0 percent².

For worldwide IT spending in 2022, including spending in Communications Services, Gartner estimated it to decline by 0.2 percent to the value of \$4.38 trillion due to economy turbulence resulting in slow down of spending in ICT. Gartner also forecast the ICT spending in 2023 to reach \$4.49 trillion, an increase of 2.4 percent from 2022³.

2022 ICT spending in Thailand is estimated to be Baht 896,958 million increasing by 4.4 percent from 2021, comprising spending values in Communications Services segment at Baht 496,761 million or 5.0 percent growth, Devices segment at Baht 205,386 million declining by 4.1 percent, IT Services segment at Baht 98,974 million increasing by 9.9 percent, Enterprise Software segment at Baht 69,813 million or 15.1 percent growth, and Data Center segment at Baht 26,023 million expanding by 20.68 percent⁴.

In Thailand, ICT spending is forecast to reach almost THB 934,886 million in 2023, an increase of 4.2% from 2022, consisting of Communication Services segment at Baht 522,239 million growing by 5.1 percent, Devices segment at Baht 195,687 million declining by 4.7 percent, IT Services segment at Baht 109,306 million increasing by 10.4 percent, Enterprise Software segment at Baht 80,193 million growing by 14.9 percent, and Data Center segment at Baht 27,461 million expanding by 5.5 percent⁴. The forecast indicates that spending in Devices continues to decline due to the inflation rate and supply chain issues raising the price resulting in longer use of device assets delaying upgrade and refreshing cycle. On the contrary, Enterprise Software spending with highest growth continues to rise at high rate as IT Service segment indicates significant expansion with the reason that enterprises and users has increasingly adopted technologies to support their works and elevate competitiveness.

Furthermore, IDC (International Data Corporation) indicates that IT strategy is important to organizations and predicts that spending on digital technology by organizations will grow at 3.5 times of the economy growth in 2023. More than 60 percent of total spending is on digital transformation including sustainability management software⁵.

Thailand's ICT and digital industry still continues to grow with supportive government policies such as Digital Economy and Society policy aiming for digital economy to account for 30 percent of GDP within 2027⁶ and driving the country as ASEAN's digital hub according to the 13th National Economic and Social Development Plan, promotion of Bio-Circular-Green Economy (BCG) deploying ICT and digital technology to support, smart city development, and acceleration of Digital Government developing data security infrastructure with digital format management with promotion of digital ID proofing to deliver more electronic services to citizens.

Key technologies significant to various business and industries in the next three years are, for example, adaptive Artificial Intelligence, IoT applied in almost every industry, robotic system becoming more prevalent in manufacturing and service sector, 5G technologies for high speed communications and for industry application that requires fast data response, and Blockchain technology deployed increasingly for high security in transaction execution⁷. Moreover, other technology trends are Datafication⁸, technology that helps turning business operations into data and storing to monitor and assess for analytics, Big Data Analytics increasingly used, Immersive Technology deployed to increase experience and improve efficiency, Robotic Process Automation (RPA)⁹ facilitating organization with repetitive tasks more quickly with error reduction, Cloud Computing becoming more environmental friendly used for Edge Computing to support Anything-as-a-Service (XaaS) increasing speed and flexibility, and Cyber Security becoming more important and necessary for organizations in digital era.

Several factors to monitor affecting ICT and digital technology market are turbulence of global economy and finance, high inflation rate, supply chain issues, and domestic economic and political sentiments². If overall economy expands lower than anticipation, it will also have negative impact to ICT market driving more competition. In the ICT and digital technology market, ICT providers strives in such high competition as well as several business entities turning into technology companies coming from various industries such as banks, retails, transportation and logistics, and media. Furthers, more providers abroad have entered to the market increasing competition. Collaboration has been established among business partners creating strong ecosystem and players in the market have developed their own digital platform and to create Super App providing various features raising competition both directly and indirectly. Consequently, ICT providers have further adapted for competition in marketing strategy, innovation and development of value added in products and services, process improvement increasing efficiency, and new business model, in order to meet customer requirements and improve customer experience as well as satisfactions.

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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. Several 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	: 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 the 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 2022, the Digital Business has a revenue proportion of Baht 605.9 million or 6.7 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 builds 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.

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:

- Samart Digital Media Co., Ltd. (SDM) provides various information services through mobile phone service providers, both in the form of SMS and 1900
- I-Sport Co., Ltd. (I-SPORT) provides various sports services in the form of digital
- Lucky Heng Heng Co., Ltd. (LHH) provides 4 astrological services as follows:
 - 1) Horoworld, a live horoscope application 24 hours a day.
 - 2) Thaimerit, an online merit-making application both domestically and internationally
 - 3) Mu-Commerce, an e-commerce business for various auspicious products
 - 4) Mu-Keting, offers marketing consulting services to companies with the science of astrology

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

The Company has mainly conducted online marketing activities for B2C businesses in line with the lifestyles of today’s consumers. The Company also conducts marketing activities through various partners such as mobile phone service providers and banks in order to directly reach those partners’ customers and use the budget efficiently.

I-SPORT has expanded its live broadcasting service to other types of sports besides broadcasting football for the Football Association of Thailand. In addition, I-SPORT also presents new technology of the VAR system (Video Assistant Referee) to the association as well.

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.

Target customers of LHH are consumers who have smart phones and interested in astrology. In this year, LHH has expand the target group to foreigners who have interests and beliefs, especially Buddhism. In addition, the Company will continue to expand cooperation with various partners in order to reach the customers of those partners as well.

I-SPORT has expand the target group of live sports broadcasting services to other sports by offering services to various sports associations or organizers of various sports competitions. In 2022, the Company provided live broadcasts for basketball and boxing. It is also in the process of studying VAR technology in other sports.

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 a telephone answering system and a multimedia service.
- LHH provides services through Mobile Application, Web- Based Application and LINE OA. LINE OA is a platform with a large number of users that makes it easier for users to access the Company's services.

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 LHH 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. Have online merit making service directly with the temple that meets the needs of users and differentiate from competitors.
6. Have a good relationship with many places of merit with exclusive only LHH.

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 LHH, 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 LHH.

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 the 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 2022, Utilities and Transportations business has revenue proportion Baht 2,525.5 million or 28.0% 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 49 years (from 2002 - 2051). By extending the concession period, CATS has to invest in additional project according to the conditions stipulated in the concession extension contract. By 2022, CATS has total revenue of Baht 1,217.6 million, representing approximately 13.5 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 2022, KPP has total revenue of Baht 12.9 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 2022, SUT had total income of Baht 89.05 million accounting about 3.5% 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

On December 31, 2022, SUT has projects in progress total about baht 269.80 million.

- **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 2022, TEDA has total revenues of Baht 1,102.6 million or 12.2 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, 2022 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	17/05/2023	1,697.35	79.25%
2	MEA	Conversion of Overhead Line to Underground System on RAMAIII Road	21/04/2017	18/02/2023	904.02	68.72%
3	EGAT	Supply and Construction of Rayong 4 Substation	20/12/2021	24/07/2024	1,091.66	8.36%
4	Other projects in progress				Baht 1,784.24 million	

*Remark: * Revenue recognition for each project is based on the proportion of project success (%progress)*

EGAT : Electricity Generating Authority of Thailand

MEA : Metropolitan 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 2022, TS has total revenues of Baht 103.4 million or 1.2 percent of the Group’s total revenue.

b) Marketing and Competitive Situations

TS provide 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

On December 31, 2022, TS has projects in progress total about baht 158.50 million.

- **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 2022, Technology Related Services business has revenue proportion Baht 1,404.1 million or 15.6% 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 Corporation Pcl. (“SC”)**

a) Nature of Products or Services

Providing Direct Coding Service for printing a two-dimensional image code with encryption for security by using the special secured anti-counterfeiting ink on the product’s packaging at the production line in the factory. This code can be read by a dedicated inspection device to retrieve product information from the database system including being able to confirm the authenticity of the code. Which is currently providing a one-stop outsourcing service for “Improvement of Efficiency in Excise Tax Management for Domestic Beer Project” of the Excise Department, value 8,032.50 million baht, over contract period of 7 years. The project’s objective is to use the Direct Coding as the Excise’s tax payment mark for beer produced from 9 large beer factories in Thailand and sold within the country. Starting service since May 1, 2022, with revenue between May - December 2022, totaling baht 620.3 million, representing approximately 6.9% of the Group’s total revenue.

b) Marketing and Competitive Situations

The Direct Coding Service requires specific technology, expertise and experience. There are few service providers and competition in the market. However, the income of the project depends on volume of the codes printed on actual bottles and cans of beer produced from 9 large domestic beer factories. The beer production volume has varied according to the domestic beer consumption demand which have both positive and negative impacts from many factors such as government policies, tourism, and various festivals, etc. In the future, we have an opportunity to apply this technology for other products of the Excise Department to expand the business further.

c) Procurement of Products or Services

The Direct Coding Service uses technology from SICPA Switzerland, the owner of the secured ink technology and the world’s leading Direct Coding printing solution that has been successfully deployed in many countries. By transferring knowledge to our engineer and technician team who work regularly at the beer factories. They are ready for providing professional printing service and maintenance of equipment. Resulting in being able to deliver the quality works according to the customer’s requirement efficiently.

d) Projects in progress

The Direct Coding Business Unit of Samart Corporation Pcl. has projects in progress as of December 31, 2022 as follows:

No.	Customer	Project	Contract		Project value (Million Baht)	Progress (%)
			Start	End		
1	The Excise Department	Improvement of Efficiency in Excise Tax Management for Domestic Beer	01/05/2022	30/04/2029	8,032.50	8.26%*

*Remark: * % Progress recognition is based on the proportion of code printed compares to the volume of entire project’s codes, approximately 31,667 million codes.*

- **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 the satellite television’s 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 2022, SE has total revenue of Baht 30.9 million, accounting for approximately 0.3 percent of the total revenue of SAMART Group.

b) Marketing and Competitive Situations

For manufacturing and distributing Digital TV antennas. SE has used product and price strategies to provide sales and after sales service through nationwide dealers and various discount stores. In 2022, Thailand’s economy was recovering from the COVID crisis. However there has been a decline in demand for Digital TV antennas compared with the previous year, even though Football World Club had been live broadcasted in November. In this year, the Digital TV antenna’s overall market was slowing down. The majority of SE’s target customers are consumers who want to change TV receiver as we call replacement market.

For manufacturing various types of metal work products, SE is the manufacturer who can create and design the work, hire to install equipment in cabinets and proceed to produce work to meet the needs of customers. This year SE therefore expanded the business more in this section to support work from affiliated companies and other project customers

c) Procurement of Products or Services

In 2022, 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 IT racks, mini metal containers, 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 2022, VSS has total revenues Baht 751.9 million, representing 8.3% 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 (formerly known as Nice Vision 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

On December 31, 2022, VSS. has projects in progress total about baht 991.60 million.

Main Operating Assets

The Company has main operating assets consist of estate, building, rental assets and important intangible assets as detail in Attachment 4

Investment Policy in Subsidiaries and Associated Companies

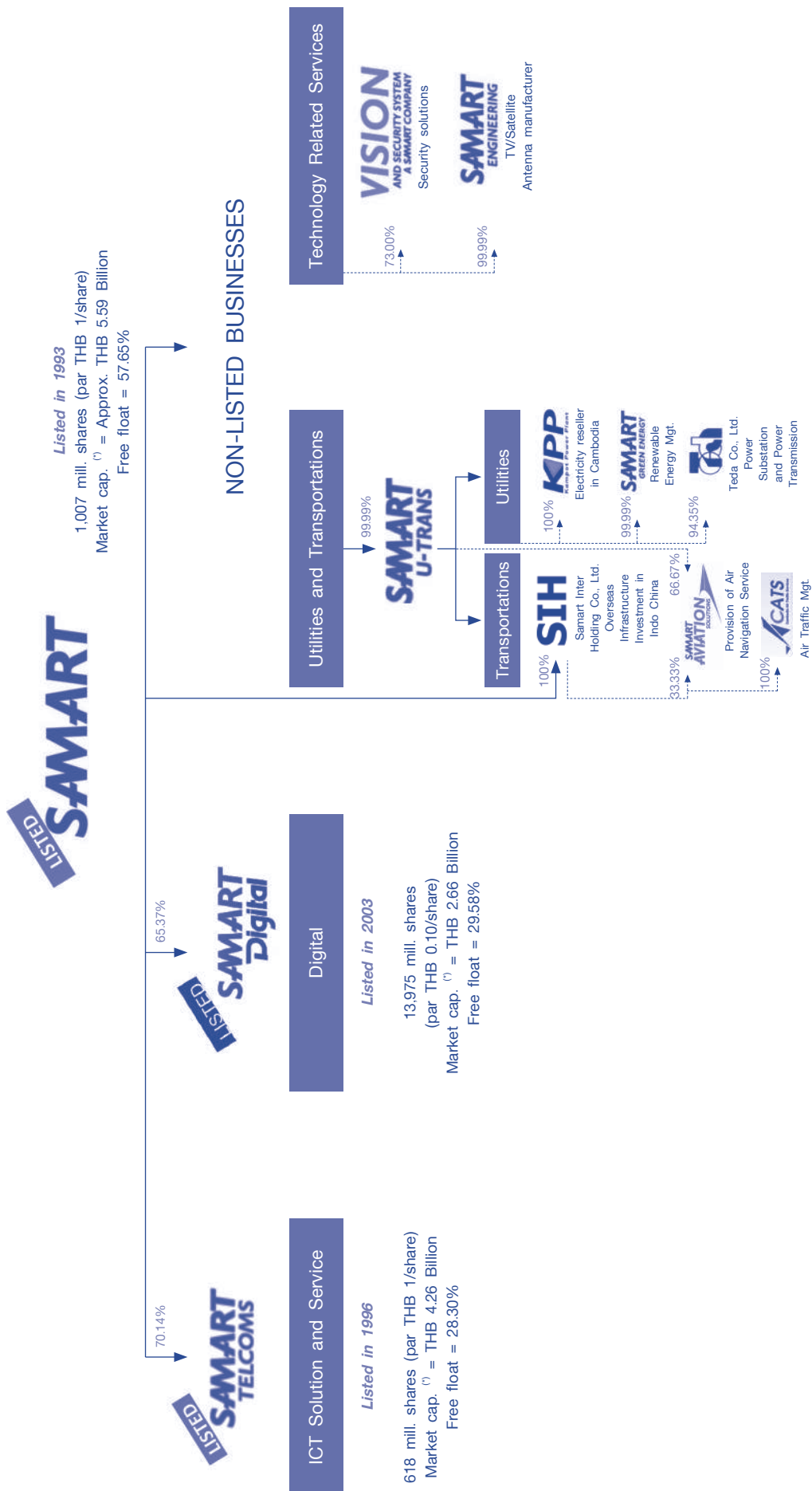
The Company has an investment policy that focuses on investing in businesses with high and growth potential, fixed income, low risk and provides a high return on investment to the Company. The Company has set management policy as well as sending representatives to join as directors in proportion to their 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

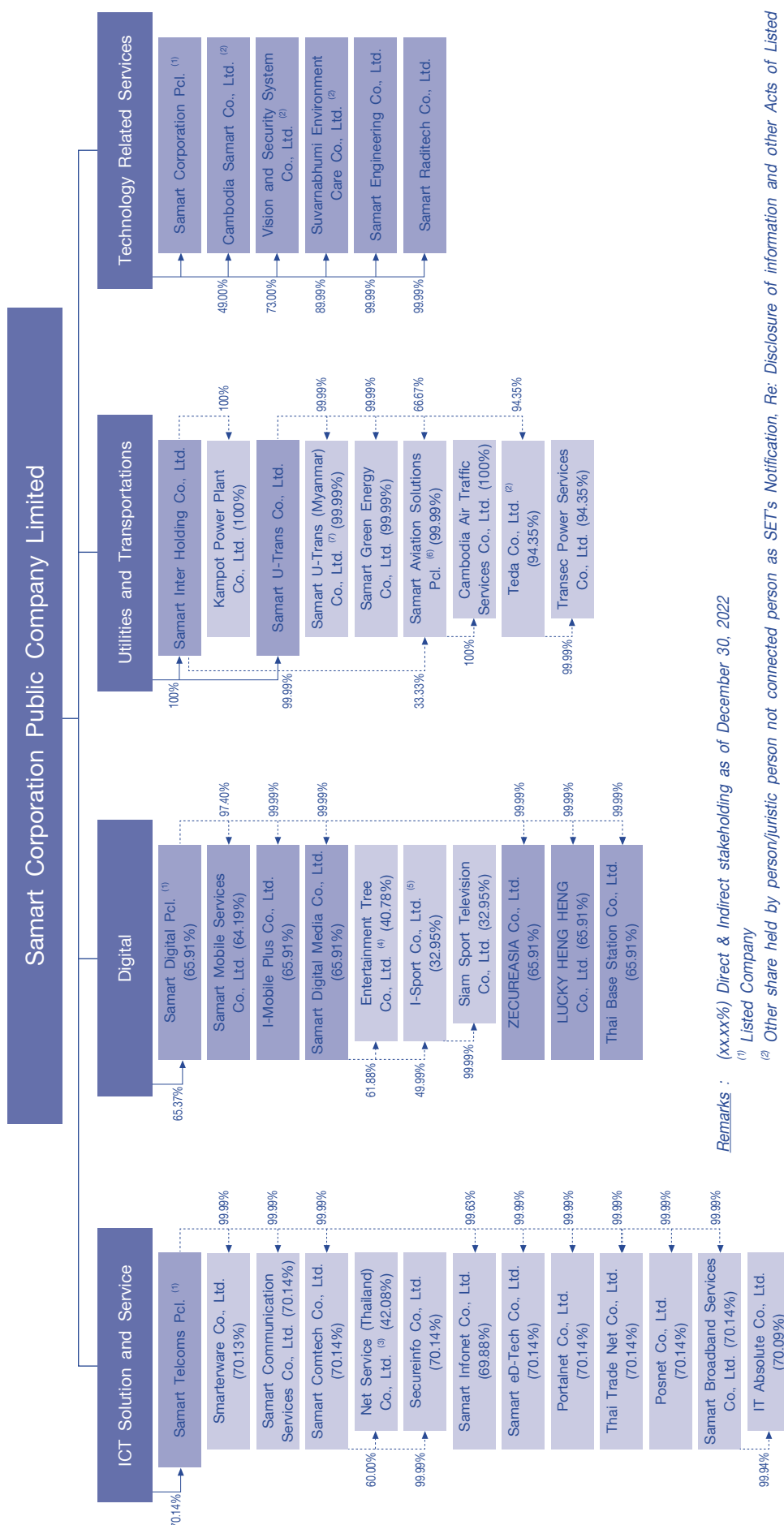
As of December 31, 2022, the Company has registered capital Baht 1,174,254,794 and paid-up capital Baht 1,006,504,143. The Company also has shareholding structures in the subsidiaries which separate the business structures into “Business Structure (by Shareholding)” and “Business Structure (by Management)”. The details can be found under the heading. **“Business structure”** as follows:

Business Structure

SAMART


Remark : ^(*) Market cap. based on price of stocks as of December 30, 2022

Business Structure (by Shareholding)



Remarks : (xxxx%) Direct & Indirect stakeholding as of December 30, 2022

(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

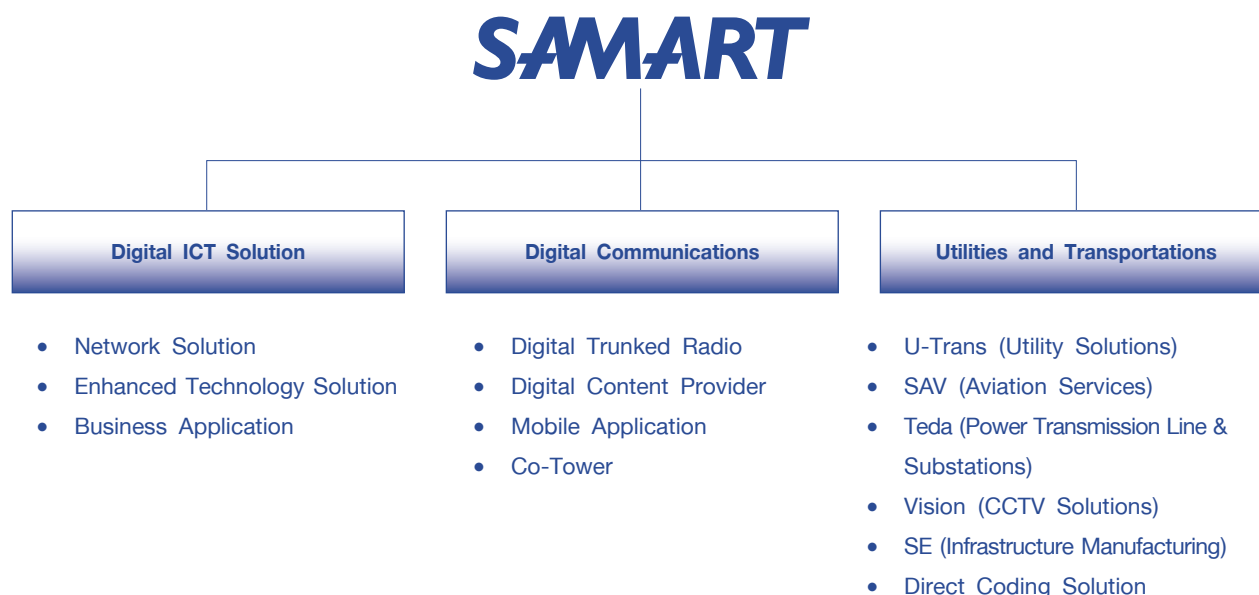
(4) The other 38.12% remaining portion held by 2 ordinary persons who have business expertise in such company.

(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.

However, the Board of Directors meeting No.1/2023 held on February 23, 2023 had been approved the resolution to restructure the Company's Line of Business. Formerly, there are 4 lines of business as 1) ICT Solution and Service 2) Digital 3) Utilities and Transportations and 4) Technology Related Services. After restructuring the Company's lines of business by combining the Technology Related Services line of business to be under the Utilities and Transportations line of business, the Company would have 3 lines of business as detail below;



Remark : The effective date is on February 24, 2023, onwards.

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 99.98% 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 99.98% 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 3 subsidiaries which its revenue represent over 10% of Group revenue are Samart Comtech Co., Ltd., Cambodia Air Traffic Services 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 057, **“Business Structure”** in page 054 and **“Revenue Structure”** in page 033, 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	Provide integrated businesses in digital network, solution and content.	1,715	13,974,865,154	9,135,380,500	65.37
2.	Samart Mobile Services Co., Ltd. 37/1 Moo 2, Phaholyothin Rd., Klong 1, Klongluang, Pathumthanee 12120 Tel. 0-2502-6000	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	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	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
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	Temporarily ceased its business.	100	10,000,000	9,999,997 ⁽¹⁾	99.99
6.	ZECUREASIA Co., Ltd. 99/10 Moo 4, Software Park, 26 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000	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	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	Production outsource, Live Broadcast and taped sporting events.	235	23,500,000	23,499,994 ⁽³⁾	99.99
9.	LUCKY HENG HENG Co., Ltd. 99/10 Moo 4, Software Park, 26 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000	Provide all types of forecasting and astrology business.	5 (Paid-up capital of Baht 2.5 million)	500,000	499,997 ⁽¹⁾	99.99

No.	Company	Type of Business	Registered Capital (Million Baht)	Total of Ordinary Shares	Samart's Holdings	
					Number of Shares	%
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	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
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	Ceased its operation since 2008.	55.25	5,525,000	5,524,997 ⁽⁴⁾	99.99
15.	Thai Trade Net 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 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

No.	Company	Type of Business	Registered Capital (Million Baht)	Total of Ordinary Shares	Samart's Holdings	
					Number of Shares	%
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
18.	Samart Infonet 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 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	6,176,794 ⁽⁴⁾	99.63
19.	Smarterware 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	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. 0-2583-8696Fl.,	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

No.	Company	Type of Business	Registered Capital (Million Baht)	Total of Ordinary Shares	Samart's Holdings	
					Number of Shares	%
22.	Net Service (Thailand) 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 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
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

No.	Company	Type of Business	Registered Capital (Million Baht)	Total of Ordinary Shares	Samar's Holdings	
					Number of Shares	%
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. 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hongkong 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 Site Management for Industries and Commercial Buildings.	407.5	40,750,000	38,448,707 ⁽⁹⁾	94.35
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. 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. (In process of liquidation)	50,000 (USD)	50,000	49,999 ⁽⁹⁾	99.99

No.	Company	Type of Business	Registered Capital (Million Baht)	Total of Ordinary Shares	Samart's Holdings	
					Number of Shares	%
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⁾	33.33
					384,000,000 ⁽⁹⁾	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.

1.3.2 The Relation of Shareholding Structure in Business Group

-None-

1.3.3 Relationship with major shareholders' business

-None-

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⁾	423,654,595	42.092
- Vilailuck International Holding Co., Ltd. ⁽²⁾	148,772,200	14.781
- Mr. Watchai Vilailuck ⁽³⁾	127,005,535	12.619
- 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
2. Bualuang Long - Term Equity Fund	44,269,200	4.398
3. Mr. Apisak Theppadungporn	39,072,200	3.883
4. Mr. Thaveechat Jurangkool	18,183,100	1.807
5. THAI NVDR Co., Ltd.	14,507,633	1.441
6. Police Major General Somyot Poompanmoung	14,290,500	1.420
7. Bualuang Long - Term Equity Fund 75/25	13,931,000	1.384
8. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	13,250,100	1.316
9. Bualuang Flexible RMF	10,088,000	1.002
10. Bualuang Equity RMF	9,279,700	0.922
Total of top ten Major shareholders	600,526,028	59.665
Total of the Minority shareholders	405,978,115	40.335
Total paid up shares	1,006,504,143	100.00

Remark : Major shareholders' report January 31, 2023 prepared by Thailand Securities Depository Co., Ltd.

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

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

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

⁽³⁾ Includes holding by spouse and minor children.

2. The Shareholders of major subsidiaries

2.1 The top ten major shareholders of Samart Digital Pcl. as of December 30, 2022 are :

Shareholder's Name	Number of Shareholding (shares)	% of Total Shares
1. Vilailuck Group ⁽¹⁾	9,310,641,800	66.62
- Samart Corporation Public Company Limited ⁽²⁾	9,135,380,500	65.37
- Samart Telcom Public Company Limited	85,861,200	0.61
- Vilailuck International Holding Co., Ltd.	30,535,100	0.22
- Mr. Watchai Vilailuck ⁽³⁾	23,343,000	0.17
- Mrs. Sukanya Vanichjakvong ⁽³⁾	20,012,000	0.14
- Samart U-Trans Co., Ltd.	15,160,000	0.11
- Ms. Srintip Vilailuck	350,000	0.00
2. Mr. Nuttapol Jurangkool	240,594,700	1.72
3. Ms. Chomkamol Poompanmoung	217,909,900	1.56
4. Thai NVDR Co., Ltd.	127,388,235	0.91
5. Mr. Thaveechat Jurangkool	106,234,600	0.76
6. Pol. Gen. Somyot Poompanmoung	85,448,200	0.61
7. Ms. Nunnarin Paiboonpredee	80,484,600	0.58
8. Mr. Susitak Achariyasombat	75,238,100	0.54
9. Mr. Ayuth Potchanant	47,500,000	0.34
10. Glisten Intertrade Co., Ltd.	42,915,000	0.31
Total shares of top ten shareholders	10,334,355,135	73.95
Total shares of the minority shareholders	3,640,510,019	26.05
Grand total	13,974,865,154	100.00

Remark : ⁽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⁾	442,286,500	71.57
- 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
2. Bangkok Bank PCL	29,730,560	4.81
3. Bualuang Long-Term Equity Funds (LTF)	17,100,200	2.77
4. Mr. Apisak Theppadungporn	6,535,000	1.06
5. Miss Chomkamol Poompanmoung	6,222,700	1.00
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.	5,189,848	0.84
9. Mr. Sanchawan Ingkapak	4,287,700	0.69
10. Bualuang Equity Retirement Mutual Funds	3,634,400	0.59
Total of top ten Major Shareholders	526,025,108	85.12
Total of the Minority Shareholders	91,974,892	14.88
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, 2022.

⁽¹⁾ Samart Corporation PCL, Vilailuck International Holding Co., Ltd., Mrs. Sukanya Vanichjakvong, Mr. Watchai Vilailuck, Mr. Charoenrath Vilailuck, and Mr. Thananan Vilailuck 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 Comtech Co., Ltd. are :

Name of Shareholders	No. of shares held (Shares)	% of Total Shares
1. Samart Telcoms Public Company Limited ^(*)	2,249,995	99.99980
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 30, 2022.

^(*) 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 2.77 %.

2.4 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 Niramom	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 30, 2022.

^(*) The Company operating on contractor for engineering design & installation of energy management system & energy supply and demand site management for industries and commercial buildings, with Samart Corporation Public Company Limited hold 99.99% as a major shareholder.

2.5 The shareholder of Cambodia Air Traffic Services Co., Ltd. is :

Name of Shareholder	No. of shares held (Shares)	% of Total Shares
1. Samart Aviation Solutions Pcl. ^(*)	1,000,000	100.00
Total of shareholder	1,000,000	100.00

Remark : Shareholders' register book as of December 30, 2022.

^(*) The Company 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 with Samart U-trans Co., Ltd. hold 66.67% and Samart Inter Holding Co.,Ltd. hold 33.33% as a major shareholder.

1.4 Registered Capital and Paid up Capital

As of December 30, 2022, the Company has registered capital Baht 1,174,254,794, divided into ordinary shares 1,006,504,143 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

The warrants 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
Exercise Price	: THB 10.00 per share, unless the exercise price is adjusted
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 Warrants 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-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

As of December 31, 2022, the Company had the outstanding balance of warrants that have not been exercised as 167,711,498 units.

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 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	Daol Securities (THAILAND) 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	Daol Securities (THAILAND) 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	2022	2021	2020
Earning (Loss) Per Share (Baht) <i>(Separate Financial Statements)</i>	(3.45)	(1.11)	0.62
Dividend Per Share (Baht)	-	-	-
Dividend payout ratio (%)	-	-	-

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 including the impact from the world financial crisis. Such risk management policy included risk preventive and corrective measures. The Risk Management Committee has supervised and monitored risks pursuant to the plans by cooperating and coordinating with various business units as follows:

1. Specified 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 objectives, work plans and strategies risk appetit of the business operations.
2. Managed risks pursuant to the above risk management plan. Each responsible unit shall prioritize risks based on their likelihood and impacts towards the organization then specify measures to handle such risks as appropriated. The Internal Audit Unit shall coordinate and participate in risks reviewing pursuant to risk mitigation measures.
3. The above risk management measures shall be monitored and reviewed by the Risk Management Committee which consisted of the Management from every concerned unit. The meetings were held every quarter to monitor and review results from such risk management. The Internal Audit Unit shall monitor and audit the risk management works of each company or business unit in order to make them achieve the objectives specified by the Company.

Apart from risk management 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.

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 and Technology Related Services, 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 loans 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 2022, we have total accounts receivable of Baht 4,460.40 million which has long outstanding amount more than 12 months of Baht 3,107.02 of 69.65% 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 2022, the company has allowance for expected credit losses of Baht 2,396.43 or 53.77% 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) in the part of "Investor Relations" under topic "Sustainable Development Policy".

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	2022
1.1 The assessment result of good corporate governance in "Excellent level" (5 stars)	 Excellent (Score 93)	 Excellent (Score 93)	 Excellent (Score 93)	 Excellent (Score 94)

2. Social dimension

Goal	Operating Performance			
	2019	2020	2021	2022
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	48% 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	7 hours/ person/year
2.3 Average percentage of satisfaction in developed human resources by employees and supervisors. (>90%)	95%	98%	98%	98%
2.4 Survey and bring employees' opinions to improve or clarify cases or issues to enhance retention of executives and employees. (>90%)	Improve and clarify cases 100%	Improve and clarify cases 100%	Improve and clarify cases 100%	Improve and clarify cases 100%
2.5 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	No cases or Complaints
2.6 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	No cases or Complaints

2. Social dimension (Continued)

Goal	Operating Performance			
	2019	2020	2021	2022
2.7 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	No cases or Complaints
2.8 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	No cases or Complaints
2.9 No cases or complaints about unfair termination from inside and outside the organization	No cases or Complaints	No cases or Complaints	No cases or Complaints	No cases or Complaints

3. Environmental dimension

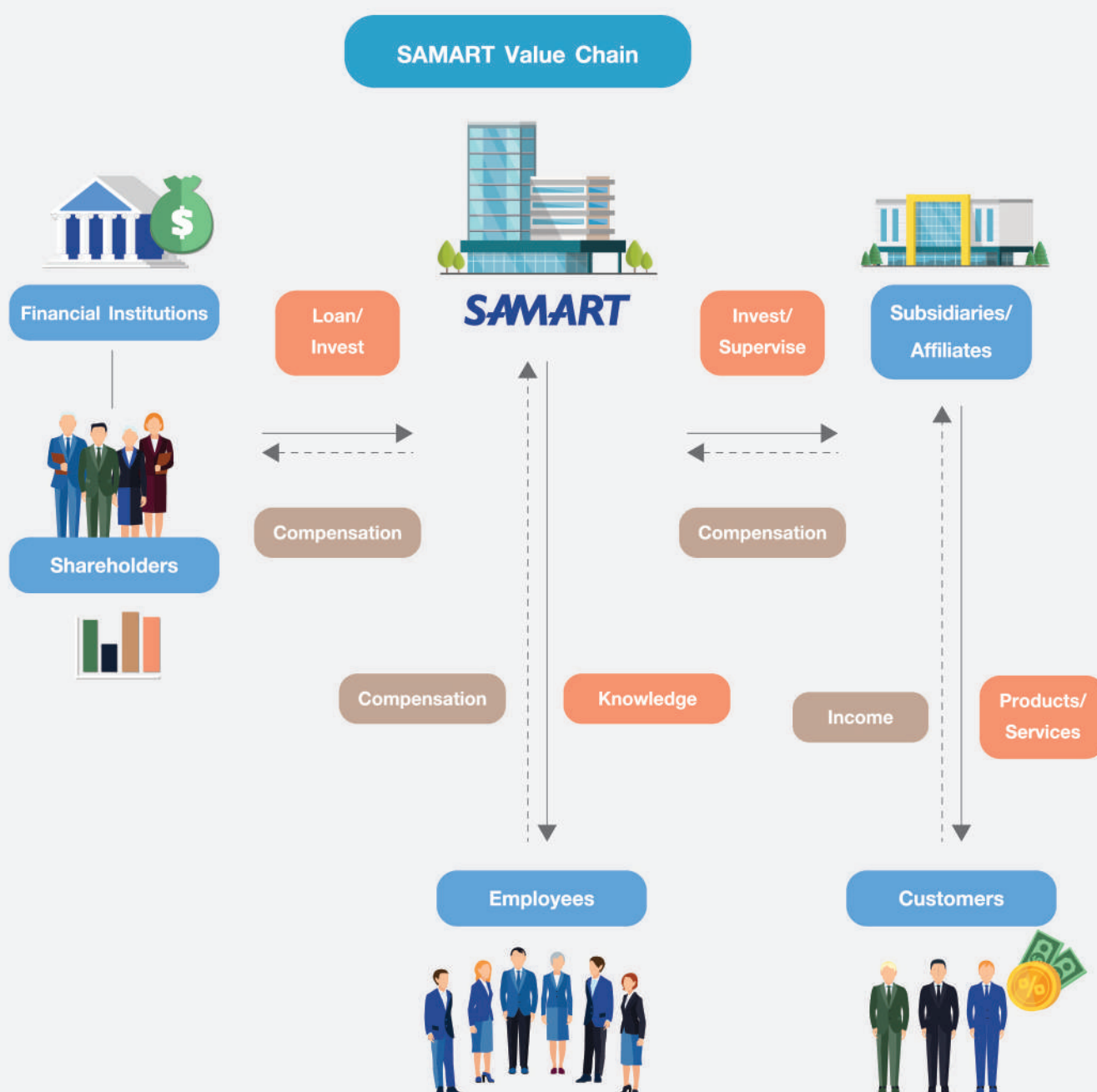
Goal	Operating Performance			
	2019	2020	2021	2022
3.1 Within the year 2022, there was a 20% decrease from the year 2019 in the consumption in units per person of all kinds of resources and energy within the organization.				
- Water consumption	88.09 (cubic meter/ person)	45.21 (cubic meter/person) 48.67% reduction	11.49 (cubic meter/person) 74.57% reduction	8.89 (cubic meter/person) 22.64% reduction
- Electricity consumption	14,136.40 (kW/person)	13,133.30 (kW/person) 7.09% reduction	7,248.05 (kW/person) 44.81% reduction	5,769.07 (kW/person) 20.40% reduction
- Vehicle fuel consumption	491.91 (liters/person)	586.04 (liters/person) 19.13% increase	251.53 (liters/person) 57.07% reduction	172.24 (liters/person) 31.52% reduction
- Office supplies consumption (A4 paper)	6.93 (reams/person)	5.71 (reams/person) 17.64% reduction	3.33 (reams/person) 41.66% reduction	1.99 (reams/person) 40.28% reduction

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.

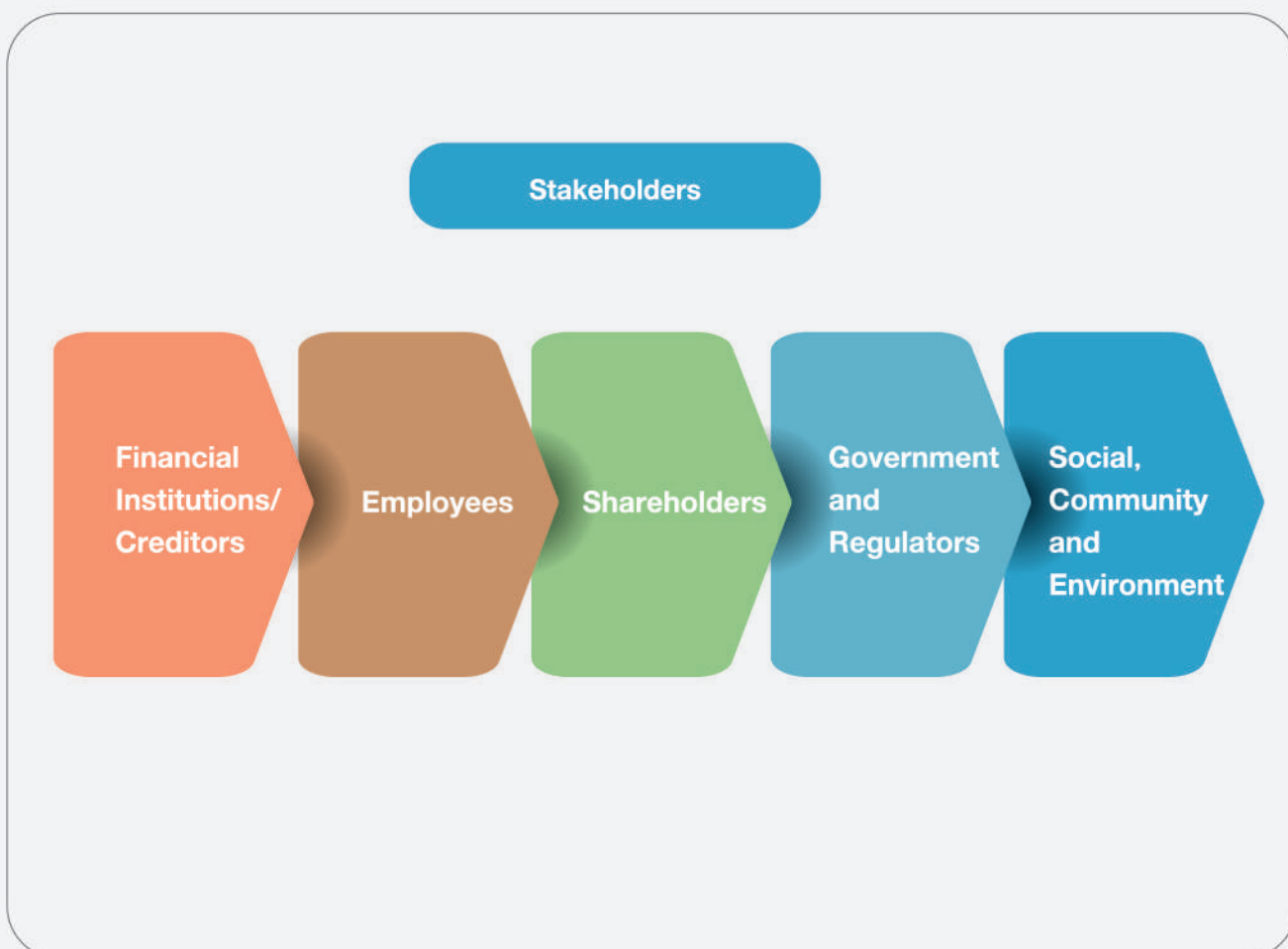
In addition, you can see the value chain of the ICT Solution and Service business, which is the Company's core business line operated by Samart Telcom Public Company Limited ("SAMTEL") at Annual Registration Statement/Annual Report 2022 (Form 56-1 One Report) of SAMTEL under topic **3.2.1 Business Value 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 2022, 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 the Company's and HR website, voice calls, E-mail, LINE, Facebook - Communication issues as introducing the creative ideas of employees through the project name "Open mind box"	- Reasonable remuneration and welfares - Stability and progress - Fair performance appraisal - Good environment at work place - Safe working - Employee potential development - Fair treatment to employees - Promote employee satisfaction in performance	- 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 2022=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 - Conducted survey or project to promote employee engagement and job satisfaction - Promoted and developed work performance, skills, career development, compensation, welfare, quality of life, mentality, finance and health, and activities for enhancing employees engagement and retention including various project clubs, etc.
Shareholders	<u>Minority shareholders</u> - The AGM of shareholders - The Company's website - The SET's website	- Good Performance and business growth - The dividend is paid at a reasonable rate	- There were jobs in various projects from government, state enterprises and the private sector, continuously. - Payment of dividends in accordance with the policy. - Implement of good corporate governance policy.

In 2022, we can summarize our performance to meet the expectations and needs of stakeholders as follows : (Continued)

Stakeholders	Communication channel/ communication method	Expectation of Stakeholders	Response
Shareholders (Continued)	<u>Institutional investors</u> - Analyst Meeting	- Legal compliance, transparency, accountability and good corporate governance - Fair treatment of all shareholders - Acknowledge the accurate information on time and easily accessed from various channels	- Complied with the regulations of the SET and the SEC. - Met analysts, investors, 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
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, managed risks and maintained 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 2022 (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 - Used 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 world"

In 2022, we can summarize our performance to meet the expectations and needs of stakeholders as follows : (Continued)

Stakeholders	Communication channel/ communication method	Expectation of Stakeholders	Response
External Stakeholders (Continued)			
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 2022 (Form 56-1 One Report) and the Company's website

3.2.3 Materiality

The Company screens the collected issues and then prioritizes each important issue that the management will assess the importance at a high, medium, low level based on the criteria that affect to the business in economic, social and environmental dimensions and influence to decision-making of the stakeholders.

Economic dimension	Social dimension	Environmental dimension
1. Good corporate governance, corporate risk management 2. Corporate risk management 3. Funding and Investing Management 4. Cyber Security and Personal data protection	5. Human right 6. Fair treatment to employee 7. Social responsibility	8. Policy and Compliance with Standards of energy, water and waste 9. Greenhouse gas management

Materiality Assessment



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) in the part of "Investor Relations" under topic "**Environment policy**".

3.3.2 Environmental Operation Results

Samart Corporation Public Company Limited's environmental management

Samart Corporation Public Company Limited recognizes the importance of environmental problems, which affects the way of life and business operations both directly and indirectly with consideration for preserving the environment and using resources wisely, appreciating its value.

The Company is committed to management and business operations without having a negative impact on the environment, community and society throughout the business value chain by adhering to sustainable development guidelines in three dimensions, environmental, social, and economic dimensions (ESG). Policies and guidelines regarding efficient energy consumption have been set. Efforts have been made to raise awareness among employees so resources are used for maximum benefit. At the same time knowledge about environmental management is disseminated to stakeholder groups and environmental conservation activities are continually supported. The environmental policy is published on the company's website, www.samartcorp.com in the part of "Investor Relations" under topic "Environment policy". In 2022, Samart Corporation Public Company Limited's environmental management performance according to its Sustainability Roadmap-SD Roadmap is presented 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 in the business value chain by 20% annually. Related efforts have been made towards the aim of using resources for maximum efficiency in accordance with the Ministry of Industry's standards and the government's BCG policy (Bio-economy, Circular economy, Green economy). The 3Rs principle (Reduce, Reuse, and Recycle) has been put into practice, thereby reducing the cost of energy and resources, while also alleviating the problems and the impact of climate change. The reduction in consumption of energy and resources is summarized below.

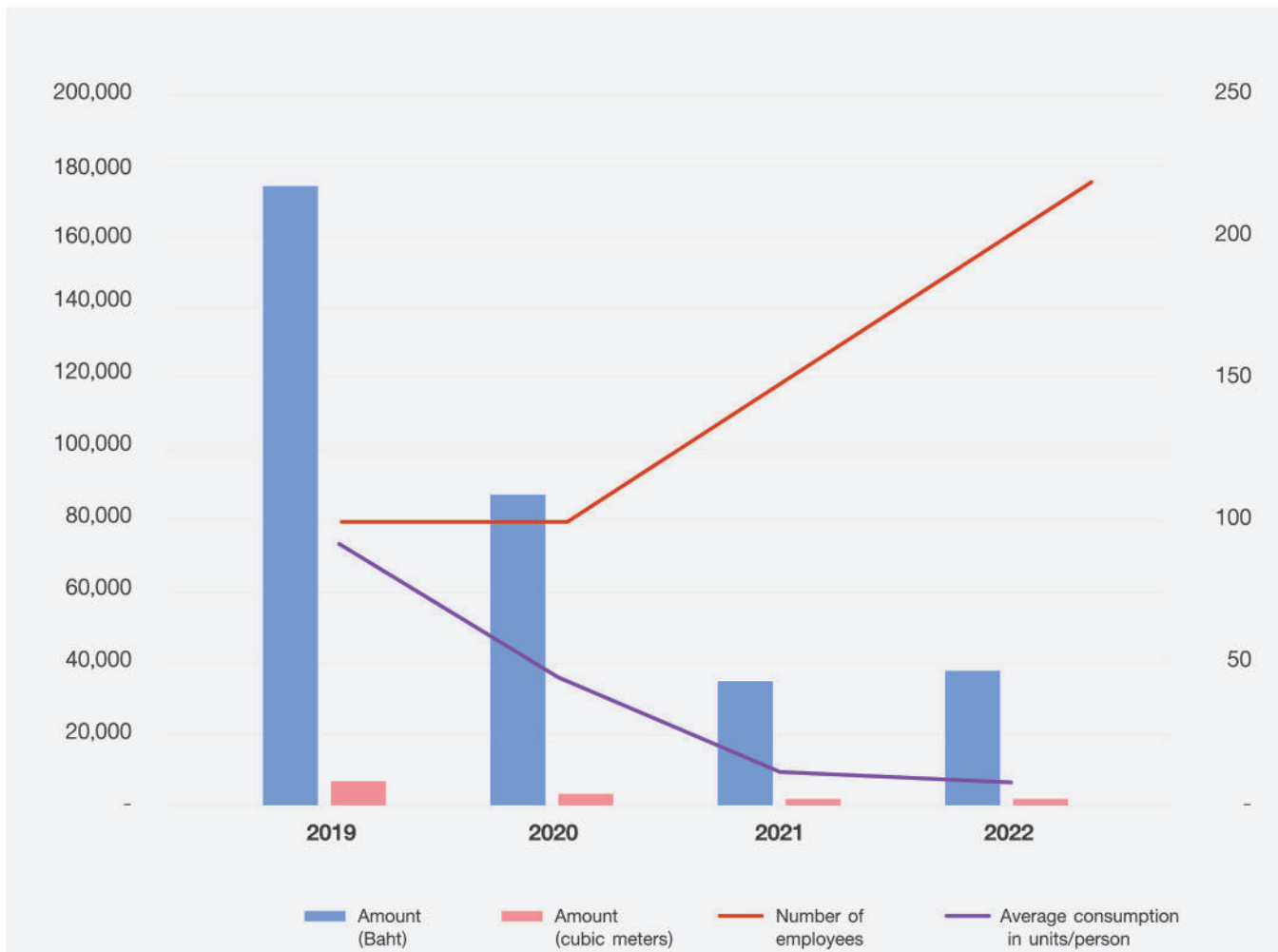
1.1 Running water

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. Equipment and sanitary ware are regularly checked and maintained. Faults are immediately repaired to avoid unnecessary water loss. Meanwhile, water-saving campaign signs are put up as reminders.

Following the implementation of the action plans, water consumption in 2022 stood at 1,876.85 cubic meters, a higher volume than that in 2021. However, considering the number of employees, the average consumption in 2022 was 8.89 cubic meters/person, lower than that of 11.49 cubic meters/person in 2021. Also, compared to 2019, water consumption in 2022 went down by 79.20 units/person, representing a 22.61% decrease, in line with the policy set.

Samart Corporation Public Company Limited's water consumption from 2019-2022

Year	2019	2020	2021	2022
Amount (Baht)	174,183.79	89,116.00	35,875.20	37,759.85
Amount (cubic meters)	8,633.17	4,430.96	1,793.76	1,876.85
Number of employees	98	98	156	211
Average consumption in units/person	88.09	45.21	11.49	8.89


Notes :

* Water consumption varies with the proportion of business operations/number of employees, and water cost.

** In 2020 - 2022, during the Covid-19 situations, a work from home policy was implemented and office space was rearranged for maximum benefits and efficiency.

1.2 Electricity

To manage energy consumption both for lighting and air conditioning systems efficiently, the Company has installed and maintained monitoring equipment to control the operation of related electrical systems, in accordance with the energy saving standards of the Energy Policy and Planning Office, Ministry of Energy, B.E. 2560. Campaigns are also 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.

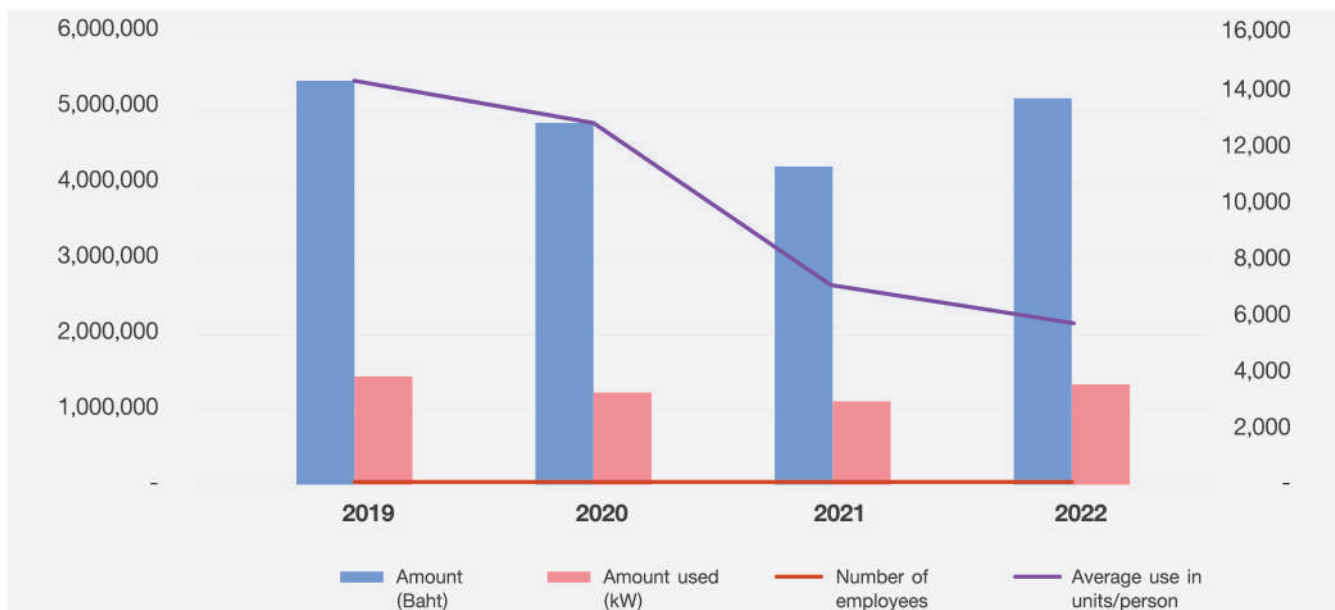
There has also been a policy to modify or replace various devices in the office with the aim to reduce power consumption continuously including the following.

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.

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 nine 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. As a result of the implementation of such measures, electricity bills in 2022 showed electricity consumption of 1,217,274.20 kilowatts, higher than 2021. However, considering the number of employees, it was found that in 2022 average consumption stood at 5,769.07 kWh / person, lower than that of 7,248.05 kWh/person in 2021. Compared to 2019, electricity consumption in 2022 went down by 8,367.33 units/person, or 59.18%, in line with the policy set.

Samart Corporation Public Company Limited's electricity consumption from 2019-2022

Year	2019	2020	2021	2022
Amount (Baht)	5,336,461.59	4,904,500.92	4,237,976.94	5,165,824.60
Amount used (kW)	1,385,367.52	1,287,063.83	1,130,697.24	1,217,274.20
Number of employees	98	98	156	211
Average use in units/person	14,136.40	13,133.30	7,248.05	5,769.07



Notes :

* Electricity consumption varies with the proportion of business operations/number of employees, and electricity cost.

** In 2020 -2022, during the Covid-19 situations, a work from home policy was implemented and office space was rearranged for maximum benefit and efficiency.

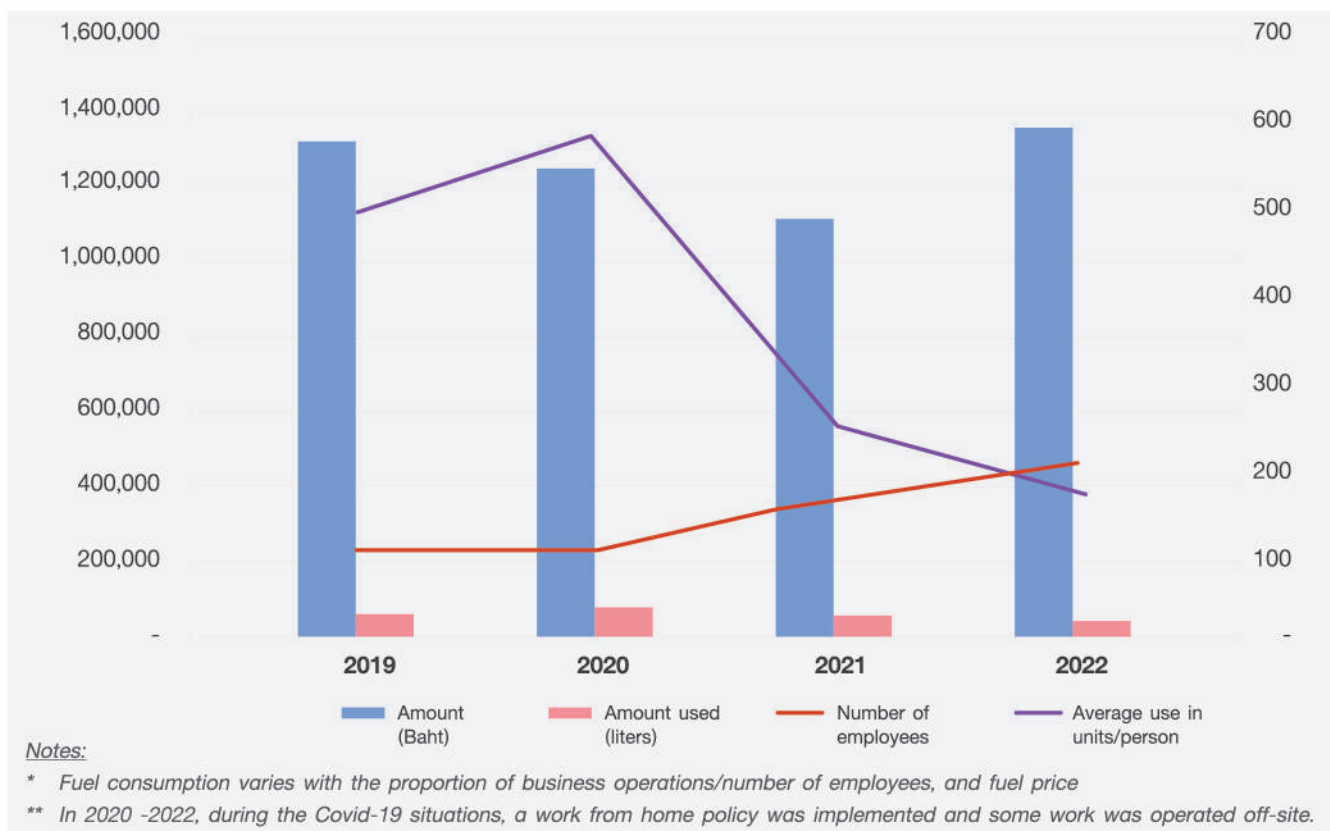
1.3 Fuel

Samart Corporation Public Company Limited has a practice guideline for maximum efficiency with the aim to reduce vehicle fuel consumption, according to fuel economy standards of the Energy Policy and Planning Office, Ministry of Energy, B.E. 2560. Approaches in reducing vehicle fuel consumption and travel include car pooling and scheduling routine vehicle maintenance by mileage. Technology was also brought in befitting the digital age, such as holding more meetings online instead of on site. This helped increase work efficiency while reducing the operational costs. Also reduced were air pollution and the greenhouse effect caused by carbon monoxide (CO) and carbon dioxide (CO₂).

As a result of the implementation of such measures, fuel consumption in 2022 stood at 36,343.44 liters, higher than 2021. However, considering the number of employees, it was found that in 2022 the average consumption was 172.24 liters/person, lower than that of 251.53 liters/person in 2021. Compared to 2019 and 2022, fuel consumption in 2022 decreased by 319.67 units/person, or 64.98%, in line with the policy set.

Samart Corporation Public Company Limited's fuel consumption from 2019-2022

Year	2019	2020	2021	2022
Amount (Baht)	1,330,538.20	1,269,248.96	1,122,229.55	1,370,511.27
Amount used (liters)	48,207.91	57,432.08	39,238.80	36,343.44
Number of employees	98	98	156	211
Average use in units/person	491.91	586.04	251.53	172.24



2. Reducing the use of resources

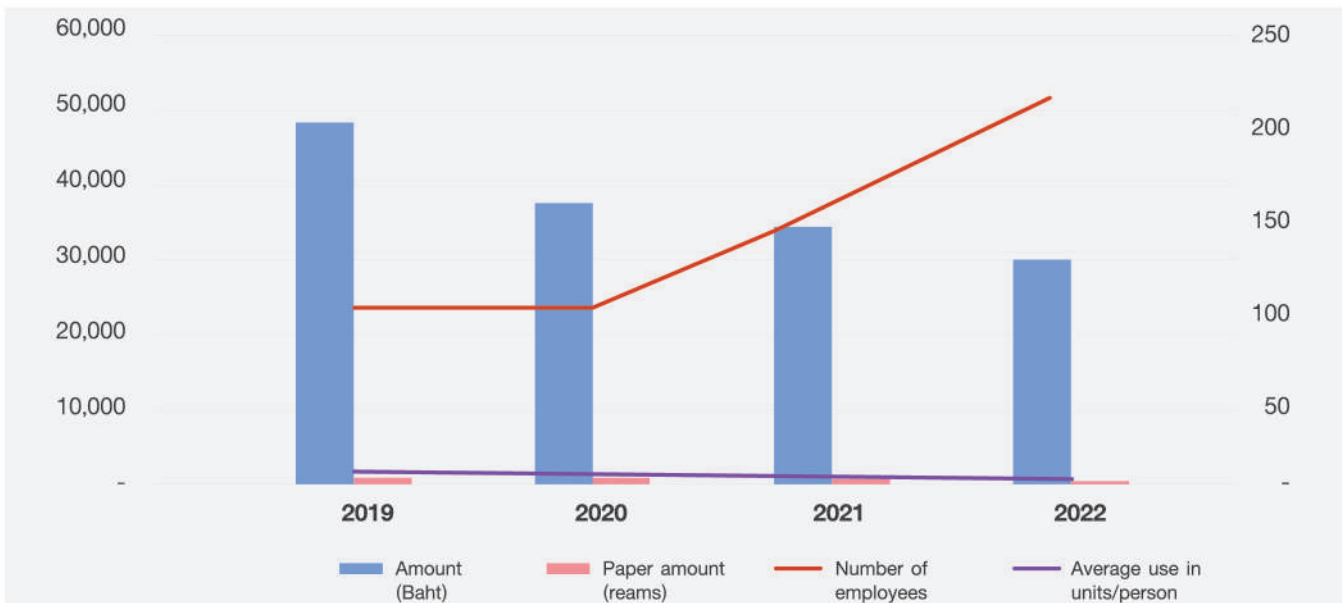
"Paper" is a resource in the category of consumable office supplies, necessary for the operations in the organization. Considering important the concept of smart use of resources, Samart Corporation Public Company Limited has embarked on the idea of paperless operations. Thus digital platforms have been 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 2022, it was found that the amount of paper used in business operations of Samart Corporation Public Company Limited had steadily declined. In 2022, the amount of paper used stood at 1.05 tons (1 ream = 2.5 kg), a decrease of 0.25 ton when compared to that in 2021. 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 7.87 liters of water in producing paper for the Company's operations. Compared to 2019, paper consumption in 2022 went down by 4.94 units/person, or a 71.31% decrease, in line with the set policy.

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

Paper consumption in business operations at Samart Corporation Public Company Limited from 2019-2022

Year	2019	2020	2021	2022
Amount (Baht)	48,280	38,340	34,840	30,070
Paper amount (reams)	680	560	520	420
Number of employees	98	98	156	211
Average use in units/person	6.93	5.71	3.33	1.99



Notes :

* Paper consumption varies with the proportion of business operations/number of employees, and paper cost.

** In 2020 -2022, during the Covid-19 situations, a work from home policy was implemented and some work was operated off-site.

3. Waste reduction

Samart Corporation Public Company Limited pays attention to management of waste from operations, in accordance with the standards for waste disposal set by the Pollution Control Department, Ministry of Natural Resources and Environment, to reduce environmental pollution problems. Reuse and recycling are promoted and employees are encouraged to be environmentally conscious both at work and in daily life in 24 news articles through public relations channels within the organization, both online and offline regularly throughout the year. It is hoped that the concept will rub off on the employees' families and further on their communities.

Regarding this, the Company practices sorting waste into types as required by law, followed by waste management, including putting up a monthly internal waste management system. Waste is then collected and processed by companies with eligibility standards. The purpose is to keep the offices and nearby areas hygienic, free of pollutants so the Company gets no complaints. In 2022, related efforts were made as follows:

1) Grease from wastewater

Grease traps are inspected to ensure normal working condition and cleaned weekly, totaling 52 times/year.

2) General waste (non-hazardous)

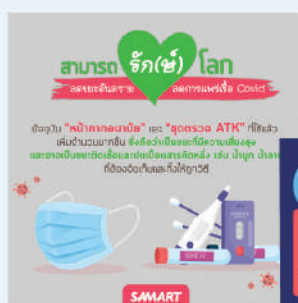
- **Paper and office documents** According to the Company's operational plan, office documents that are no longer valid or needed are cleared at scheduled times. They are then collected and forwarded to a company appointed to get them into recycling process.



- **Plastic Bottles** Campaigns are organized every year to educate and raise awareness on proper waste separation and waste management for the purpose of waste reduction, based on the concept of "Recycle, reuse" under "SAMART Loves the Earth" project. Following the You-Turn activities, asking executives and employees to sort plastic water bottles for reuse, 3,500 bottles were collected from 400 people during the 3-month campaign. The bottles were further donated and made into PPE gear for Bangkok Metropolis' cleaning staff and street sweepers, as part of the Bangkok's Magic Hands project.



- **Plastic bottle caps** Plastic water bottle caps were sorted for reuse purposes. They were left in collection bins and then further donated to the Green Road project and made into desks and chairs for students in schools facing shortages. Seven kilograms of plastic bottle caps were collected from 400 people during the 3-month campaign.



3) Hazardous waste and electronic waste

- **Old and faulty light bulbs and electronic devices** are discarded at collection points designated by office buildings and the municipality, thus ensuring zero contamination of other wastes.
- **Used face masks and Covid-19 test kits (ATKs)** During the Covid-19 situations, knowledge was disseminated and employees were advised regarding how to properly sort and dispose of hazardous and contaminated waste such as used face masks and ATKs to avoid contaminating the air and spreading infection. Internal public relations signs and information were continually put up in elevators and office areas as well as posted online. As a result, there was zero contamination of other wastes by used masks and ATKs.

4) Climate and greenhouse gas management

Based on the environmental performance of Samart Corporation Public Company Limited as reported above, it can be seen that the Company pays attention to activities in its value chain that affect the climate and greenhouse gas emissions throughout the work process. The Company supports clients' operations while also providing concrete knowledge for employees and stakeholders to promote understanding, awareness, and an environmental spirit in working towards the goal of becoming a low carbon organization in the following ways.

- **Fuel consumption and travel** Regarding this, the Company carried out continuous vehicle maintenance as planned. Also, there's a policy to use Thailand's standard fuel to help stabilize the price of palm oil while also reducing pollution. In addition, the car pooling arrangements for work helped reduce twice as much greenhouse gas emissions where the emission rate by a car is at 100-200 grams of CO₂e per kilometer.
- **Electricity consumption and management** With airconditioners turned on and off as scheduled during the day helped reduce greenhouse gas emissions from electricity consumption. The replacement of light bulbs with LED bulbs also helped save energy and reduce carbon dioxide production.
- **Water consumption and management** As a result of regular inspections of water leakage points in the water supply system and sanitary ware, waste of water resources and greenhouse gas emissions were reduced. When comparing every unit (m³) of water saved, greenhouse gas emissions can be reduced by 0.7948 kgCO₂e/unit. Water consumption by operations in 2022 went down by about 500 units, representing a reduction in greenhouse gas emissions by about 684.32 kgCO₂e.
- **Waste management** Following the You-Turn project, inviting the management and employees to donate sorted plastic bottles for recycling, a total of 3,500 bottles were collected. Using one plastic bottle less helps reduce greenhouse gas emissions equal to using 14 fewer sheets of A4 paper. In total, the project's waste management efforts saw a reduction in greenhouse gas emissions of up to 359.66 kgCO₂e.

Note : Comparison data of greenhouse gas reductions in various areas has been taken from the Care the Bear, the Stock Exchange of Thailand (SET)'s project to reduce global warming.

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 2022, 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 treats 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 setting up to allow employees to select their own accumulation and investment pattern policy, as well as to monitor investment performance at all times 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” and employees' survey for job satisfaction. Moreover, the Company has promoted and developed work performance, skills, career development, compensation, welfare, quality of life, mentality, finance and health, and activities for enhancing employees engagement and retention including various project clubs, etc.

2) Human Resources Development Policy

The Company has a consolidated HRD policy to continuously develop the knowledge and ability of employees being appropriate to their owned position at all levels for leading them to success their owned career at SAMART and also achieving business's needs and preparing staff for domestic and oversea digital business expansion 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 encourage and develop the employees to facilitate the organization's strategies and goals most effectively and efficiently. The Company therefore conducts training courses deemed 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", V-Learn (Internal Online Training of the Company) and e-library 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.

- **The Company environment management for employees policy**

The Company places great significance on the use of energy and resources consciously for maximum benefits. Consequently, the policy has been planned to encourage employees to have knowledge and to practice in managing environmental management of the company through training courses, public relations, campaign, and activities such as organizing training courses in classrooms and online, and disseminating campaigns for 5S activities, energy and resource conservation projects of the company consisting of reducing the use of water resources, electricity, air conditioning, fuel, paper, waste donation project, and waste reduction project through various activities of the Company, etc.

- **Disabilities and disadvantaged employment policy**

The Company respects all human rights principles equally without discrimination. For the disabled and underprivileged groups, the Company supports by giving opportunities to the disabled and underprivileged groups employing and/or paying subsidies to the Fund for Empowerment of Persons with Disabilities in accordance with the law as well as supporting the underprivileged groups through the company's donation and social assistance projects.

- **Fair termination policy**

In case of necessity to lay off employees, the Company places importance on both guilty and non-guilty with equality and fairness, procedures, actions and payment of compensation in accordance with the law.

❖ **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.

❖ **Partner policies**

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

Guidelines for promoting the potential and competence of partners

1. Knowledge transfer in product and technology. In 2022, the Companies in the Samart Group have invited the important partners to share knowledge, such as, knowledge of Trend and Go to Market Strategy and knowledge of Intelligent World 2030 etc.
2. The Companies in Samart Group have set the process for selecting a contractor for project maintenance, that must be trained for working, dressing and etiquette in dealing with customers.
3. The Companies in Samart Group had training courses to understand the work process for contractors in order to meet the standards and regulations as customers' requirement, to avoid any mistakes in collaboration before every operation.
4. The Companies in Samart Group have evaluated the contractor's performance at the end of the project, with a feed back of the work to the contractors in case of there were any improvements, so that the contractors could develop themselves.

❖ **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 in the part of “Investor Relations” under topic “Human Rights Policy”.



3.4.2 Social Operation Results

1. Social Performance related to employees and employment

In 2022, 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, in 2022, the Company had provided training course about the business ethics which had topic of business and human right to the employees at all levels. The employees had joined and acknowledged to the course at 76.60%. In addition, 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 2022 as follows :

1) Employment

Detail	Total employee (Person)		
	Male	Female	Total
The Company’s employees	156	51	207
The subsidiaries’ employees	1,175	553	1,728
Total	1,331	604	1,935

Employment of disabled persons

The Company has supported the importance of elevating the quality of disabled person’s life according to the Empowerment of Persons with Disabilities Act, B.E. 2550 and its amendments. In order to promote such concept, the Company had contributed money to the Fund for Empowerment and Development of Persons with Disabilities in accordance with the law. Moreover, the Company’s subsidiaries had also hired disabled person, so that they could demonstrate their abilities and gain income.

2) Employees' Training

In 2022, 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 262 training courses for permanent and contract employees, with a total of 37,748.50 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.

In addition, the Company had provided training course about the business ethics which had topic of anti-corruption and Environmental responsibility through E-learning of the Company to the employees at all levels. The employees had joined and acknowledged to the course at 76.60%.

Summary of Training to management and employees of the Company and its subsidiaries in 2022

Training	Frequency (Times)	Number of Participants (Persons)
In-House Training		
Managements	51	1,413
Employees	71	3,981
Sub-Total	122	5,394
External Training		
Managements	73	102
Employees	67	143
Sub-Total	140	245
Total	262	5,639

Training Expenses in 2022

In 2022, Total expenses concerning the employees' participation in the trainings domestically and abroad of the Company and its subsidiaries were Baht 2.99 million. Total employees' training hours were 37,748.50 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

- Board of Director Course (E-Learning Online)
 - Business Ethics SAMART Group
 - Personal Data Protection Act (PDPA)
 - Risk Management
 - Finance Concepts for Business Management
- Management Course (E-Learning Online)
 - Business Ethics SAMART Group
 - Performance Management
 - Presentation Booth Shot
 - New Business Model
 - Personal Data Protection Act (PDPA)
- Supervisory Skill for Success (E-Learning Online)
- Skills 5 Life Course (Online)
 - Time management and prioritization
 - Seeking relevant information
 - Active listening
 - Work-plan development
 - Adaptability
- Electrical Safety in the Workplace 2022 (Online)
- Grounding System Designs (Online)
- Best Practices for the Efficient Data Center Design (Online)
- Thai Labor Law for Management COVID 19 (Online)

- Employee Course (E-Learning Online)
 - Business overview, regulations, welfare
 - Business Ethics SAMART Group
 - Personal Data Protection Act (PDPA)
 - ISMS Awareness for User
- Project Management Course (E-Learning Online)
 - Project Management
 - Electronic Bidding : e-bidding
 - Personal Data Protection Act (PDPA)
- Finance & Account Course (E-Learning 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)
- Strategic Knowledge Management (Online)
- Confined Space (2 Models)
- Field Service Management (8 Models)
- Update Provident Fund 2022 (Online)
- SAMART Mail (WebEx Online)
- Libre Office (WebEx Online)
- Legal Request (WebEx Online)
- WebEx & Cisco Jabber (WebEx Online)
- SAP-Accounting (WebEx Online)
- SAP-Sales&Distribution (WebEx Online)
- Document Management (WebEx Online)
- Effective Communication at workplace (3 Models)
- Orientation Samart Group (5 Models)
- First Aid & CPR (Online)

External and international Courses

- Evaluate Quality of Annual General Meeting 2022 from Thai Investor Association;
- The Function for preparing the Annual Registration Statement/Annual Report (Form 56-1 One Report) on SETLink system by the SET;
- Issuer Meeting 2022 by TSD;
- "Preparing for PDPA Enforcement for Company Secretary" by Thai Listed Companies Association;
- "Quality Evaluation of the general /extraordinary shareholders's meeting , unitholders for the year 2022" by the Thai Investors Association;
- "Information Disclosure via SETLink" No. 1/65 by the SET;
- Organization driving with ESG data and introducing ESG Data Platform by the SET;
- CGR 2023 Coaching : "In-depth seminar on survey guidelines for CGR projects in 2023" by the Thai Institute of Directors Association;
- Get ready for 56-1 One Report on SETLink by the SET;
- CGR Workshop Project 2023 by Thai Institute of Director;
- ESG Risks Matter to Supply Chain Management by Thai Listed Companies Association
- Update accounting standards and tax laws for accountants
- DTX- Digital Transformation Xponential (Gen 3)
- Intermediate Certificate Courses-Good Governance for Medical Executives (Gen 10)
- The ConneXt (Gen 2)
- The Association of National Defence College of Thailand has introduced a new security management program
- Advanced Master of Management Program (AMM) (Gen 8)
- Health Innovation Digital Age (Gen 2)
- Senior Executive in Metropolitan Development (Mahanakorn Class 9)
- Mini Executive Development Program
- CFO Refresher Class 3/2565 (Online)
- Certificate of Advance Tax Accountant
- Comprehensive Cost Accounting
- PMF : Project Management Fundametal
- Complex Commercial Litigation Seminar (Online)
- Management Accounting for Planning and Decisions, Class 2/65 (Online)
- Transfers Pricing (Online)
- Insight into the expectations and concerns of modern employees (Online)
- Administrative law on public procurement and supplies management

- Energy Storage System: Technology, Design, Control and Applications
- Operator, Signaler, Rigger and Controller of Overhead Cranes
- The safety Officer In Technical Level
- Public Procurement and Contract Management Class 2
- How to do the Internal Control Assessment
- HR Strategy in New Normal
- PDPA for Internal Auditing
- Seeing New Opportunities by 3C Thinking (Online)
- Smart Grid

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. In 2022, the Company provided two master's degree scholarships to the employees of the Company, in the field of information system for management at King Mongkut's University of Technology North Bangkok.

3) Safety, Occupational Health and Working Environment

In 2022, 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, annual vaccination service, and 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 both classroom and V-Learn online for raising awareness and knowledge through the company website and 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 and elevator 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. Organize a training course on first aid and life support (First Aid & CPR) and install an AED defibrillator at the office to provide the medical treatment, modern medicine provision service and basic medical service in all offices.
6. To provide the medical treatment, modern medicine provision service and basic medical service in all offices.
7. To arrange for the annual health check and annual vaccination service with medical consult as project "Doctor consultation" for employees at all levels.
8. 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 2022, total amount of medical treatment fee reimbursed by the employees of the Company and its subsidiaries amounted to Baht 2.2 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" setting up to allow employees to select their own accumulation and investment pattern policy, as well as to monitor investment performance at all times. 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 2020 - 2022 accident at work of Samart's Group

Line of Business	Lost Time Accidents (Time)		
	2020	2021	2022
1. ICT Solution and Service	-	1	-
2. Digital	-	-	-
3. Utilities and Transportations	3	-	2
4. Technology Related Services	1	-	1

Measures to prevent and reduce the risk of accidents from work

The Company had provided professional safety officers to take responsibility in order to supervise and follow up in accordance with the safety, occupational health and working environment policies strictly by providing training courses about safety to employees before start working, such as, wearing gloves and helmet to prevent accidents, including techniques for using various working equipments in each role. This is to prevent and reduce the risk of accidents leading to injury and death of employees.

4) The Employee Engagement

In 2022, 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 2 times a year and project "Open mind box" for direct listening the opinions of employees at all levels including a survey of employees' job satisfaction. the company has also promoted and developed work performance, skills, career advancement and remuneration, welfare, quality of life, mentality, finances, health and activities of employees to enhance their engagement and retention by various project clubs such as improving and developing welfare promotion, development training, corporate culture learning, orientation for new employees, new year activities, employee birthday activities, financial and legal advisory project activities, provident fund, welfare, emergency loan with special interest rates, first-aid service at office, annual health check, annual vaccination service, fitness center, and various club activities 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 decrease the voluntary resignation rate of employees (Turnover rate).

The voluntary resignation rate of permanent employees is as follows :

Proportion of employees who voluntarily resigned (%)	2020		2021		2022*	
	Male	Female	Male	Female	Male	Female
	7.87	4.72	8.33	2.56	9.18	1.93
Total	12.60%		10.90%		11.11%	

*Remark : * In 2022, the Company had changed its organizational structure and manpower.*

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.

6) Managing company environment by employees

The result of the implementation of the policy and campaigning the use of resources and energy consciously for maximum benefit. Consequently, the company's environmental management is described in "performance in promoting reduction in energy and resource consumption" topic, explanation, and indicators in this report efficiently.

7) Fair Termination

As a result of complying the employee termination policy for guilty and non-guilty in accordance with the law, this appears which there were no cases or complaints in case of unfair termination of employment from both within and outside the organization.

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 known drawbacks as well as maintaining and elevating 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 target score of customer satisfaction to be higher than 90 percent of total customers surveyed.

In 2022, 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 1,031 total responses in 2022 found that overall score was at high level with average score of 4.92 out of 5.00 or 98.46 percent (higher than the average score in 2021 at 4.78 or 95.68 percent). Rated by customers, 92.30 percent of total number of responses was "Excellent" (higher than that compared to 78.90 percent in 2021) and 7.70 percent represented "Good" with no responses of "Fair", "Need Improvement", and "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.

3. Social Operating Result about Partner

The Company has strictly complied with the business partner treatment policy by selecting the qualified business partner to enter into the Approved Vendor List and prices have been compared before the purchase order has been made. The business partner has been evaluated by using the auditable standard criteria pursuant to the international standards of ISO 9001 and CMMI. The Company also has the policy not to corrupt, extort, embezzle or not tolerate such action. The

business partner must not propose or take bribery or any illegal reward from the Company and the business partner must not give the reward or propose personal benefit in whatsoever form to the employee as a result of business undertaking. Such policy has been inspected by the management under the document and the supporting particulars and it also has been audited by the neutral auditor both from the inside and outside the organization. However, the Company and its subsidiaries did not sue or be sued or had disputes with competitors.

Moreover, the Company has promoted the Green Procurement with the following details :

1. The companies in Samart Group have procured the equipment and stationeries which were friendly to the environment by considering products that have been certified with environmental labels or Thai/International standards demonstrated that the products were environmentally friendly.

Types of products which were environmentally friendly

1) Multifunctional - Copy, Print and Scan copier

- 1.1) The copier rental company which was certified by ENERGY STAR, showed that the equipment was environmentally friendly.
- 1.2) Such copiers can be used with 70 gram paper.
- 1.3) Such copiers can be used with recycled paper (Second page paper) which were almost 100% with low jam rate.
- 1.4) Training for the users of the copiers has been provided to reduce the loss of using.

2) Personal Computer or Notebook

- 2.1) Must be certified quality Thai Industrial Standard or ISO 9000 or ISO 14000 or certified with the Energy Star label or certified with an environmental label from the production countries or green label from Thailand.
- 2.2) Notebook's backup battery must be guaranteed for at least 1 year of battery life.

3) 70 and 80 grams of A4 paper

- 3.1) Must be certified quality Thai Industrial Standard or ISO 9000 or ISO 14000 or certified label or environmental label.
- 3.2) Paper must be a product of Virgin Pulp from Sustainable Forests / Recycled Pulp.

2. The companies in Samart Group have selected the business partners that have been certified for environmental quality standards.
3. Friendly Environmental System
 - 1) Use an online system to process documents related to purchasing work to reduce paper usage, such as using PR Online or using AVL online registration or using an electronic delivery slip system, etc.
 - 2) The Companies in Samart Group have supported the online meetings with suppliers to reduce traveling which will reduce the usage of oil and PM 2.5 and air pollution.
 - 3) The Companies in Samart Group have purchased the office equipment, stationery and consumable stuffs in the office once a month in order to reduce work steps, transportation and saving energy.
 - 4) The Companies in Samart Group have changed the water purifiers to be the consumption water purifiers instead of buying bottled water to save the transportation costs and reduce the use of plastic bottles.

4. Social Operating Result about Community and Society

1. Upgrading and improving people's quality of life with information technology and digital services

"Samart Group" develops products and services with the aim to help improve the quality of life, promote understanding and access to information technology and digital services for people. The products and services developed with the said objectives include the following :

- **Direct Coding System**

Installation of Direct Coding System. Using the technology on containers of domestically brewed beer helps enhance the Excise Department's taxation efficiency.

- **Implementation of Advanced Metering Infrastructure (AMI) System for large electricity users**

The Company completed the installation of 70,000 sets of Advanced Metering Infrastructure (AMI) for large power users nationwide. This is a continuation project from the Automatic Meter Reading (AMR) development project, Phase 1 and Phase 2. The goal is to build confidence and satisfaction in power users with quick and accurate reading of near real time power consumption. Power use management is thus updated and efficient, enabling further development into smart grid systems in the future.

- **Land Information System Project, Department of Lands (E-DOL)**

In this project, the Company provides computer system installation services, developing work systems covering the services of the Land Offices, transferring and importing comprehensive data from 461 land offices in 77 provinces to the central administration. This is to upgrade and modernize land information management so that the land work can be controlled, monitored, and completed quickly and accurately, to serve the public efficiently.

- **Public Relations and Breaking News Service Center, Industrial Estate Authority of Thailand**

In this project, the Company installed equipment and systems for the Public Relations and Breaking News Service Center project at 17 stations for communities surrounding the Mabtaput Industrial Estate, Rayong Province, namely: Map Ta Phut Municipality Station, Four Regions Market Intersection Station, RIL Industrial Estate Station, Wat Mabtaput Station, Suan Phum Rak Intersection Station, Noen Samlee Intersection Station, Pha Daeng Intersection Station, Talat Lao Intersection Station, Wat Nong Faeb Station, Ban Chang Station, Wat Map Ta Phut School Station, Map Kha - Map Nai Station, Wat Soi Khiri Station, Nong Wai Som Station, Nong Taeng Mo Station, Wat Chak Luk Ya Station, and Lor Kwian Ban Chang Station. With this 24-hour alert system, a channel of communication was established to provide information and systematic warnings to the public, thereby easing concerns of those people living in the surrounding areas of the industrial estate.

- **CCTV Security Network System Rental for Map Ta Phut Industrial Estate**

The Company provides CCTV security network system and maintenance for Map Ta Phut Industrial Estate, under the Industrial Estate Authority of Thailand, to build confidence in safety management for business operators, communities and society in general in Map Ta Phut Industrial Estate.

- **Provision and installation of CCTV systems**

The Company managed the provision and installation of Bangkok Metropolis' CCTV systems to monitor road safety and detect traffic violations, enhancing the safety of people in Bangkok area.

- **Digital Banking System Services**

The Company provides services in development and installation of digital banking systems, to support the changes from traditional financial transaction services to online platforms. This includes making deposits, applying for financial products, credit, money transfer, and payments for goods and services. The transactions can be completed online with highly capable and highly secure technology and internet. Consumers can enjoy the convenience 24 hours a day through digital channels, whether it be mobile phones or internet, with no need for any bank branch visit at all.

- **E-Learning services**

The Company provides a comprehensive e-Learning system for leading educational institutions to enhance learning opportunities with no time or place constraints, enabling continuous learning in any situation. These e-learning services are also provided for both public and private agencies including financial and banking institutions and those in petroleum industry. Most rely on this approach in order to keep improving their workforce's potential and capabilities, which, in turn, add to both the workforce and the organization's further development.

- **Commitment to increase access to information technology and digital services or enhancing people's capabilities in technology**

2. Community and social activities under the concept of “creating quality people and promoting 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. Upleveling people's technological capabilities

• “Cybersecurity Hackathon by SECUREINFO”

Samart Group aims to be a part in helping to raise Thai students' competence, in producing a new generation of cybersecurity personnel with professional cybersecurity skills, ready to take on growth opportunities in cybersecurity service business and future technological changes. Pertaining to this aim, Secure Info Co., Ltd., a comprehensive cybersecurity service provider, a Samart Telcoms subsidiary shares its knowledge from real experiences in providing cybersecurity services with various public and private organizations.

Regarding the “Cybersecurity Hackathon by SECUREINFO” activity, it was organized to provide opportunities for interested university students who want to learn more and enhance their cybersecurity skills and capabilities. Selected eligible applicants were allowed to participate in a 3-day workshop & boot camp activities free of charge to learn more and upgrade their cybersecurity skills from experts in the field.

Those with a participation certificate were also eligible to compete in the Final Challenge to win a total prize of 100,000 baht. The activity was held between 18-20 November 2022 at the Vector Club, FYI Center Building. A total of 130 students from various institutions applied to participate in the program. For the Final Challenge, the first prize winner was Mr. Natchanon Mongkolwilas, 1st year Computer Engineering student at King Mongkut's Institute of Technology Ladkrabang. The first runner-up was Ms. Penpiccha Sitsaengchai, 3rd year Computer Engineering student at International College, Mahidol University. The second runner-up was Mr. Sudrit Wongsuwan, 2nd year Public Administration student at the Royal Police Cadet Academy.



2. Promoting knowledge and understanding of information technology and digital services

• Articles and information on technology

The Company provides interesting knowledge and information regarding technology and digital services through articles on a regular basis, with the aim to promote awareness and better understanding of information technology and digital services among Thai people. These articles are published on the Company's facebook page, www.facebook.com/SamartCompany, which has over 6,700 followers.

• Technology Knowledge Support

- Portalnet Company Limited, a subsidiary of Samart Telcoms, took part in a talk to provide knowledge about RPA systems on the topic of “SAP Intelligent Robotic Process Automation”, at “PEACON & INNOVATION 2022”, PEA's annual academic and innovation conference.

- Secure Info Company Limited, a subsidiary of Samart Telcoms, had the opportunity to introduce cyber security services with cyber security case study to executives and staff of the Information Technology Office, Department of Lands, who were also taken on a tour of the Cyber Security Operation Center (CSOC) at Software Park Building.
- Samart Telcoms Group presented 12 computers to Rong Lek School, Nakhon Si Thammarat Province, to provide access to basic communication technology equipment, promoting education for Thai youth.

3. Development of quality people within the organization

• SAMART V-Learn

To encourage employees to keep learning and developing their potential, the Samart V-Learn system allows employees to access self-study online courses in content and skills necessary for them anywhere anytime.



“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 **“Dee 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



• Give Blood, Give Lives, Give Happiness,

A blood drive project, is run annually in cooperation with Thai Red Cross Society at Software Park Building. Run three times in March, July, and November 2022, the campaign achieved a collection of 98,000 CC. of blood donated by employees and members of communities nearby.



• Born to Be “Good”

Project aims to create the volunteer spirit and unity within the organization, doing good deeds for society. Employees are invited to contribute basic needs items to the following welfare institutions or foundations during their month of birth in 2022.

1. Zendai Foundation
2. Rangsit Home for Babies
3. Baan Dek Ramintra School
4. Disabled Animal Shelter Foundation
5. Career Development Center for the Blind
6. Foundation for the Disabled under the patronage of HRH Princess Srinagarindra Boromarajajonani



• In the “Forward Happiness”

Project, aiming to promote a happy society, employees are invited to make contributions to provide special gift sets of basic needs items for underprivileged elderly and you with personally written support or encouragement.

In the first “Forward Happiness” activity, gift sets were presented to the elderly at Bang Khae Nursing Home.

In the second activity, “Forward Happiness for the Younger Ones”, special events were held and gift sets provided to students in remote areas.



• “Be Vision – Be Future”

Volunteer employees helped type up exam prep textbooks, a total of 1,564 pages, 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.



ปันเป่ากัน

SAMART x ปันเป่ากัน



• In “Pan Pao Kan”, (Meaning “Let’s share bags”.) Campaign, a collection point was set up for bags in good condition left by employees and the general public to be forwarded to the Yuvabadhana Foundation’s Pankan charity shop. Sales made help provide scholarships for young students, giving them better opportunities in education. The two-month campaign was held from September to October 2022.



• The Charity Knitting Project

held for the 8th consecutive year, saw employees help make woolen hats for young people facing cold harsh weather (through the Thai Environment Fund Foundation).

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 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.



- Samart Corporation Public Company Limited and Samart Telcoms Public Company Limited contributed medical supplies such as medical masks, alcohol, and ATK of 100,000 baht value as well as a fund of 50,000 baht to help patients in need and care providers through Zendai Foundation.

- Samart Group employees contributed essential items and consumables to help staff and patients in need in the Covid-19 Community Isolation Centers. The items include masks, alcohol, ready meals, fruit juices and other beverages.



3. Fostering Buddhism

- Samart Telcoms Public Company Limited hosted Kathin ceremonies at Wat Thammawong, Lopburi province.

4. Sports Sponsorship

- Phrae United Football Club's participation in the 2022 Thai League Football Tournament was sponsored by Samart Telcoms Public Company Limited.
- Samart Corporation Public Company Limited contributed a fund of 130,000 baht to support the NDC (National Defence College) 64 Charity.
- Samart Corporation Public Company Limited contributed a fund of 100,000 baht to the Thai Athletes Foundation Charity Golf Tournament to help raise funds to support the operations of the foundation, former athletes' well-being, and other public interest activities.
- Samart Corporation Public Company Limited contributed a fund of 300,000 baht to support the "Foot Run TU-CU" charity event, aiming to promote exercising for health among the university students and the general public and to donate part of the proceeds to Thammasat Hospital and Chulalongkorn Hospital.

4. Management Discussion and Analysis (MD&A)

4.1 Performance Overview

In 2022, Samart Corporation Pcl., or SAMART conducted business under sustainability development practice with good corporate governance and prioritized three dimensions of sustainability: economy, society, and environment. The Company operated business with enterprise risk management and business continuity under efficient standards, elevated cyber security measures and personal data protection, conducted business with responsibility of customers, society, and stakeholders together with reduction of environmental impact. Furthermore, the Company, in collaboration with partners, increased values in products and services altogether gaining trusts from customers and new contracts awarded, resulting in total revenue of Baht 9,418 million. Increased from 2021 by 32.10%. In 2022, the revenue from sales, contracted work and services increased from Baht 6,955 to Baht 9,020 million or 29.71%. The increase was due to unravel the impact of COVID-19, which create the better momentum to the ICT Solution & Service and Utilities and Transportations business, especially the air traffic management business in Cambodia.

The Company had Baht 9,699 million of expenses in 2022, which increased by Baht 2,589 million or 36.41% from 2021. The gross profit margin was 16.74%, compared to the year earlier of 14.18%. Besides, the Company's selling, distribution, administrative and other expenses were Baht 2,188 million in total, which increased by Baht 1,047 million or 91.76%. The increase was due to the impacts of long-term provisions from litigation, loss from write-off of goodwill and loss from the impairment assets.

In 2022, there were Baht 484 million of financial expenses in total, increased by Baht 96 million compared to last year. The Company loss in the shareholders part was Baht 955 million. The key contribution to the Company loss were Digital business and the impacts of long-term provisions from litigation.

Operational Outcome of the Company and Subsidiaries

In 2022, the Company earned Baht 9,020 million from sales, contracted work and services. Increased by 29.71% from the previous year.

Revenues from sales, contract works and services breakdown

Business	Revenue from sales, contract works and services in 2022 (million baht)	Revenue from sales, contract works and services in 2021 (million baht)	% Change
ICT Solution and Service	4,947	4,581	8.00%
Digital	632	394	60.41%
Utilities and Transportations	2,526	1,968	28.35%
Technology Related Services	1,733	578	200.00%
Adjustment and transactions	-818	-566	-44.52%
Revenue from sales, contracted projects and services (before transactions)	9,020	6,955	29.69%

ICT Solution and Service business (“SAMTEL”)

In 2022, ICT Solution and Service business had total of Baht 4,947 million revenue from sales, contract works and services, increased by 8.00% from the previous year. During the past year, SAMTEL signed the contracts in new projects in total of Baht 5,300 million worth from various clients; such as Provincial Electricity Authority, Government Saving Bank and Industrial Estate Authority of Thailand. By the end of the year, there were still Baht 6,883 million worth of backlog of which the revenue has not been realized.

Digital business (“SDC”)

In 2022, the Company and subsidiaries reported total revenue of Baht 632 million, an increase of Baht 238 million or 60.41% compared with 2021. Revenue of Digital Network Business, including selling and service income, was Baht 513 million, increased by Baht 248 million or 93.60% compared to previous year. This was mainly increased from selling and installment of network communication equipment. Likewise, Digital Content Business had total of Baht 119 million revenue, which decreased by Baht 10 million or 7.80% compared to previous year. By the end of 2022, the company has the backlog value of Baht 3,389 million.

Non-Listed business

Utilities and Transportations business

This year, the revenue from sales, contract works, and services had increased from Baht 1,968 million in the previous year to Baht 2,526 million or raise by 28.35%. The increase was due to unravel the impact of COVID-19, which create the better momentum to Cambodia Air Traffic Service (CATS) in Cambodia. CATS operates the countrywide air traffic business in Cambodia, which in 2022 the flights inflated from 30,876 flights to 68,390 flights or increased by 121.50%. Additionally, the power substation business operated under Teda Company Limited also expand its business continuously. By the end of 2022, Teda has the backlog value of Baht 2,439 million.

Technology Related Services business

The revenue from sales, contract works, and services of Technology Related Service business slice increased to Baht 1,733 million from Baht 578 million on the previous year or increase by 200%. The keys driver of Technology Related Service business are Vision and Security System Co., Ltd. that runs a security system and high-quality close-circuit camera installation business and the Direct Coding Project which has been fully operated since 1 May 2022.

4.2 Statement of financial position

Assets

As of 31 December 2022, the Company’s total asset value Baht 19,336 million, increased from the previous year by 6.54% due to the current asset increased from Baht 8,441 million to Baht 9,484 million or 12.36%, resulted from the increase in cash and cash equivalents increased from Baht 1,309 million to Baht 1,636 million, trade and other receivables increased from Baht 1,759 million to Baht 2,469 million. Likewise, other current assets increased from Baht 1,426 million to Baht 1,806 million. However, inventories and other current financial assets decreased from Baht 749 million to Baht 615 million, from Baht 205 million to Baht 34 million.

Liabilities

As of 31 December 2022, the Company has total liabilities of Baht 15,483 million, increased from Baht 13,423 million or 15.35% due to the increase in current liabilities from Baht 10,233 million to Baht 10,731 million or 4.87%, bank overdrafts and short-term loans increased from financial institutions from Baht 2,982 million to Baht 3,141 million. Additionally, trade and other payables increased from Baht 1,554 million to Baht 2,062 million, project accrued expenses increased from Baht 819 million to Baht 1,126 million, other current liabilities increased from Baht 472 million to Baht 664 million from the previous year. However, the result from maturity debentures has an effect on decreasing in current portion of debentures from Baht 1,199 million. On the other hand, current portion of long-term loans increased from financial institutions from Baht 2,987 million to Baht 3,495 million from the previous year, the total non-current liabilities increased from Baht 3,191 million to Baht 4,752 million or 48.92% resulting from increased of selling new debentures Baht 1,669 million during the year and provision for long-term liabilities increased from Baht 130 million to Baht 665 million from the previous year. Nevertheless, long-term loans from financial institutions decreased from Baht 2,474 million to Baht 1,686 million. The Company's total debt has increased to Baht 15,483 million or 15.35%.

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

As of 31 December 2022, the D/E ratio has increased from 2.84 times from the previous year to 4.02 times and net interest-bearing debt-to-equity ratio increased from 1.81 times to 2.24 times.

Liquidity

As of 31 December 2022, the current ratio was 0.88 time, which increased from the previous year.

The Company has a total of Baht 904 million net cash flows from operating activities, Baht 645 million net cash flows from financing activities and Baht 1,234 million used cash flows investing activities, resulting in cash and cash equivalents value Baht 1,636 million this year.

Sources of Fund

As of 31 December 2022, the total shareholders' equity of the Company was Baht 3,853 million. Decreased by Baht 872 million from the previous year, while the unappropriated retained earnings were Baht 1,398 million.

4.3 Factors Affecting Financial Status or Performance Significantly in the Future

The Company plan to bid many large projects, which would generate impressive revenue recognitions in the future, nevertheless the project also needed a large amount of working capital, therefore the Company has been strictly and cautiously negotiated and agreed with financial institutions and business partners to ensure that a cash cycle have been match and have least affects the Company's liquidity.

For supporting operation of the large projects, there would be an issue about the Company's debt-to-equity ratio that could be gone temporally high over a short period.

4.3 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		
	2022	2021	2020
Cash and cash equivalents	1,636,080	1,308,557	1,599,857
Trade and other receivables	2,468,906	1,758,907	2,102,378
Accrued income	2,812,337	2,928,628	3,061,948
Inventories	614,737	749,316	605,178
Other current assets	1,806,065	1,426,079	1,323,991
Property, plant and equipment	6,263,065	5,999,231	5,349,912
Intangible assets	1,049,575	1,010,443	1,003,857
Deferred tax assets	328,795	710,280	767,457
Others	2,356,291	2,257,302	2,216,379
Total assets	19,335,851	18,148,742	18,030,957
Bank overdrafts and short-term loans from financial institutions	3,140,678	2,981,536	3,465,915
Trade and other payables	2,062,400	1,553,828	1,634,634
Current portion of debentures	-	1,199,377	-
Current portion of long-term loans from financial institutions	3,495,193	2,987,266	1,559,146
Accrued project cost and provisions	1,233,834	914,088	1,099,368
Debentures - net of current portion	1,669,389	-	1,196,567
Long-term loans from financial institutions - net of current portion	1,685,768	2,474,339	3,438,994
Others	2,195,570	1,312,985	1,402,150
Total Liabilities	15,482,832	13,423,420	13,796,774
Issued and fully paid - up	1,006,504	1,006,504	1,006,504
Unappropriated retained earnings	1,397,681	2,355,140	2,766,884
Non-controlling interests of subsidiaries	1,174,045	1,341,673	1,193,180
Equity attributable to owners of the Company	2,678,974	3,383,649	3,041,003
Total revenues	9,418,049	7,129,447	9,490,827
Revenues from sales, contact work and services	9,020,497	6,954,546	9,105,751
Cost of sales, contact work and service	7,510,198	5,968,414	7,993,797
Gross Profit	1,510,299	986,132	1,111,954
Other income	397,552	174,901	385,076
Selling, distribution and administrative expenses	1,122,675	1,131,505	1,294,710
Other expenses	1,164,408	67,036	157,381
Finance income	12,281	12,083	26,921
Finance cost	483,721	388,287	409,135
Income tax expenses	(481,988)	(46,707)	115,619
Profit (loss) attributable to equity holders of the Company	(955,154)	(389,084)	(309,141)
Profit (loss) attributable to non-controlling interests of the subsidiaries	(377,505)	(71,355)	(143,753)
Basic earnings (loss) per share (Baht/share)	(0.95)	(0.39)	(0.31)

(Unit: Thousand Baht)

Transaction	As of December 31		
	2022	2021	2020
Cash flows from operating activities	904,738	(151,501)	3,365,788
Cash flows used in investing activities	(1,234,099)	(824,102)	(1,674,092)
Cash flows used in financing activities	645,389	633,879	(2,034,277)
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)	2.66	3.36	3.02
Dividend per share (Baht / share)	-	-	-

Financial Ratios of Samart Corporation Pcl. and its subsidiaries

Financial Ratio		Samart Corporation Pcl. and subsidiaries		
		2022	2021	2020
<u>LIQUIDITY RATIOS</u>				
Current ratio (Times)		0.88	0.82	1.06
Acid test ratio (Times)		0.83	0.75	0.98
Cash turnover (Times)		0.09	(0.02)	0.30
Receivable turnover ratio (Times)		2.14	1.67	1.69
Average collection period (Days)		170.83	218.39	215.98
Inventory turnover ratio (Times)		12.07	9.91	17.49
Days sales outstanding (Days)		30.24	36.83	20.87
Payable turnover ratio (Times)		6.03	5.29	6.97
Payment period (Days)		60.53	69.00	52.37
Cash cycle (Days)		140.54	186.22	184.48
<u>PROFITABILITY RATIOS</u>				
Gross Profit Margin (%)		16.74	14.18	12.21
Operating Profit Margin (%)		(4.07)	(0.37)	0.79
Other revenue - to - Total revenues (%)		4.22	2.45	4.06
Cash-to-income (Times)		(2.47)	5.96	46.84
Net profit margin (%)		(10.14)	(5.46)	(3.26)
Return On Equity (%)		(31.51)	(12.11)	(9.21)
<u>EFFICIENCY RATIOS</u>				
Return On Assets (%)		(5.10)	(2.15)	(1.58)
Return On Fixed Assets (%)		(1.94)	3.46	16.44
Assets Turnover (Times)		0.50	0.39	0.48
<u>FINANCIAL POLICY RATIOS</u>				
Debt to equity (Times)		4.02	2.84	3.26
Interest coverage (Times)		0.96	1.64	3.63
interest bearing debt to EBITDA ratio (Times)		23.27	16.03	6.93
Debt serviceability (Times)		0.07	0.08	0.28
Dividend payout ratio (%)		N/A	N/A	N/A

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, 14th Floor,
Ratchadaphisek Road, Dindaeng, Bangkok 10400

Tel ephone : 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
33rd Floor, Lake Rajada Office Complex
193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110

Telephone : 0-2264-9090

Fax : 0-2264-0789-90

Debenture registrar

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

Daol (Thailand) Public Company Limited

Address : 87/2 CRC Tower, All Seasons Place, 9th, 18th, 39th and
52nd 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, 2022 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 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 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.

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.

Subsequently, on 22 September 2022, the Civil Court issued an order dismissing the Company's petition to revoke the Arbitral award. The Company is already has already submitted the appeal on 20 February 2023, and as of now, the appeal is under the Court's review. The legal advisor of the Company expects that the court proceedings will take no less than 3 years.

As of 31 December 2022, this case is under ongoing court proceedings. Although the Company has set aside a provision in accordance with the accounting principle of conservatism, this does not affect the legal rights. In addition, setting aside a provision does not mean that the Company waives its right under the judiciary proceedings in the future since the Company still believes in its legal standing as well as having an interest in going through all judiciary processes until the end. The legal advisor and the management of the Company continue to believe that, based on the Company's defense, the Supreme Court's judgement will be in favour of the Company and the Company will eventually win the case. Thus, the Company shall not be liable to pay for such claim to the Organizing Committee and the Sports Authority of Thailand.

- 1.2 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

On 23 March 2022, subsequently, the SPS Consortium submitted a petition to the court requesting an amendment to the plaint, asking the money and interest totaling 69 million Baht back from that state enterprise, which it received from the guaranteeing bank. However, the Company recorded related transactions for accounting purposes as described in Note 3 e) to the interim 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.

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, the Company recorded these damages based on the proportion of its work in the account of Baht 40 million in the year 2021 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.

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

On 27th November 2009, Samart Digital Public Company Limited entered into a memorandum of understanding ("MOU") regarding a 3G mobile network testing project with TOT Public Company Limited ("TOT"). On 29th March 2011, subsequently, Samart Digital Public Company Limited entered into the assignment agreement with I-Mobile Plus Company Limited, with the object to assign all of its rights and obligations under the abovementioned MOU to I-Mobile Plus Company Limited, which is its subsidiary company.

On 22nd February 2017, 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 the MOU regarding a 3G mobile network testing project. Subsequently, on 1st 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, 22nd 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 18th 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 19 million Baht (2017: 19 million Baht). 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 137 million Baht (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 212 million Baht (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 30th 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 2022, 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 17th 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 18th April 2022. The Court, then, will conduct the plaintiff’s witness hearing on 19th, and 20th of July 2023, and the defendant’s witness hearing will be conducted on 20th, and 21st of July 2023. As of now, the case is under review by the Civil Court.

The legal consultant of Samart Digital group was of the opinion that TOT breached the contract causing damages to the company’s business opportunity. Hence, the subsidiary company filed a petition to the aforementioned Civil Court, which it believes will win the case at last. The executives of the subsidiary company, consequently, view that the Samart Digital group will not face any material negative outcome arising from such a disputed case.

As of 31st December 2022, the case is under process, Samart Digital Group; therefore, believes that the recorded liabilities are sufficient in the current situation.

5.4 Secondary market

-None-

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 (www.samartcorp.com) under the topic "Corporate Governance" 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 2022 (CGR) and CGR Guidelines (Revised Version) 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 10, 2022.

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

The Board of Directors has an important role in corporate governance for the best interest of the Company. As a result, the Company has a policy about the responsibility of the Board of Directors in various matters, such as, the composition, directors' qualifications, including roles and responsibilities of the Board of Directors as the details below;

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 Nominating and Compensation 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.

Being Director in other Listed Companies

Policy for directors on being director in other listed companies

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

Policy for the top management and senior managements on being director in other listed companies

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

5. 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

The Company has supervised on operations of its subsidiaries and affiliated companies which have the Board of Directors as the direction leader and the overall strategic goals of the business group. The operating procedures are as follows:

1. 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.
2. 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.
3. 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.

4. 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.
5. 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.
6. 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 use as information in the preparation of the Company's financial statements in accordance with standards and schedules.
7. 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 2022 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 2023 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, 2022 onward. For the meeting agenda proposal ended on January 31, 2023 and enquiries proposal ended prior to the meeting date of 2023 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 (<https://www.samartcorp.com>) in the section of the **"Investor Relations"** under the title of **"Enquiries submission prior to the 2023 Annual General Meeting of Shareholders"**. However, there was no shareholders propose the agenda for the Shareholders' Meeting.

- **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 2022, the Company has one meeting that was the 2022 Annual General Meeting of the Shareholders, held on April 22, 2022 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 2022, the Annual General Meeting of Shareholders, the shareholders have been informed on the date and agenda of the meeting via SET's communication system 55 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" 31 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 21 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 Registration Statement / Annual Report (Form 56-1 One 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 25 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 2022 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 72 shareholders and proxies with voting rights attended for the 2022 Annual General Meeting of Shareholders. Moreover, for transparency on counting the vote in the meeting, the Company has invited Mr. Pathompong Chonpinyo, a proxy holder from Mr. Kajornpol Teeprasarn, 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) in the section of the "Investor Relations" under the title of "Shareholder's Meeting" 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) in the section of the **"Investor Relations"** under the title of **"SET Disclosure"**.

- **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 2022 Annual General Meeting of Shareholders held on April 22, 2022, were 52 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) in the section of the **"Investor Relations"** under the title of **"Good Corporate Governance"** 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. For more detail, please see **"3. Business Sustainability Development"**

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 Registration Statement / Annual Report 2022 (Form 56-1 One Report). 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 2022 securities holding information of the directors and the executives

Number of shares held in Company (shares)

Directors / Executives	Before acquisition / disposition	Acquisition in 2022 Buy via SET	Disposition in 2022	31 Dec. 2022	Variance
1. Mr. Seri Suksathaporn <i>Spouse and minor children</i>	927,750 -	- -	- -	927,750 -	- -
2. Mr. Vichai Srikwon <i>Spouse and minor children</i>	- -	- -	- -	- -	- -
3. Dr. Pairoj Boonkongchuen, M.D. <i>Spouse and minor children</i>	150,000 -	- -	- -	150,000 -	- -

Number of shares held in Company (shares)

Directors / Executives	Before acquisition / disposition	Acquisition in 2022 Buy via SET	Disposition in 2022	31 Dec. 2022	Variance
4. Mrs. Siripen Vilailuck <i>Spouse and minor children</i>	5,960,250 -	- -	- -	5,960,250 -	- -
5. Mr. Charoenrath Vilailuck <i>Spouse and minor children</i>	112,704,960 30,000	- -	- -	112,704,960 30,000	- -
6. Mr. Watchai Vilailuck <i>Spouse and minor children</i>	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. Pachara Kittiyawat <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) in the section of the **“Investor Relations”** under the title of **“SET Disclosure”**, press release and Company's Annual Registration Statement / Annual Report 2022 (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 2022 (Form 56-1 One Report)

The Board of Directors has to ensure that Annual Registration Statement / Annual Report 2022 (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 2022 (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 2022 (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 0-2502-6188 or via www.samartcorp.com in the section of the **"Investor Relations"** under the title of **"IR Contact"** or the e-mail address at wongsakorn.v@samartcorp.com. The investor relations ethics prescribed by the Company are as follows:

The investor relations ethics

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

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

Meetings with investors and analysts in 2022 were summarized as follows:

- One on One Meeting with Analyst 1 Time
- Announcement of SAMART Group of Company's Performance 4 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 2022 (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 2022 (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 2022 (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 2022 (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 2022 (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 has established various measures to prevent directors, managements and employees from using inside information which has not been disclosed to the public for the benefit of oneself or others in the wrong way as the following below:

1. 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. Any trading of The Company's securities within 1 month prior to disclosure of either Company's financial performance or any other information that may affect securities' price is prohibited. The directors and management of the Company according to the definition of the SEC 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 the SEC within 3 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 managements have to report the Company Secretary for coordination and preparing report submit to the SEC.
2. The Company has set as a policy for the directors and the managements according to the definition of the SEC to notify the Company about the purchase, sale or transfer the Company's securities and contracts at least 1 day in advance before making the transaction through the Company Secretary. Then, the Company Secretary has to report the changes on such securities holdings of directors and managements in every Board of Directors' Meeting.
3. In case of conflict of interest, it is the Company's Policy to have the directors, management, employees and related parties to disclose such interests to the Audit Committee for consideration of the transaction to be complied to SET's regulations and any governing laws and regulations prior to further submit for consideration of either the Board of Directors or the Shareholders' meeting. The directors who have conflict of interest will not participate in any agenda that they have conflict of interest. Moreover, any conflict of interest transactions with the connected persons will be disclosed in the Company's Annual Registration Statement / Annual Report (Form 56-1 One Report).

4. The Company 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.
5. 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.
6. General practices for conflict of interest protection have been set in the Company's Business Ethics. Such practices have been delivered to all directors, managements 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.

- **IT Security Policy**

Samart Corporation Pcl. has received an ISO/IEC 27001: 2013 certification for information security management on information systems by adopting both technology and information management methods, including a main information technology operation center and a backup center, as well as implementing standards for information technology. ITIL is used to control the provision of information technology services effectively, and the organization also has a disaster recovery plan to be able to run the business continuously by practicing and testing the plan at least once a year.

Compliance to Personal Data Protection Act B.E. 2562 (PDPA)

Samart Corporation Pcl. controls the use of personal data using an Information Security Management System (ISMS) with additional policies, including updating work processes to be compliant with and support the Personal Data Protection Act.

- **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 November 10, 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) in the section of the **"Investor Relations"** under the title of **"Good Corporate Governance"**.

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 2022, 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 2022 (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.5/2022, which held on November 10, 2022** has considered and reviewed the application of the CG Code and considered to revise in the main topics as follow;

1. Revised the corporate governance policy
 - Section 1 Equitable Treatment of Shareholders in the topic **“Inside Information Monitoring”** by setting the policy for the directors and the managements to inform about the purchase, sale or transfer the Company’s securities at least 1 day in advance before making the transaction.
 - Section 5 Roles and Responsibilities of the Board of Directors
 - Topic 5.1 **“Composition”** by adding more composition about knowledge in business, accounting and finance experience.
 - Topic **“Roles, duties and responsibilities of the Chairman of the Board”** by adding role and duty of the Chairman of the Board.
2. Revised the charter of the Board of Director in the topic **“Composition”** and **“Roles, duties and responsibilities of the Chairman of the Board”**.
3. Revised the charter of the Nominating & Compensation Committee in the topic **“Objective”** and **“Roles and Responsibilities of the Nominating & Compensation Committee”**.

6.3.2 CG Code practices that the Company still has not applied

The Board of Directors No. 5/2022, held on November 10, 2022, 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 2022 (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.

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 2022 (Form 56-1 One Report) in the topic of **"3. Business Sustainability Development"**.

Section V: Responsibilities of the Board

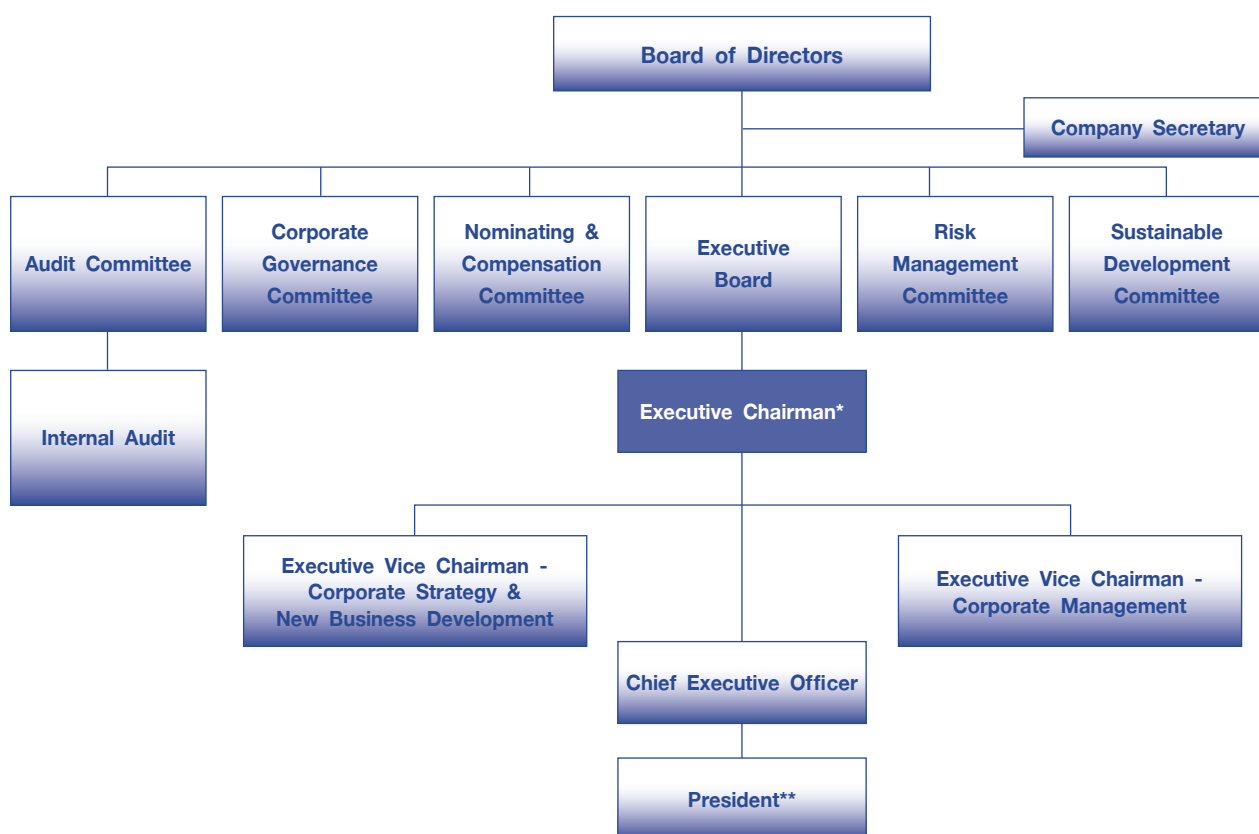
1. The Company did not establish a policy to set a limit that an individual executive director can hold director position in not more than 2 others listed companies and outside business group, but the Company has established a policy which specified that an individual director shall not hold director 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%, 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% 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, 2022 were as follows:

The Company's Corporate Structure

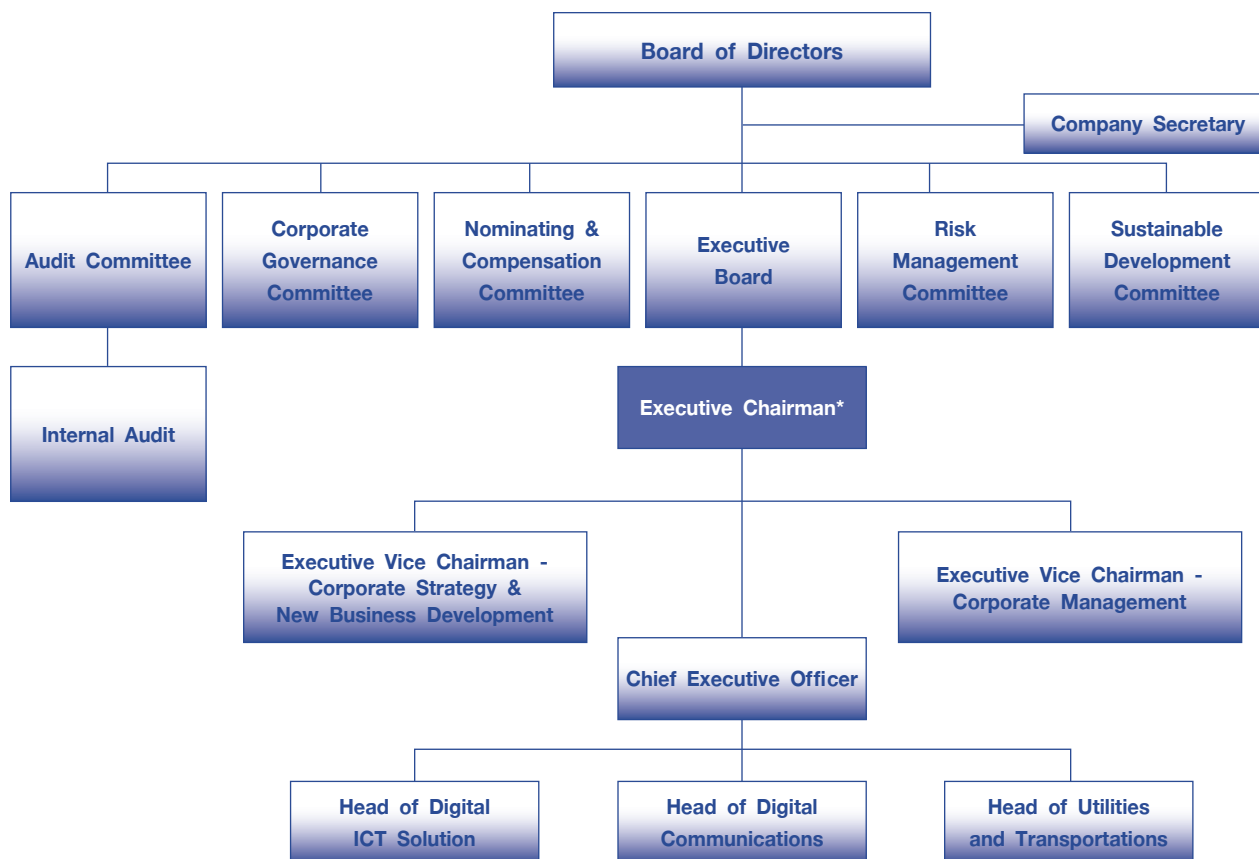


*Remark : * Executive Chairman is the top management of the Company*

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

However, the Board of Directors' meeting No. 1/2023 held on February 23, 2023 had a resolution to approve the restructuration of the Company's lines of business and organization chart with effective date as February 24, 2023, onwards as follows;

The Company's Corporate Structure as of February 24, 2023



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

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

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).
- 4) The Board of Directors should consist of at least 3 persons experiencing in the Company's business and at least 1 person with experience in accounting and finance.

The Board of Directors' Structure

The Board of Directors' Structure consists of 10 directors.

- 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:

The Board of Directors consists of 10 directors, 4 persons are Independent directors, 4 persons are Executive Directors and 2 persons are Non-Executive Directors, that one Director is female. The Board of Directors has diversity (Board Diversity), whose skills are in line with the Company's business strategies. Through the creation of a Board Skills Matrix and diversity in educational background, experience, without limiting any other differences. The detail is in **"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"** which is published at the Company's website (www.samartcorp.com).

Board Skills Matrix

Directors / Experience and Expertise	Accounting	Finance	Budgeting	Corporate Management	Project Management	Strategy Management	Risk Management	Change Management	Engineering	Medical	Information & Communication Technology	Negotiation	Leadership	Vehicle	Funds & Securities	Information Technology Management	Brand Management	Marketing	Tourism & Recreation	Procurement	Electronic Parts	Foods & Beverages	Human Resource Management	Information Management	Information Analysis	Internal Audit	Governance	Law	Auditing	Sustainability	Social Responsibility	
		x	x	x			x				x		x										x	x	x	x	x					
			x	x	x	x	x	x			x	x	x			x			x				x		x		x	x	x	x		
	x		x					x		x									x								x	x				
				x				x																								
					x			x			x																					
					x			x																								
					x			x																								
	Total	3	4	4	8	2	4	3	3	3	1	4	3	4	1	2	3	1	1	2	1	1	1	3	1	2	1	3	1	2	1	2

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, 2022 consists of 10 directors as follows:

Directors	Position	Directorship in the Company	Term of Directorship (Year-month)
1. Mr. Seri Suksathaporn	Chairman / Independent Director / Audit Committee Member/ Chairman of the Corporate Governance Committee / Nominating & Compensation Committee Member	Feb. 1999	23-10
2. Mr. Vichai Srikwan	Independent Director / Chairman of the Audit Committee / Vice Chairman / Chairman of the Nominating & Compensation Committee	May. 2021	1-7
3. Dr. Pairoj Boonkongchuen, M.D. ⁽¹⁾	Independent Director / Audit Committee Member / Nominating & Compensation Committee Member	Aug. 2022	0-4
4. Mr. Prinya Waiwatana	Independent Director / Corporate Governance Committee Member	Apr. 2010	12-8
5. Mrs. Siripen Vilailuck ⁽²⁾	Director	Feb. 1993	29-10
6. Mr. Sirichai Rasameechan	Director / Corporate Governance Committee Member	Feb. 1996	26-10
7. Mr. Charoenrath Vilailuck	Executive Chairman / Executive Director / Chief Executive Officer / Chairman of the Risk Management Committee	Feb. 1993	29-10
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	29-10
9. Mr. Thananan Vilailuck	Executive Director / Executive Vice Chairman - Corporate Management / Sustainable Development Committee Member / Risk Management Committee Member	Apr. 2016	6-8
10. Mr. Teerachai Phongpanangam	Executive Director / President / Risk Management Committee Member / Sustainable Development Committee Member	Nov. 2018	4-1

Remark : ⁽¹⁾ Has been appointed as the Independent Director to replace Dr.Tongchat Hongladaromp. The effective date is August 12, 2022, 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 January 31, 2023).

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

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

The Chairman of the Board has an important role in supervising and supporting the Board of Directors to be able to perform their duties in accordance with the direction and strategy for the best benefit of the Company and all shareholders. Moreover, the Chairman of the Board has to lead the Board of Directors as the Chairman of the Board of Directors' Meeting, Shareholders' Meeting and Non-executive Directors' Meeting which covers the following;

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, 2022 for 5 companies as follows:**

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

1.	Mr. Piyapan Champasut	Chairman of the Board of Directors / Independent Director / Audit Committee Member
2.	Dr. Chotivid Chayavadhanangkur	Independent Director / Chairman of the Audit Committee / Chairman of the Corporate Governance Committee / Nominating and Compensation Committee Member
3.	Mr. Kunthit Arunyananda	Independent Director / Audit Committee Member / Chairman of the Nominating and Compensation Committee / Corporate Governance Committee Member
4.	Mr. Charoenrath Vilailuck ^(*)	Director / Risk Management Committee Member
5.	Mr. Watchai Vilailuck ^(*)	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 : ^(*) Representative directors from Samart Corporation Pcl., a major shareholder with 65.37% 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 / Chairman of the Corporate Governance Committee / Nominating & Compensation Committee Member /
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 ⁽²⁾	Director / Corporate Governance Committee Member
6. Mr. Charoenrath Vilailuck ⁽¹⁾	Executive Director / Risk Management Committee Member
7. Mr. Watchai Vilailuck ⁽¹⁾	Executive Director / Executive Chairman / Chief Executive Officer / Chairman of the Risk Management Committee
8. Mr. Thananan Vilailuck ⁽¹⁾	Executive Director / Risk Management Committee Member
9. Mr. Jong Diloksombat ⁽¹⁾	Executive Director / President / Risk Management Committee Member / Corporate Governance Committee Member / Chairman of the Sustainable Development Committee

Remark : ⁽¹⁾ Representative director from Samart Corporation Public Company Limited a major shareholder with 70.14%.

⁽²⁾ Representative from Bangkok Bank Public Company Limited, a shareholder holds shares with 4.81% and has retired with effect from January 1, 2022 onwards;

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

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

4) 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

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

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

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, 2022 comprise of 3 members as follow;

1. Mr. Vichai Srikwan	Chairman of the Audit Committee (Independent Director)
2. Mr. Seri Suksathaporn	Member (Independent Director)
3. Dr. Pairoj Boonkongchuen, M.D. ⁽²⁾	Member (Independent Director)
Mr. Suthep Siriwatcharawong	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 Independent Director and Audit Committee Member on August 12, 2022*

Qualifications of Audit Committee

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

- Review the Company's financial report to ensure its accuracy that is adequate, reliable and timely disclosure;
- 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;
- 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 Registration Statement / Annual Report (Form 56-1 One 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, 2022 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, 2022 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, 2022 comprise of 3 members as follow;

1. Mr. Vichai Srikwan	Chairman of the Nominating & Compensation Committee (Independent Director)
2. Mr. Seri Suksathaporn	Member (Independent Director)
3. Dr. Pairoj Boonkongchuen, M.D. ^(*)	Member (Independent Director)

Remark : ^() Has been appointed as the Nominating and Compensation Committee Member on August 12, 2022, onwards.*

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. Specify and review the criteria and procedures for nomination of directors, committees, Executive Chairman and senior managements to propose for consideration and approval of the Board of Directors;
2. 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;
3. Recruit, select, and nominate appropriate candidates for members of the committee and Executive Chairman proposed for consideration of the Board of Directors when such position is vacant as well as propose and review criteria for considering and selecting candidates for the successor of the top management and senior management, annually;
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, 2022 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, 2022 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 in 2022".

7.4 Information of Managements

7.4.1 Name and Position of Management

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. Pachara Kittiyawat ^(*)	Assistant Vice President - Finance

Remark : ^(*) Has been appointed as the Assistance Vice President - Finance to replace Mr. Suchol Ratchaya. The effective date is September 1, 2022, onwards.

However, the Board of Directors' meeting No. 1/2023 held on February 23, 2023 had a resolution to approve the restructuration of the Company's lines of business and organization chart with effective date as February 24, 2023, onwards. As a result, the managements of the Company are as follows;

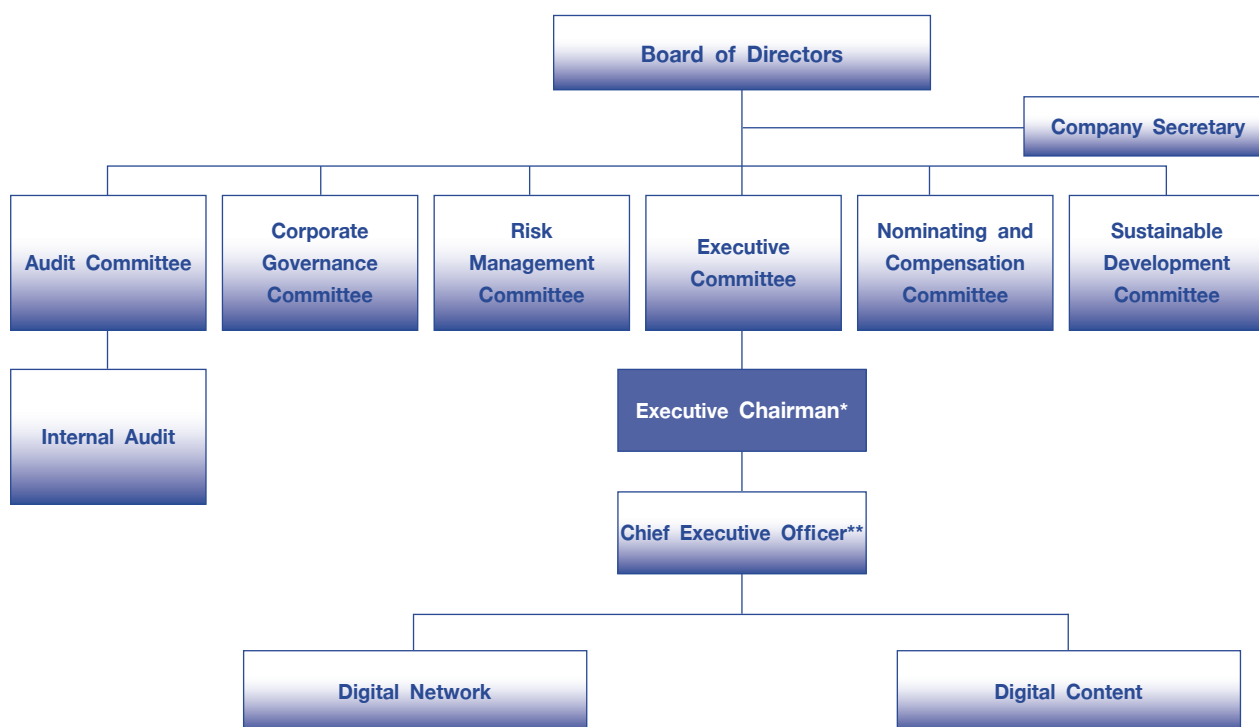
Management of the Company as of February 24, 2023

1. Mr. Charoenrath Vilailuck	Executive Chairman / Chief Executive Officer
2. Mr. Watchai Vilailuck	Executive Vice Chairman - Corporate Strategy & New Business Development / Executive Chairman / Chief Executive Officer of Digital Communications LOB
3. Mr. Thananan Vilailuck	Executive Vice Chairman - Corporate Management
4. Mr. Jong Diloksombat	President of Digital ICT Solution LOB
5. Mr. Teerachai Phongpanangam	President of Utilities and Transportations LOB
6. Ms .Namthip Burapapongsanon	Vice President - Accounting
7. Mr. Pachara Kittiyawat	Assistant Vice President - Finance

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

- 1) **Samart Digital Pcl.**

Corporate Structure of Samart Digital Pcl.



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

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

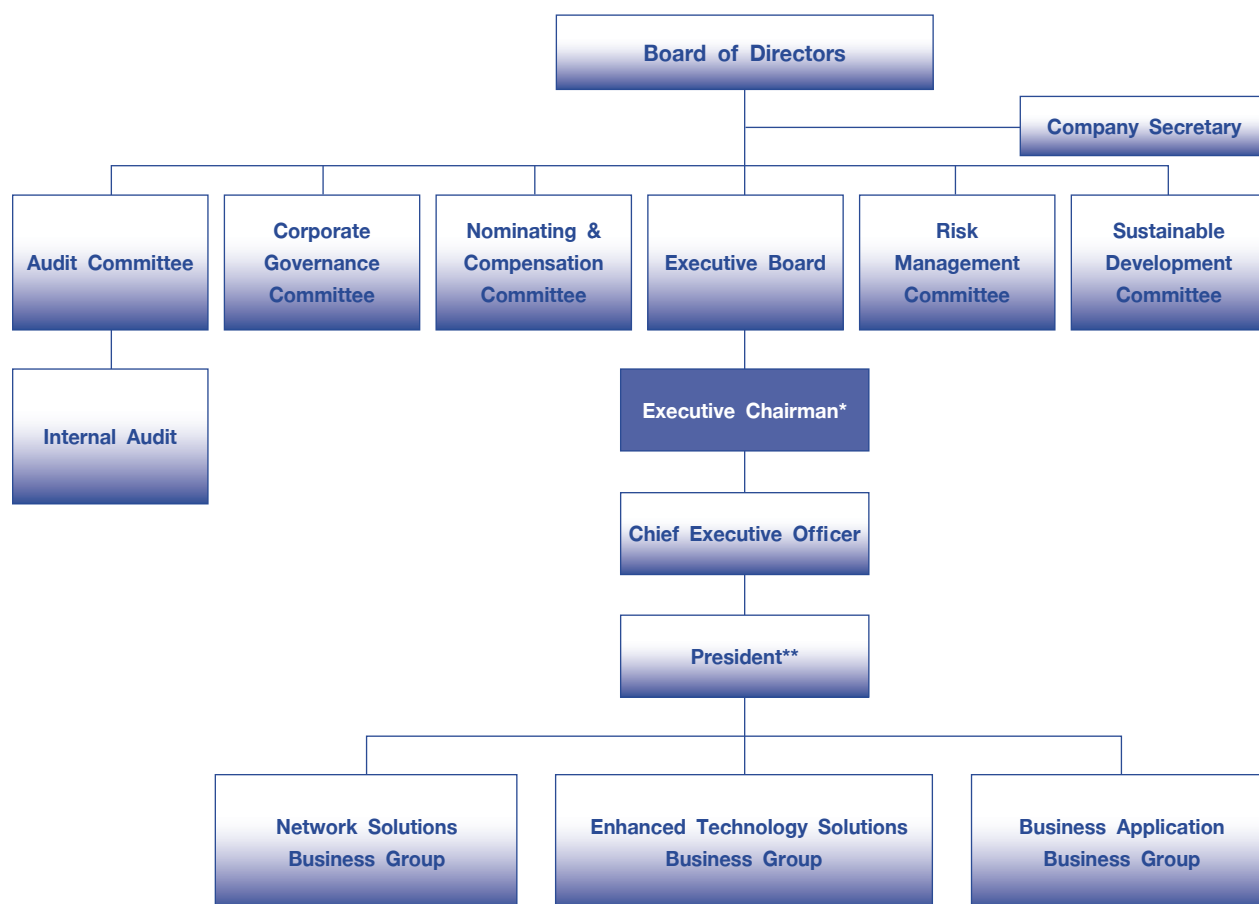
Managements of Samart Digital Pcl.

1. Mr. Watchai Vilailuck	Executive Chairman / Chief Executive Officer
2. Ms. Boonrut Mongkolratanakorn	Executive Director and Secretary
3. Mrs. Sumonthip Srimek	Vice President - Accounting
4. Mr. Hiran Phanbanlaem	Assistant Vice President - Finance
5. Mr. Supavas Prohmvitak ^(*)	General Manager

Remark : ^() Has been appointed as General Manager of Samart Digital Media Co., Ltd., a subsidiary, on June 1, 2022.*

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. Dhiokpat Nisamaneevong	CFO - Chief Financial Officer
6. Ms.. Sirichan Phiraprawit	Assistant Vice President - Accounting

3) Samart Comtech Co., Ltd.

Corporate Structure of Samart Comtech Co., Ltd.

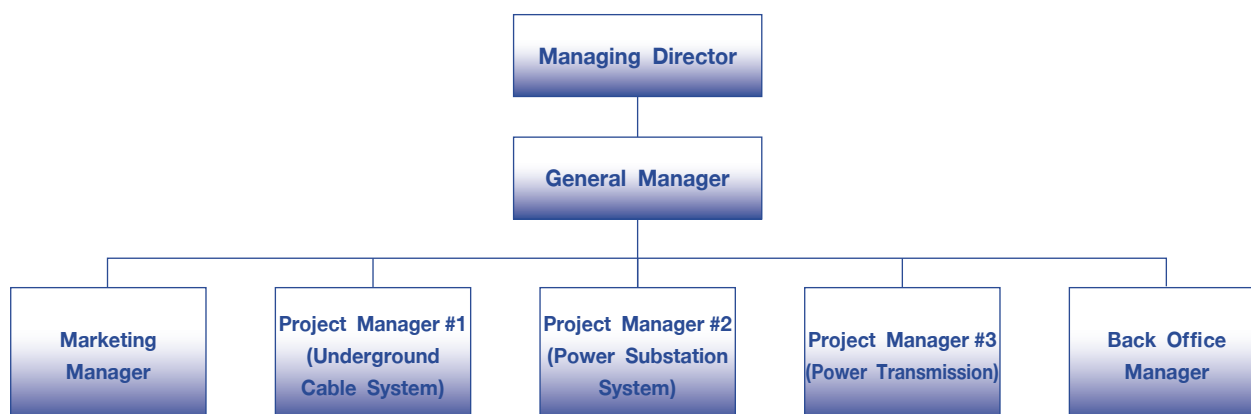


Managements of Samart Comtech Co., Ltd.

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)

4) 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 System)
6. Mr. Pudit Pakornsap	Project Manager #3 (Power Transmission)
7. Ms. Wannarat Chanpiriyakul	Back Office Manager

5) Cambodia Air Traffic Services Co., Ltd.

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



Management of Cambodia Air Traffic Services Co., Ltd.

1. Mr. Teeraphat Kulkijkamjorn	Managing Director
2. Ms. Siriporn Jamnuch	Assistant Managing Director Financial & Accounting
3. Mr. Saichon Pingsakul	Assistant Managing Director Operation & Engineering
4. Mr. Anucha Kammong	Assistant Managing Director Technical Planning & Support
5. Mr. Kamon Kongsang	Assistant Managing Director Back Office Management

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 2022, the Board of Directors' meeting has considered in accordance with the Nominating & Compensation Committee's meeting that the Annual Salary increase for 2023, 2022 Bonus and 2023 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	19,755,000	25,045,410	44,800,410
Bonus ⁽¹⁾	8	2,850,125	5,925,220	8,775,345
Provident Fund ^{(1) (2)}	8	1,975,500	2,504,541	4,480,041

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 2022 :

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	SDC's Subsidiaries	Grand Total
Salary	5	4,813,182	1,750,000	6,563,182
Bonus	5	281,400	73,000	354,400
Provident Fund ⁽¹⁾	5	481,318	22,500	503,818

Remark : ⁽¹⁾ 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	13,789,110	4,594,410	18,383,520
Bonus ⁽¹⁾	4	2,824,138	1,573,220	4,397,358
Provident Fund ^{(1) (2)}	4	1,018,983	459,441	1,568,424

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 Comtech Co., Ltd. ("SCT")

Type of Remuneration	Number of Persons ⁽²⁾	Cash Remuneration (Baht)		
		SCT	SCT's Subsidiaries	Grand Total
Salary	4	9,712,350.00	-	9,712,350.00
Bonus	4	2,879,786.00	-	2,879,786.00
Provident Fund ⁽¹⁾	4	890,133.30	-	890,133.30

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 an executive director and management received the remuneration from Samart Telcoms Pcl.

4) 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	13,935,240	-	13,935,240
Bonus	7	2,261,713	-	2,261,713
Provident Fund ⁽¹⁾	3	304,666.50	-	304,666.50

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.

5) Cash & Non-Cash Remuneration of the Executive Board and Management of Cambodia Air Traffic Services Co., Ltd. ("CATS")

Type of Remuneration	Number of Persons	Cash Remuneration (Baht)		
		CATS	CATS' Subsidiaries	Grand Total
Salary	5	11,954,079.57	-	11,954,079.57
Bonus	5	1,413,482.42	-	1,413,482.42
Other remuneration	5	9,203,036.99	-	9,203,036.99

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)		
	2020	2021	2022
1. Digital	175 ⁽¹⁾	94 ⁽¹⁾	86
2. ICT Solution and Service	993	941	905
3. Call Center ⁽²⁾	1,512	-	-
4. Utilities and Transportations	610	608	584
5. Technology Related Services	247	302	334
Total	3,537	1,945	1,909

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		
	2020	2021	2022
1. Salary ^(*)	1,324.58	904.04	897.47
2. Bonus ^(*)	110.09	94.41	108.06
3. Provident Fund ^(*)	54.54	53.88	44.89
4. Other remuneration (over time, special subsidy and commission)	54.71	13.37	109.65

Remark : ^() The remuneration were excluded the managements of the Company and core business subsidiaries i.e. SDC, SAMTEL, SCT, TEDA and CATS 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 1,309 employees joining the provident fund out of the total 1,935 employees who are eligible to participate, representing 67.65%. 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. Pachara Kittiyawat has been appointed as the Assistance Vice President – Finance to replace Mr. Suchol Ratchaya. The effective date is September 1, 2022, onwards.

2) The person supervising Accounting

Ms. Namthip Burapongsanon, 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. Wongsakorn Varabuntoonvit has been appointed as the Senior Manager - Investors Relation to replace Mr. Pachara Kittiyawat. The effective date is December 6, 2022, onwards.

7.6.3 Remuneration of the Auditors

1) Audit Fee

In 2022, 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, 2022 of the Company was Baht 2,550,000 of which excluded other miscellaneous payment of Baht 42,804.50 (i.e. traveling expenses, photo copy expenses etc.).
- Audit fees for the year ended December 31, 2022 of the subsidiaries pay to audit firm or other persons or firms that related to the audit firm were Baht 15,430,000 of which excluded other miscellaneous payment of Baht 196,714 (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 1,934,778.80 excluded miscellaneous payment of Baht 81,848.17 (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 2022, 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, 2022 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, 2022 at Baht 40,000.

8. Report on the significant activities on corporate governance

Policy and business direction determination of the Company

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

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

Moreover, the Company has published a vision, mission, business goals including Corporate Governance Policy, Risk Management Policy and business ethics on the Company's website www.samartcorp.com and has been disclosed in the Annual Registration Statement / Annual Report 2022 (Form 56-1 One Report) by assigning the Corporate Governance Committee to supervise the directors, executives and employees to strictly observe.

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

In 2022, The Board of Directors' meeting No. 5/2022, held on November 10, 2022, reviewed the vision and mission to be in accordance with the goals and business strategies of the Group Company.

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”**.

In 2022, the Company provided the business ethics training through the Company’s E-learning system for all level of employees. However, the employees have participated and acknowledged the training course representing 75.60%.

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%).

In the past year, the Company has not found any violation of the Company’s business ethics.

8.1 Summary of the Board of Director’s Performance during 2022

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 2022, 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 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. Dr. Tongchat Hongladaromp Independent Director
 2. Mr. Prinya Waiwatana Independent Director
 3. Mr. Thananan Vilailuck Executive Director

2. Considered and selected the member of the committees who has been retired by rotation as follows;
 - Agreed to propose the appointment of Mr. Seri Suksathaporn as the Chairman of the Board of Director;
 - Agreed to propose the appointment of Mr. Vichai Srikwan as the Chairman of Nominating and Compensation Committee;
 - 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.
3. Considered and selected the director and the committees to replace who have been resigned;
 - Agreed to propose and appoint Dr. Pairoj Boonkongchuen, M.D. as director / Independent director / Audit Committee Member and Nominating & Compensation Committee Member to replace Dr. Tongchat Hongladaromp.

List of the Board of Directors and Committees as of December 31, 2022 as follows:

The Board of Directors

1. Mr. Seri Suksathaporn	6. Mrs. Siripen Vilailuck
2. Mr. Vichai Srikwan	7. Mr. Charoenrath Vilailuck
3. Dr. Pairoj Boonkongchuen, M.D.	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. Mr. Seri Suksathaporn
3. Dr. Pairoj Boonkongchuen, M.D.

Nominating and Compensation Committee

1. Mr. Vichai Srikwan
2. Mr. Seri Suksathaporn
3. Dr. Pairoj Boonkongchuen, M.D.

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

In this regard, the directors and the committees which have been recruited and appointed are knowledgeable, capable, experienced, have satisfactory performance throughout their tenure and consistent with the Company's business strategy. It is also useful for setting directions and working plans of the Company's business groups.

8.1.1.2 Development of Directors and Management

- Development of Directors**

In 2022, the Company has appointed a Director, Dr. Pairoj Boonkongchuen, M.D. 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, 2 directors joined DAP program and 4 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 2022, the directors have attended the additional training courses from E-learning system of the Company ("V-learn") and others as follows:

Directors	Training Courses in 2022
1. Mr. Seri Suksathaporn	Business Ethic by V-Learn
2. Mr. Vichai Srikwan	- Personal Data Protection Act by V-Learn - Business Ethic by V-Learn - Financial Concepts for Business Management by V-Learn - Risk Management by V-Learn
3. Dr. Pairoj Boonkongchuen, M.D.	"Among the global economic crisis caused by pandemic, war, energy and inflation, how should businesses adjust their strategies to keep up with the world? Survive the crisis and grow sustainably" by EY Office
4. Mr. Prinya Waiwatana	Personal Data Protection Act by V-Learn
5. Mrs. Siripen Vilailuck	Business Ethic by V-Learn
6. Mr. Sirichai Rasameechan	Personal Data Protection Act by V-Learn
7. Mr. Charoenrath Vilailuck	Personal Data Protection Act by V-Learn
8. Mr. Watchai Vilailuck	- Personal Data Protection Act by V-Learn - Business Ethic by V-Learn
9. Mr. Thananan Vilailuck	- Personal Data Protection Act by V-Learn
10. Mr. Teerachai Phongpanangam	- The Role of Accounting for Business by the SET - Financial Concept for Business Management by the SET - ESG Risk Matter to Supply Chain Management by TLCA

- **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 2022 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. 5/2022 on November 10, 2022 was sent to all directors for assessment. The questionnaire covers the following area:

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

From the assessment which been completed by the Board members, total number of directors (10) agreed that for the above area, the Board of Directors of the Company has an **excellent** evaluation by obtaining average score **95.99%**.

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 2022. 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. 5/2022 on November 10, 2022 was sent to all directors for assessment. The questionnaire covers the following area:

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

From the assessment which been completed by the Board members individually, total number of directors (10) agreed that for the above area, the Board of Directors of the Company has an **excellent** evaluation by obtaining average score **98.75%**.

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. 5/2022 on November 10, 2022 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 **99.85%**.

4) Committee Self-Assessment

The Corporate Governance Committee has initiated the Self Assessment form for Committee members to review and evaluate their performance for 2022 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. 5/2022 on November 10, 2022 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 **98.03%**;
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 **100%**;
4. Risk Management Committee has an **excellent** evaluation by obtaining average score **96.43%**;
5. Sustainable Development Committee has a **very good** evaluation by obtaining average score **89.93%**.

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. 5/2022 on November 10, 2022 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 **99.49%**.

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. 5/2022 on November 10, 2022 and sent to all directors for assessment. The questionnaire covers the following area:

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

From the assessment which been completed by 10 directors, the directors agreed that the Company Secretary has an **excellent** evaluation by obtaining average score **99.29%**.

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 2022 as follows:

- Acknowledged the 2021 Committees' activities;
- Acknowledged Assessment Result on Quality on Arrangement of AGM of Shareholders for 2022;
- Acknowledged the 2021 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 2022;
- Acknowledged the securities holding report of the Company's directors and the executives which has been changed from the previous meeting;
- Acknowledged the results of Corporate Governance assessment of listed companies for the year 2022;
- Considered the Company Operating Performance and Financial Statements for 2022 as well as quarterly performance of 2022;
- Considered the dividend payment for year 2021;
- Considered matters concerning to 2022 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;
- Considered and approved the payment of performance bonus to the directors of the Company;
- Considered and reviewed the Company's Business Ethics;
- Considered the appointment of Directors in the Committees;
- Considered the conditions for right adjustment of SAMART-W3 Warrant;
- Considered and approved the amendment of the authorized persons to sign financial documents;
- Considered and approved vision, mission and the Company's 2023 business plan;
- Considered the election of the Company's Chairman;
- Considered and reviewed Corporate Governance policy, business ethics, the Charter of the Board and the committees also considered the criteria of corporate governance assessment survey projects of the listed companies (revised version);
- Considered the Board self-assessment criteria and the Company's committees for the year 2022;
- Considered the 2022 criteria for evaluating the performance of Executive Chairman and the Company Secretary;
- Considered the Board of Directors' meeting date for the year 2023;
- Considered Annual Salary increase for 2023, 2022 Bonus and 2023 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 2022

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 2022
1. Mr. Seri Suksathaporn	5/5	4/4	2/2	4/4	-	-	-	1/1
2. Mr. Vichai Srikwan	5/5	4/4	-	4/4	-	-	-	1/1
3. Dr. Tongchat Hongladaromp ⁽¹⁾	2/4 ⁽³⁾	1/3 ⁽³⁾	-	1/3 ⁽³⁾	-	-	-	1/1
4. Dr. Pairoj Boonkongchuen, M.D. ⁽²⁾	1/1	1/1	-	1/1	-	-	-	0/0
5. Mr. Prinya Waiwatana	5/5	-	2/2	-	-	-	-	1/1
6. Mrs. Siripen Vilailuck	3/5 ⁽³⁾	-	-	-	-	-	-	1/1
7. Mr. Sirichai Rasameechan	5/5	-	2/2	-	-	-	-	1/1
8. Mr. Charoenrath Vilailuck	5/5	-	-	-	11/12 ⁽⁴⁾	3/3	-	1/1
9. Mr. Watchai Vilailuck	5/5	-	-	-	12/12	3/3	2/2	1/1
10. Mr. Thananan Vilailuck	5/5	-	-	-	5/12 ⁽⁴⁾	3/3	2/2	1/1
11. Mr. Teerachai Phongpanangam	5/5	-	-	-	12/12	3/3	2/2	1/1
12. Mr. Jong Diloksombat	-	-	-	-	12/12	-	2/2	-
13. Mrs. Phongsri Saluckpetch	-	-	-	-	11/12 ⁽³⁾	-	2/2	-
14. Ms. Kanokwan Chanswangpuvana	-	-	-	-	12/12	-	2/2	-
15. Ms. Chotika Kamloonwesaruch	-	-	-	-	12/12	-	-	-

Remark : ⁽¹⁾ Resigned from the positions of Director / Independent Director / Audit Committee Member and Nominating & Compensation Committee member on August 12, 2022;

⁽²⁾ Has been appointed as Director / Independent Director / Audit Committee Member and Nominating & Compensation Committee member to replace Dr. Tongchat Hongladaromp. The effective date is on August 12, 2022, onwards. During his tenure, he attended every meeting;

⁽³⁾ Sick leave;

⁽⁴⁾ The Company oversea 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 2022, 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.

In 2022, there were 2 Non-Executive Directors' Meetings, held on August 11, 2022 and November 10, 2022, in order to discuss about the important projects of the Company and inform to the management to process as the meeting's suggestion. The minutes of meetings between Non-Executive Directors were taken every time there had such a meeting.

4. Report of Directors attendance of the Company and Core business Subsidiaries in 2022

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

Remark : ⁽¹⁾ 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 2022, held on April 22, 2022, 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 2022, 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 2022 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)								Subsidiaries	Grand Total
	The Company									
	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. Mr. Seri Suksathaporn Chairman / Independent Director	120,000	60,000	40,000	60,000	280,000	50,000	330,000	-	330,000	
2. Mr. Vichai Srikwan Vice Chairman / Independent Director	75,000	120,000	-	70,000	265,000	32,055	297,055	-	297,055	
3. Dr. Tongchat Hongladaromp ⁽²⁾ Director / Independent Director	60,000	15,000	-	20,000	95,000	80,000	175,000	-	175,000	
4. Dr. Pairoj Boonkongchuen, M.D. ⁽³⁾ Director / Independent Director	15,000	15,000	-	15,000	45,000	-	45,000	-	45,000	
5. Mr. Prinya Waiwatana Director / Independent Director	75,000	-	30,000	-	105,000	50,000	155,000	-	155,000	
6. Mr. Sirichai Rasameechan Director	75,000	-	30,000	-	105,000	50,000	155,000	325,000	480,000	
7. Mrs. Siripen Vilailuck Director	45,000	-	-	-	45,000	50,000	95,000	-	95,000	
8. Mr. Charoenrath Vilailuck Director	75,000	-	-	-	75,000	50,000	125,000	606,616	731,616	
9. Mr. Watchai Vilailuck Director	75,000	-	-	-	75,000	50,000	125,000	563,292	688,292	
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	298,292	423,292	
Total	765,000	210,000	100,000	165,000	1,240,000	512,055	1,752,055	1,918,200	3,670,255	

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 Director / Independent Director / Audit Committee Member and Nominating & Compensation Committee Member on August 12, 2022. During his tenure, he attended every meeting;

⁽³⁾ Has been appointed as Director / Independent Director / Audit Committee Member and Nominating & Compensation Committee Member to replace Dr. Tongchat Hongladaromp. The effective date is on August 12, 2022, onwards. During his tenure, he attended every meeting.

2. Total Remuneration of core business subsidiaries in 2022

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

Directors	Cash Remuneration (Baht)								
	Company						SDC's 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 / Independent Director	180,000	45,000	-	-	225,000	80,000	305,000	-	305,000
2. Dr. Chotivid Chayavadhanangkur Independent Director	105,000	120,000	40,000	45,000	310,000	50,000	360,000	-	360,000
3. Mr. Kunthit Arunyananda Independent Director	105,000	60,000	30,000	60,000	255,000	50,000	305,000	-	305,000
4. Mr. Charoenrath Vilailuck Director	105,000	-	-	-	105,000	50,000	155,000	-	155,000
5. Mr. Watchai Vilailuck Director	105,000	-	-	-	105,000	50,000	155,000	-	155,000
6. Ms. Boonrut Mongkolratanakorn Director	105,000	-	30,000	45,000	180,000	20,000	200,000	-	200,000
Grand Total	705,000	225,000	100,000	150,000	1,180,000	300,000	1,480,000	-	1,480,000

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.*

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

Directors	Cash Remuneration (Baht)								
	Company							SAMTEL's 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				
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	45,000	150,000	50,000	200,000	-	200,000
5. Mr. Kajornvut Tayanukorn Director	75,000	-	30,000	-	105,000	50,000	155,000	-	155,000
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
8. Mr. Thananan Vilailuck Director	75,000	-	-	-	75,000	50,000	125,000	-	125,000
9. Mr. Jong Diloksombat Director	75,000	-	30,000	-	105,000	50,000	155,000	-	155,000
Total	750,000	240,000	160,000	195,000	1,345,000	480,000	1,825,000	-	1,825,000

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 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.

2.4) 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.

2.5) Cash & Non-Cash Remuneration for Directors of Cambodia Air Traffic Services Co., Ltd. (“CATS”)

- Remuneration for existing Directors of Cambodia Air Traffic Services Co., Ltd.

Directors	Cash Remuneration (Baht)					
	CATS				CATS's Subsidiaries	Grand Total
	Meeting Allowance		Performance Bonus	Total Cash Remuneration from CATS		
	Board of Directors	Total Meeting Allowance				
1. Mr. Charoenrath Vilailuck Chairman	216,616	216,616	-	216,616	-	216,616
2. Mr. Watchai Vilailuck Director	173,292	173,292	-	173,292	-	173,292
3. Mr. Teerachai Phongpanangam Director	173,292	173,292	-	173,292	-	173,292
4. Mr. Teeraphat Kulkijkamjorn Director	173,292	173,292	-	173,292	-	173,292
Total	736,492	736,492	-	736,492	-	736,492

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 2022, 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.

In 2022, the Company provided training on preventing conflicts of interest through the Company’s E-learning system for employees at all levels. The employees participated in the training and signed their acknowledgment in the course 75.60%

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 set as a policy for the directors and the managements according to the definition of the SEC to notify the Company about the purchase, sale or transfer the Company's securities and contracts at least 1 day in advance before making the transaction through the Company Secretary. Then, the Company Secretary has to report the changes on such securities holdings of directors and managements in every Board of Directors' Meeting.

In 2022, the Company has provided the following matters:

- Training course about the supervision of inside information through the Company's E-learning system for employees at all levels. The employees participated in the training and signed their acknowledgment in the course for 75.60%.
- The Company's secretary will notify the directors, managements and related persons by e-mail about the prohibited period of securities trading in advance. However, in the past year, the directors, managements and related persons have not been found trading securities during the prohibited period.

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 2022, 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 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 Risk Management Committee
The details can be found in the topic **Report of the Risk Management Committee** page 013.
- The Sustainable Development Committee
The details can be found in the topic **Report of the Sustainable Development Committee** page 019.

9. Internal Control and Connected Transactions

9.1 Internal Control in 2022

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 by the Board of Directors 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 monitoring in order to prevent the conflict of interest, that 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 which includes

- 1) Control Environment
- 2) Risk Assessment
- 3) Control Activities
- 4) Information and Communication
- 5) Monitoring Activities

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 Board of Directors is independent and free from the Management comprising of knowledgeable persons who have expertise in the Company's core businesses. There are clear Board of Directors Charter and charters of all the committees in place.

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. Measurable business goals had been established. Personnel had been developed according to the Company's business operation strategy. Annual training plans had also been arranged for the employees. Performance of the employees had been evaluated based on success of works towards the Company's goals.

2) Risk Assessment

Risks have been managed under supervision of the Risk Management Committee who has duty to monitor and review the corporate risk factors, both internally and externally.

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 supervised the operations to ensure that they were strictly compliance with workplans, rules, regulations and operation manuals as well as the laws.

The organizational structure has been specified and adjusted where duties and approval authority have been clearly segregated.

The 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's security has been controlled by specifying the rights to access to information of the systems based on duty and function of the users.

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.

There is effective internal process to communicate to the executives and the employees via the Company's communication channels.

5) Monitoring Activities

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.

The Company has an independent Internal Audit Department which has duties to audit the operations pursuant to internal control system and risk management, by directly reporting to the Audit Committee.

Conclusion

In the Board of Directors' Meeting No. 1/2023 on February 23, 2023 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, 2022 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 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 2022 included controls of assets, security supervision of the project works, expenses disbursement, follow up with overdue debtors, Project cost control, revenue collection, storing contracts.

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	44.171	Such rental and service charge 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 (11th - 12th floor, area 1,614 sq. Meters) for SC	12.144	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	1.727	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 340 sq. Meters) for SC	2.558	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 19.45 sq. Meters) for SC	0.024	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	0.963	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	10.284	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 (32 nd floor, area 39.55 sq.meters) for SC	0.073	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.
	- Miscellaneous expenses paid for entertain, parking lots, electricity, water supply and overtime air condition to VIH by SC. (Total outstanding as of December 31, 2022 was Baht 46,352)	0.487	It was the actual payment for normal business transaction.
	- Revenue for telephone preventive maintenance (Total outstanding as of December 31, 2022 was Baht 2,835)	0.004	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, 2022 - December 31, 2022 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.
	- Vision and Security System Co., Ltd. (Subsidiary of SC)	0.023	
	- Teda Co., Ltd. (Subsidiary of SC)	0.037	

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	- Samart U-Trans Co., Ltd. (Subsidiary of SC) - Samart Telcoms PCL. (STC) (SC is a major shareholder) - Samart Communication Services Co., Ltd. (Subsidiary of STC) - Posnet Co., Ltd. (Subsidiary of STC) - Portalnet 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) - Samart Digital Media Co., Ltd. (Subsidiary of SDC) - I-Sport Co., Ltd. (Subsidiary of SDC) - Lucky Heng Heng Co., Ltd. (Subsidiary of SDC) (Total outstanding as of December 31, 2022 was Baht 3,750,328) Lucky Heng Heng Co., Ltd. provided horoscope services to VIH	0.001 5.640 5.335 0.047 0.010 0.097 0.046 11.740 0.898 10.064 0.012 0.006 0.001 2.627 0.003 0.020	It was a normal business transaction for sale and purchase of goods 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, 2022 was Baht 1,759) Smarterware Co., Ltd. (Subsidiary of STC) provided system development service to VLX (Total outstanding as of December 31, 2022 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
	Paid for house cleaning services of Phuphatara by SC and its subsidiaries to VLX were as follows : - Samart Corporation PCL. (SC) - Samart Comtech Co., Ltd. (Subsidiary of STC) - Samart Digital PCL. (SDC) (SC is a Major shareholder)	0.157 0.157 0.056	It was a normal business transaction for service according to the market price and general trade conditions.
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	Paid for accommodation with meal for entertain customers by SC and its subsidiaries to Phuphatara Co., Ltd. were as follows : - Samart Corporation PCL. (SC) - Vision and Security System Co., Ltd. (Subsidiary of SC) - Samart Communication Services Co., Ltd. (Subsidiary of STC) Samart Engineering Co., Ltd. (Subsidiary of SC) sold DTH satellite dish to Phuphatara Co., Ltd.	0.330 0.013 0.008 0.001	It was a normal business transaction for service according to the market price and general trade conditions. It was a normal business transaction for purchase of goods 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	Rental (Rangsit), service charge for public utilities, VPP paid to SE (Total outstanding as of December 31, 2022 was Baht 780,533) Samart Corporation PCL. (SC) advance payment for miscellaneous expenses i.e. telephone, copy and training to VPP (Total outstanding as of December 31, 2022 was Baht 383,876)	0.190 -	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. Advance payment was the actual expenses for normal business transaction.
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. Related Directors (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, 2022 was Baht 48,198)	0.540	It was a normal business transaction for service according to the market price and general trade conditions.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
6. CSV Asset Co., Ltd. (CSV) whose major shareholder of 99.97% 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, 2022 was Baht 11,946) 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, 2022 - December 31, 2022 were as follows : - Teda Co., Ltd. (Subsidiary of SC) - Samart Communication Services Co., Ltd. (Subsidiary of STC) - Posnet Co., Ltd. (Subsidiary of STC) - Samart Digital PCL. (SDC) (SC is a Major shareholder) (Total outstanding as of December 31, 2022 was Baht 189,805)	3.465 0.027 2.064 0.686 2.514	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. 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.
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, 2022 - December 31, 2022. Actual payments were as follows : - Samart Corporation PCL. (SC) - Vision and Security System Co., Ltd. (Subsidiary of SC) - Samart Telcoms PCL. (STC) (SC is a major shareholder) - Samart Comtech Co., Ltd. (Subsidiary of STC) - Samart Communication Services Co., Ltd. (Subsidiary of STC) - Samart Digital PCL. (SDC) (SC is a major shareholder) (Total outstanding of the Company and its subsidiaries as of December 31, 2022 was Baht 354,046) 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, 2022 was Baht 106,106) Samart Infonet Co., Ltd. (Subsidiary of STC) provided internet service to I.Q. Wine Co., Ltd. (Total outstanding as of December 31, 2022 was Baht 23,005)	1.117 0.337 0.182 0.165 0.645 0.092 1.271 0.258	It was a normal business transaction for purchase of goods according to the market price and general trade conditions. The rental was reasonable compared to market price in nearby area and the same price compared with other renters. It was a normal business transaction for service according to the market price and general trade conditions.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
8. Win Performance Co., Ltd. has Executive Director of SC is a related person.	Samart Digital PCL. (SDC) (SC is a major shareholder) Sold Asset to Win Performance Co., Ltd.	0.300	It was a normal business transaction for sale of asset according to the market price and general trade conditions.
<u>Related Directors</u> (Connected person) 1. Mr. Watchai Vilailuck	Samart Digital PCL. (SDC) (SC is a major shareholder) provided all the network peripheral maintenance services to Win Performance Co., Ltd.	0.065	It was a normal business transaction for service according to the market price and general trade conditions.
	Samart Digital Media Co., Ltd. (Subsidiary of SDC) provided for bulk SMS to Win Performance Co., Ltd.	3.852	It was a normal business transaction for 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.	SC and its subsidiaries paid for food and beverages for entertain customers to S39 Fish Market Co., Ltd. during January 1, 2022 - December 31, 2022 were as follows:		
<u>Related Person</u> (Connected person) 1. Mr. Watchai Vilailuck	- Samart Corporation PCL. (SC)	0.613	It was a normal business transaction for service according to the market price and general trade conditions.
	- Vision and Security System Co., Ltd. (Subsidiary of SC)	0.117	
	- Samart Telcoms PCL. (STC) (SC is a major shareholder)	0.065	
	- Portalnet Co., Ltd. (Subsidiary of STC)	0.025	
10. Lim Fun Co.,Ltd. whose major shareholder of 99.99% is VIH and VIH is the major shareholder of SC.	SC and its subsidiaries paid for food and beverages for entertain customers to Limfun Co., Ltd. during January 1,2022 - December 31, 2022 were as follows:		
<u>Related Directors</u> (connected person) 1. Mr.Watchai Vilailuck	- Samart Corporation PCL. (SC)	0.192	It was a normal business transaction for service according to the market price and general trade conditions.
	- Vision and Security System Co., Ltd. (Subsidiary of SC)	0.006	
	- Samart Telcoms PCL. (STC) (SC is a major shareholder)	0.170	
	- Samart Comtech Co., Ltd. (Subsidiary of STC)	0.055	
	- Samart Communication Services Co., Ltd. (Subsidiary of STC)	0.014	
	- Portalnet Co., Ltd. (Subsidiary of STC)	0.021	
	- Samart Digital PCL. (SDC) (SC is a major shareholder) (Total outstanding as of December 31,2022 was Baht 149,919)	0.010	
	SC provided for telephone preventive maintenance to Lim Fun Co.,Ltd. (Total outstanding as of December 31,2022 was Baht 121)	0.001	It was a normal business transaction for service according to the market price and general trade conditions.

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 from the Audit Committee before it can be proposed to the Board of Directors and/or the shareholders' meeting for further consideration. In addition, it must be complied with the laws on securities and stock exchange as well as regulations, notifications, orders and requirements of the Capital Market Supervisory Board and the Stock Exchange of Thailand including the regulations on disclosure of information concerning the connected transactions.

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

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

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 Registration Statement / Annual Report (Form 56-1 One 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 Registration Statement / Annual Report (Form 56-1 One 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 Registration Statement / Annual Report (Form 56-1 One 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, 2022, which was accurate and complied to the accounting standard and related law and regulations.



(Mr. Seri Suksathaporn)

Chairman

Samart Corporation Public Company Limited



(Mr. Charoenrath Vilailuck)

Executive Chairman / CEO

Samart Corporation Public Company Limited

Independent Auditor's Report

To the Shareholders of Samart Corporation Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Samart Corporation Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, 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 2022, 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 including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matters

I draw attention to the following notes to the consolidated financial statements:

1. Significant litigations and commercial disputes

- a) As described in Note 44.6 a) to the consolidated financial statements regarding an ongoing 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 provide financial support and the installation of a telecommunication network system for the organisation amounting to Baht 190 million plus interest at the rate of 15 percent per annum until the date the dispute was submitted, (totaling Baht 332 million), with an interest of 15 percent per annum on the outstanding amount until the full payments is made. Later in 2020, a law firm assigned by the Company submitted a petition asking the Civil Court to revoke the arbitral award. However, in December 2021, the organisation filed a petition to the Court, demanding that the arbitral award be enforced. The Court accepted such petition and temporarily disposed of this case from the docket and waited for a final judgment. Subsequently, in September 2022, the Civil Court issued an order dismissing the Company's petition to revoke the arbitral award. Currently, the Company is filing an appeal against the order of the Civil Court with the Supreme Court. In the light of this, for the year 2022, the Company has set aside a provision in its books of account for accounting conservatism purposes. This however does not mean that the Company is waiving its legal rights in the pursuit of justice. The Company is confident in its legal standing and intends to fight for a just resolution until the end.

- b) Note 44.6 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 of Baht 194 million plus interest thereon (totaling Baht 238 million). In 2017, the state enterprise submitted testimony and filed a countersuit with the Central Administrative Court, claiming damages and fines totaling Baht 1,038 million 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 2022, the Company has not set aside any additional provision in its accounts.
- c) Note 44.6 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. In October 2018, a subsidiary filed a plaint claiming compensation from such organisation with the Civil Court amounting to Baht 1,941 million (including interest thereon), 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 thereon amounting to Baht 212 million (including interest thereon). However, on 30 April 2021, the subsidiaries filed the amended plaint with the Central Administrative Court. Subsequently, the subsidiaries filed an objection against the courts 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 and management still believes that the adverse impact arising from this dispute will not be significant. Therefore as at 31 December 2022, 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. The inability to maintain certain financial ratios or conditions in the loan agreement with the financial institution of the subsidiary and impairment of the subsidiary’s project

As mentioned in Note 16 to the financial statements, a subsidiary company has had operating losses for a number of consecutive years and as at 31 December 2022, the subsidiary company was unable to maintain certain financial ratios or conditions as stipulated in the loan agreements with the financial institutions. Therefore, the loans of Baht 2,502 million (representing 16% of the Group’s total liabilities) may be payable on demand. However, the subsidiary company is now negotiating for waivers and expects to receive waivers from the financial institutions. In addition, the Company continues to provide support and issued a letter of intent to continuously provide financial support to the above subsidiary. Furthermore, during the year 2022, the subsidiary recognised an impairment loss on equipment for Digital Trunked Radio System (DTRS) services amounting to Baht 393 million based on its best estimate, taking into account the potential impact of evolving technologies and the lower number of expected users in the future.

3. Related party transactions

Note 6 to the consolidated financial statements regarding related party transactions relating to purchase and sales of goods, services and loans. Such transactions have been conducted on the terms and basis mutually agreed by Samart Corporation Public Company Limited and those related parties.

My opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Revenue recognition 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 33.6 to the consolidated 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.

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.

Compliance with loan covenants of a subsidiary

As disclosed in Note 26 to the financial statements, as at 31 December 2022 Samart Digital Public Company Limited, a subsidiary company has long term loans amounting to Baht 2,502 million. Under the loan agreements, the subsidiary has to comply with certain conditions including maintaining financial ratios as stipulated in the agreements. As the long-term loan has significant balances in the financial statements (accounting for 16% of total liabilities in the consolidated), there is a risk that the 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 company.

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 subsidiary company.

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: 23 February 2023

Statement of financial position

Samart Corporation Public Company Limited and its subsidiaries

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents	7	1,636,079,876	1,308,556,568	151,551,508	228,462,507
Trade and other receivables	8	2,468,905,871	1,758,906,835	752,982,474	163,835,018
Accrued income		2,812,337,048	2,928,627,578	105,087,273	518,433
Current portion of finance lease receivables	10	102,008,191	64,218,675	-	-
Short-term loans	11	10,037,337	7,275	373,262,191	188,262,191
Inventories	12	614,737,392	749,315,939	-	-
Other current financial assets	13	33,606,149	205,204,779	1,710,041	7,244,208
Other current assets	14	1,806,065,270	1,426,078,726	125,156,064	37,225,363
Total current assets		9,483,777,134	8,440,916,375	1,509,749,551	625,547,720
Non-current assets					
Restricted bank deposits	7, 15	343,100,789	266,704,383	-	-
Other non-current financial assets	13	93,767,660	101,835,164	11,928,596	14,133,164
Other long-term receivables - net of current portion	9	119,619,259	119,990,369	119,619,259	119,990,369
Finance lease receivables - net of current portion	10	450,587,025	-	-	-
Investments in subsidiaries	16	-	-	4,688,244,479	7,585,024,449
Long-term loan to subsidiary company	6	-	-	319,237,661	319,237,661
Investment properties	17	84,636,000	84,636,000	90,649,195	97,962,218
Property, plant and equipment	18	6,263,064,960	5,999,230,760	1,899,920,214	1,994,449,290
Right-of-use assets	19	352,242,276	393,512,442	72,504,261	63,256,163
Goodwill	20	236,711,640	392,128,956	-	-
Intangible assets	21	1,049,575,011	1,010,443,390	23,631,517	29,442,001
Deferred tax assets	39	328,794,656	710,280,196	-	-
Other non-current assets					
Deposits		54,601,399	53,858,870	-	-
Others		475,373,389	575,205,358	50,703,681	55,944,229
Total other non-current assets		529,974,788	629,064,228	50,703,681	55,944,229
Total non-current assets		9,852,074,064	9,707,825,888	7,276,438,863	10,279,439,544
Total assets		19,335,851,198	18,148,742,263	8,786,188,414	10,904,987,264

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 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	22	3,140,677,745	2,981,536,413	1,184,400,000	1,081,000,000
Trade and other payables	23	2,062,399,844	1,553,828,195	534,268,918	168,939,996
Short-term loans	24	12,707,950	12,707,950	942,325,580	794,043,126
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	3,495,193,456	2,987,266,252	479,641,642	316,277,045
Current portion of lease liabilities	19	60,693,095	77,704,206	12,851,044	16,515,621
Income tax payable		26,768,230	7,536,127	-	-
Accrued project cost		1,125,896,343	819,421,707	-	-
Short-term provisions	27	107,937,498	94,666,630	387,009	1,247,009
Other current financial liabilities		34,403,745	27,127,306	9,213,789	-
Other current liabilities	28	664,307,737	471,556,919	27,890,310	1,869,524
Total current liabilities		10,730,985,643	10,232,728,449	3,190,978,292	3,615,269,065
Non-current liabilities					
Debentures - net of current portion	25	1,669,389,274	-	1,669,389,274	-
Long-term loans from financial institutions - net of current portion	26	1,685,768,249	2,474,339,383	886,214,453	1,229,601,670
Convertible debentures	16	37,964,379	27,631,556	-	-
Lease liabilities, net of current portion	19	181,851,045	91,890,150	34,733,791	17,820,135
Long-term provisions	27	655,180,654	130,480,759	428,763,014	-
Provision for long-term employee benefits	29	310,041,170	304,470,734	51,669,166	47,762,655
Deferred tax liabilities	39	182,426,646	140,362,729	23,699,828	19,178,574
Other non-current financial liabilities		23,261,737	18,834,978	12,271,390	14,354,600
Other non-current liabilities					
Deposits		1,691,200	1,691,200	-	-
Others		4,272,197	990,203	3,281,994	-
Total other non-current liabilities		5,963,397	2,681,403	3,281,994	-
Total non-current liabilities		4,751,846,551	3,190,691,692	3,110,022,910	1,328,717,634
Total liabilities		15,482,832,194	13,423,420,141	6,301,001,202	4,943,986,699

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 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital	30				
Registered					
1,174,254,794 ordinary shares of Baht 1 each					
(2021: 1,509,755,864 ordinary shares of Baht 1 each)		1,174,254,794	1,509,755,864	1,174,254,794	1,509,755,864
Issued and fully paid-up					
1,006,504,143 ordinary shares of Baht 1 each		1,006,504,143	1,006,504,143	1,006,504,143	1,006,504,143
Share premium	30	243,407,227	243,407,227	243,407,227	243,407,227
Deficit on changes in percentage of shareholding in subsidiaries		(246,620,516)	(503,318,974)	-	-
Retained earnings					
Appropriated - statutory reserve	32	134,200,521	134,200,521	134,200,521	134,200,521
Unappropriated		1,397,680,892	2,355,139,652	971,308,001	4,447,121,354
Other components of shareholders' equity		143,801,540	147,716,081	129,767,320	129,767,320
Equity attributable to owners of the Company		2,678,973,807	3,383,648,650	2,485,187,212	5,961,000,565
Non-controlling interests of the subsidiaries		1,174,045,197	1,341,673,472	-	-
Total shareholders' equity		3,853,019,004	4,725,322,122	2,485,187,212	5,961,000,565
Total liabilities and shareholders' equity		19,335,851,198	18,148,742,263	8,786,188,414	10,904,987,264

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 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Revenues					
Revenues from sales	33	765,243,197	544,620,300	166,210,225	-
Revenues from contract work	33	4,249,646,466	4,035,941,106	-	-
Service income	33	4,005,607,333	2,373,984,343	620,296,905	-
Other income	34	397,551,722	174,901,448	237,324,238	299,198,136
Total revenues		9,418,048,718	7,129,447,197	1,023,831,368	299,198,136
Expenses	38				
Cost of sales		721,755,549	529,163,368	162,779,205	-
Cost of contract work		3,635,101,795	3,346,903,059	-	-
Cost of services		3,153,340,839	2,092,347,816	525,108,114	-
Selling and distribution expenses		223,252,354	222,421,514	2,489,491	-
Administrative expenses		899,422,179	909,083,316	252,038,665	285,947,812
Other expenses	35	1,065,721,632	10,166,098	3,358,525,093	1,002,743,456
Total expenses		9,698,594,348	7,110,085,171	4,300,940,568	1,288,691,268
Operating profit (loss)		(280,545,630)	19,362,026	(3,277,109,200)	(989,493,132)
Finance income	36	12,280,822	12,082,899	29,290,037	26,986,041
Finance cost	37	(483,720,931)	(388,287,348)	(209,926,007)	(129,027,308)
Loss of impairment loss on financial assets		(98,686,048)	(56,869,699)	(10,587,480)	(19,497,399)
Loss before income tax		(850,671,787)	(413,712,122)	(3,468,332,650)	(1,111,031,798)
Income tax	39	(481,987,579)	(46,707,133)	(7,869,659)	(3,822,688)
Loss for the year		(1,332,659,366)	(460,419,255)	(3,476,202,309)	(1,114,854,486)
Loss attributable to:					
Equity holders of the Company		(955,154,149)	(389,083,827)	(3,476,202,309)	(1,114,854,486)
Non-controlling interests of the subsidiaries		(377,505,217)	(71,335,428)		
		(1,332,659,366)	(460,419,255)		
Basic earnings per share					
Loss attributable to equity holders of the Company	40	(0.95)	(0.39)	(3.45)	(1.11)
Weighted average number of ordinary shares (shares)		1,006,504,143	1,006,504,056	1,006,504,143	1,006,504,056

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 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Loss for the year		(1,332,659,366)	(460,419,255)	(3,476,202,309)	(1,114,854,486)
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		(3,669,086)	13,221,488	-	-
Items to be reclassified to profit or loss in subsequent periods - net of income tax		(3,669,086)	13,221,488	-	-
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>					
Gain on investment in equity designated at fair value through other comprehensive income	13	-	41,744,412	-	-
Income tax effect	39	-	(18,970,000)	-	-
		-	22,774,412	-	-
Actuarial gain (loss)		(1,028,279)	10,188,868	486,195	(102,529)
Income tax effect	39	(122,475)	(2,256,826)	(97,239)	20,506
		(1,150,754)	7,932,042	388,956	(82,023)
Items not to be reclassified to profit or loss in subsequent periods - net of income tax		(1,150,754)	30,706,454	388,956	(82,023)
Other comprehensive income for the year		(4,819,840)	43,927,942	388,956	(82,023)
Total comprehensive income for the year		(1,337,479,206)	(416,491,313)	(3,475,813,353)	(1,114,936,509)
Total comprehensive income attributable to:					
Equity holders of the Company		(961,373,301)	(361,103,568)	(3,475,813,353)	(1,114,936,509)
Non-controlling interests of the subsidiaries		(376,105,905)	(55,387,745)		
		(1,337,479,206)	(416,491,313)		

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 2022

SAMART

(Unit: Baht)

	Consolidated financial statements										
	Equity attributable to owners of the Company										
	Other components of shareholders' equity										Total equity attributable to shareholders of the Company
	Other comprehensive income					Surplus on revaluation of land of subsidiary companies	Total other components of shareholders' equity				
	Exchange differences on translation of financial statements in foreign currencies	Deficit on investment in equity designated at fair value through comprehensive income	Surplus on revaluation of land	Surplus on revaluation of subsidiary companies							
Issued and paid-up share capital	Shaere premium	Deficit on changes in percentage of shareholding in subsidiaries	Retained earnings								
1,006,503,910	243,404,011	(1,207,065,040)	134,200,521	2,765,884,111	(181,822,918)	(38,144,875)	129,767,320	187,275,663	97,075,190	3,041,002,703	1,193,180,165
-	-	-	-	(389,083,827)	-	-	-	-	-	(389,083,827)	(71,335,428)
-	-	-	-	4,035,546	12,496,016	11,448,697	-	-	23,944,713	27,980,259	15,947,683
-	-	-	-	(385,048,281)	12,496,016	11,448,697	-	-	23,944,713	(361,103,568)	(55,387,745)
233	3,216	-	-	-	-	-	-	-	-	3,449	-
-	-	-	-	-	-	-	-	-	-	-	42,817,265
-	-	703,746,066	-	-	-	-	-	-	-	703,746,066	161,063,787
-	-	-	-	(26,696,178)	-	26,696,178	-	-	26,696,178	-	-
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
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
-	-	-	-	(955,154,149)	-	-	-	-	-	(955,154,149)	(377,505,217)
-	-	-	-	(2,304,611)	(3,914,541)	-	-	-	(3,914,541)	(6,219,152)	1,399,312
-	-	-	-	(957,458,760)	(3,914,541)	-	-	-	(3,914,541)	(961,373,301)	(376,105,905)
-	-	256,698,458	-	-	-	-	-	-	-	256,698,458	208,477,630
1,006,504,143	243,407,227	(246,620,516)	134,200,521	1,397,680,892	(173,241,443)	-	129,767,320	187,275,663	143,801,540	2,678,973,807	1,174,045,197
											3,853,019,004

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 2022

(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 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 31)	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
Balance as at 31 December 2021	1,006,504,143	243,407,227	134,200,521	4,447,121,354	5,961,000,565
Loss for the year	-	-	-	(3,476,202,309)	(3,476,202,309)
Other comprehensive income for the year	-	-	-	388,956	388,956
Total comprehensive income for the year	-	-	-	(3,475,813,353)	(3,475,813,353)
Balance as at 31 December 2022	1,006,504,143	243,407,227	134,200,521	971,308,001	2,485,187,212

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 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Cash flows from operating activities					
Loss before tax		(850,671,787)	(413,712,122)	(3,468,332,650)	(1,111,031,798)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities					
Unrealised (gain) loss on exchange		(21,216,053)	(3,902,100)	9,370,572	65,248,545
(Gain) loss on change in value of other current financial assets	13, 34, 35	1,281,778	(3,904,030)	(844,168)	(1,473,708)
Unrealised loss from forward exchange contracts		13,579,224	-	9,213,789	-
Gain (loss) on transferring right under finance lease agreement		-	-	-	(135,302)
Gain on sales of asset under finance lease agreements		(101,003,850)	-	-	-
Income from pursuing a legal case	34	(247,568,007)	-	-	-
Write-off trade and other receivables		82,490,071	57,044,437	-	-
Increase (decrease) in allowance for expected credit losses of trade and other receivables		18,972,246	(20,189,474)	-	-
Increase (decrease) of allowance for diminution in value of accrued revenue		(2,001,375)	14,554,980	-	-
Increase in allowance for expected credit losses of short-term loans to subsidiary	6	-	-	10,240,000	9,650,000
Decrease in reduction cost of inventory to net realisable value	12	(11,883,386)	(44,533,829)	-	-
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	(225,312)	(1,247,900)	347,480	(152,601)
Increase in allowance for expected credit losses of other long-term receivables	9	-	10,000,000	-	10,000,000
Write-off withholding tax deducted at source	35	8,814,674	7,730,357	670,198	638,452
Write-off other current assets		-	2,250,000	-	-
Loss on impairment of investments in subsidiaries	16, 35	-	-	2,900,000,000	930,000,000
Gain on disposals of investments and warrants	34	-	-	-	(84,846,181)
Gain on sales of listed equity investment	13, 34	(3,401,396)	-	(840,698)	-
Loss on revaluation of investment properties	17, 35	-	-	7,313,023	6,510,967
Depreciation of plant and equipment	18	581,540,415	397,239,592	157,668,585	13,658,392
Depreciation of right-of-use assets	19	120,058,070	125,538,276	19,472,859	20,378,833

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 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
(Gain) loss on disposal of equipment	34	(2,096,013)	(31,125,566)	42,556	(1,082,896)
Gain on disposal of intangible assets	34	(6,320)	-	-	-
Gain on change of lease agreements	36	(11,217,047)	-	-	-
Amortisation of deferred interest under lease liabilities	37	17,756,755	8,563,351	1,829,893	1,471,004
Amortisation of unearned interest under lease receivable	36	(404,643)	(4,540,783)	-	-
Gain on compensation received from insurance	34	(26,644)	(55,554)	-	-
Write-off equipment	35	835,411	739,015	-	-
Transfer intangible assets to expense		23,554	-	-	-
Increase in allowance for impairment of equipment	18	393,000,000	106,639	-	-
Amortisation of intangible assets	21	105,715,420	115,470,240	5,899,321	5,895,726
Loss from write-off of goodwill	20	155,417,316	-	-	-
Increase in allowance for impairment of right-of-use assets	19	77,292,000	-	-	-
Reversal loss from provision for penalty from projects delay	33	(25,470,280)	-	-	-
Loss from damage of project termination		-	21,590,300	-	-
Loss from long-term provision	35	426,563,014	-	426,563,014	-
Increase in provision for long-term employee benefits		3,920,868	9,639,711	4,392,706	2,069,029
Dividend income	34	(656,000)	(506,800)	(48,009,105)	(253,400)
Finance income	36	(11,876,179)	(7,542,117)	(29,290,037)	(26,986,041)
Interest expenses	37	440,870,583	364,628,291	197,136,362	115,897,610
Profit (loss) from operating activities before changes in operating assets and liabilities		1,158,407,107	601,584,914	202,843,700	(44,543,369)

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 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Cash flows from operating activities (continued)					
Operating assets (increase) decrease					
Trade and other receivables		(558,199,903)	303,741,063	(577,752,904)	(19,949,562)
Accrued income		143,568,154	118,765,056	(104,568,840)	322,240
Inventories		(290,954,172)	(192,374,582)	-	-
Other current financial assets		159,418,351	(140,765,774)	-	-
Other current assets		(308,232,618)	(240,592,696)	(83,851,981)	11,830,762
Other non-current financial assets		8,292,816	5,894,494	1,857,087	291,921
Other non-current assets		103,862,880	(48,226,354)	10,013,989	(5,491,897)
Operating liabilities increase (decrease)					
Trade and other payables		854,750,703	(238,891,941)	373,932,897	(18,345,991)
Other current financial liabilities		(6,302,785)	(11,177,633)	-	-
Other current liabilities		152,851,711	(31,627,598)	26,020,786	(4,357,886)
Other non-current financial liabilities		4,426,759	138,952	(2,083,210)	30,344
Other non-current liabilities		3,281,994	(78,000)	3,281,994	-
Cash flows from (used in) operating activities		1,425,170,997	126,389,901	(150,306,482)	(80,213,438)
Cash paid for interest expenses		(398,393,105)	(349,040,780)	(187,867,591)	(154,301,202)
Cash paid for corporate income tax		(180,489,862)	(148,078,669)	(9,202,355)	(8,215,151)
Cash received from withholding tax refundable		58,040,397	126,366,955	-	4,039,431
Cash received from value added tax refundable		409,522	92,861,918	-	92,569,896
Net cash flows from (used in) operating activities		904,737,949	(151,500,675)	(347,376,428)	(146,120,464)

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 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Cash flows from investing activities					
Cash paid to provide short-term loans to subsidiary companies	6	-	-	(195,240,000)	(9,650,000)
Cash received from repayment of short-term loans to subsidiary companies	6	-	-	-	10,000,000
Cash paid to exercise of warrants		(221,498)	-	(41,666)	-
Cash paid to provide short-term loans to unrelated party		(24,899,846)	-	-	-
Cash received from repayment of short-term loans to unrelated party		14,939,908	12,085,464	-	-
Cash paid to provide short-term loans to employees		(172,000)	(19,500)	-	-
Cash received from repayment of short-term loans to employees		101,876	-	-	-
Cash paid for additional purchase of investments in subsidiaries		-	-	(1,776,055)	-
Cash received from interest income		6,903,506	6,628,754	10,772,824	9,749,772
Proceeds from disposals of listed equity investments	13	14,521,395	54,644,412	7,260,698	-
Dividend received from listed equity investments	34	656,000	506,800	328,000	253,400
Dividend received from subsidiaries	16, 34	-	-	47,681,105	-
Increase in restricted bank deposits		(76,396,406)	(17,071,977)	-	-
Cash received from lease receivables under finance lease agreement		64,623,318	111,860,668	-	-
Proceeds from disposal of equipment		6,903,466	30,572,993	193,263	1,138,692
Cash paid for acquisitions of equipment and assets under installation		(1,191,658,113)	(1,000,269,408)	(54,619,470)	(56,232,045)
Cash received from insurance claims		163,355	55,562	-	-
Proceeds from disposal of intangible assets		106,591	-	-	-
Cash paid for acquisition of intangible assets		(49,670,751)	(23,095,271)	(88,837)	-
Net cash flows used in investing activities		(1,234,099,199)	(824,101,503)	(185,530,138)	(44,740,181)

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 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Cash flows from financing activities					
Increase in bank overdrafts		49,802,998	15,385,053	-	-
Proceeds from short-term loans from financial institutions		4,106,344,994	4,298,907,111	359,400,000	463,976,547
Cash paid to settle short-term loans from financial institutions		(3,855,792,441)	(4,296,279,219)	(256,000,000)	(482,976,547)
Cash paid to bill of exchange		-	(100,000,000)	-	(100,000,000)
Decrease in trust receipts		(141,214,219)	(2,391,241)	-	-
Proceed from short-term loans from subsidiary companies	6	-	-	221,714,000	95,000,000
Repayment of short-term loans from subsidiary companies	6	-	-	(97,000,000)	-
Cash received from issuance debentures	25	1,675,300,000	-	1,675,300,000	-
Cash paid to debentures redemption	25	(1,201,000,000)	-	(1,201,000,000)	-
Proceed from issuance of convertible debentures	16	460,000,000	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	143,400,000	66,976,547	-	66,976,547
Cash paid for front-end fee of long-term loans from financial institutions	26	(1,000,000)	(4,000,000)	(1,000,000)	(4,000,000)
Cash paid for front-end fee of debentures		(8,376,500)	-	(8,376,500)	-
Cash paid to settle long-term loans from financial institutions	26	(471,494,884)	(125,047,370)	(183,740,000)	(10,000,000)
Cash paid to settle long-term loans from related parties	6	-	-	(36,000,000)	-
Cash paid to settle liabilities under lease agreements		(90,291,097)	(90,755,545)	(17,301,933)	(15,771,514)
cash received from exercise of warrants	31	-	3,449	-	3,449
Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiaries		(20,289,587)	-	-	-
Net cash flows from financing activities		645,389,264	633,879,103	455,995,567	249,720,850
Increase in translation adjustments		11,495,294	50,423,004	-	-
Net increase (decrease) in cash and cash equivalents		327,523,308	(291,300,071)	(76,910,999)	58,860,205
Cash and cash equivalents at beginning of the year		1,308,556,568	1,599,856,639	228,462,507	169,602,302
Cash and cash equivalents at end of the year		1,636,079,876	1,308,556,568	151,551,508	228,462,507

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 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Supplement disclosures of cash flows information					
Non-cash items					
Transfer allowance for expected credit losses of other long-term receivable to current portion	8	178,890	111,284	178,890	111,284
Transfer other long-term receivable to current portion		550,000	600,000	550,000	600,000
Increase (decrease) in accounts payable for acquisitions of equipment		7,437,482	-	(7,473,239)	602,591
Increase in accounts payable for additional purchase of investment in subsidiaries		-	-	1,443,975	-
Increase (decrease) in accounts receivable from disposals of equipment		(292,755)	292,755	3,000	-
Transfer inventories to equipment		25,724,796	31,109,247	-	-
Transfer inventories to other current assets		-	61,660,891	-	-
Transfer other current assets to other non-current assets		-	76,210,990	-	-
Transfer right-of-use assets to equipment		621,269	-	161	-
Return equipment from sales		-	595,602	-	-
Transfer equipment to other current assets		-	1,015,640	-	1,015,640
Transfer other non-current assets to intangible assets	21	-	6,210,041	-	-
Convert short-term loan to long-term loan	26	-	400,000,000	-	400,000,000
Debentures converted to ordinary shares in subsidiary		489,000,000	670,000,000	-	-
Increase (decrease) in right-of-use assets	19	156,701,173	27,373,679	28,721,118	(1,129,660)

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 2022

1. General information

Samart Corporation Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the design and installation of telecommunications systems, and the sales of telecommunications equipment. The registered office of the Company is at 99/1 Moo 4, Software Park Building, 35th Floor, Chaengwattana Road, Klong Gluar, Pak-Kred, Nonthaburi.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, 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)	
			2022 Percent	2021 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

Subsidiaries directly held by the Company

Company's name	Nature of business	Country of incorporation	Percentage of shareholding (direct and indirect)	
			2022 Percent	2021 Percent
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	65.91	73.52
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	
			2022 Percent	2021 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

Indirect subsidiaries held by the Company's subsidiaries

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			2022 Percent	2021 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 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	
			2022 Percent	2021 Percent
Subsidiaries held by Samart Digital Public Co., Ltd.				
Samart Digital Media Co., Ltd.	Provision content services via Audiotext and Call center	Thailand	65.91	73.52
I-Mobile Plus Co., Ltd.	Temporarily ceased its business	Thailand	65.91	73.52
Zecureasia Co., Ltd.	Temporarily ceased its business	Thailand	65.91	73.52
Lucky Heng Heng Co., Ltd. (formerly known as "SIM2ASSET Co., Ltd.")	Operate all kinds of forecasting and astrology	Thailand	65.91	73.52
SIM2ASSET Co., Ltd.				
Thai Base Station Co., Ltd.	Provision space rental and other services and distribution telecommunication equipment and system	Thailand	65.91	73.52
Samart Mobile Services Co., Ltd.	Temporarily ceased its business	Thailand	64.20	71.61
Subsidiaries held by Samart Digital Media Co., Ltd.				
I-Sport Co., Ltd.	Provision of information of sports via full option interactive multimedia	Thailand	32.96	36.76
Entertainment Tree Co., Ltd.	Production, sale and provision of all kinds of entertainment-related content through multiple channels	Thailand	40.78	45.49
Subsidiaries held by I-Sport Co., Ltd.				
Siam Sport Television Co., Ltd.	TV media, sport license and sport-related business	Thailand	32.96	36.76

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currencies" in the statement of changes in shareholders' equity.
- f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit and loss and within equity in the consolidated statement of financial position.

- h) In recording the acquisition of ownership interests in subsidiaries without change of control (repurchase of shares from non-controlling interests) when the carrying amount of the net assets acquired is lower than the cost of the investment, the difference has been presented in shareholders' equity under the caption of "Deficit on changes in percentage of shareholding in subsidiaries". When the carrying amount of the net assets acquired is higher than the cost of the investment, the difference has been presented under the caption of "Surplus on changes in percentage of shareholding in subsidiaries".

2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

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 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 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 2023

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 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The 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 - 39 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	
	2022	2021	2022	2021
Transactions with subsidiary companies				
(eliminated from the consolidated financial statements)				
Sales and service income	-	-	166	-
Purchases of goods and services	-	-	4	-
Management fee income	-	-	69	65
Guarantee fee income	-	-	8	6
IT Service fee income	-	-	45	52
Dividend income	-	-	48	-
Interest income	-	-	25	24
Purchases of fixed assets	-	-	33	2
Other income	-	-	53	54
Other expenses	-	-	8	9
Interest expenses	-	-	20	5
Transactions with related companies				
Sales and service income	5	7	-	-
Purchases of goods and services	11	10	-	-
Other income	1	8	-	1
Other expenses	111	109	78	77

As at 31 December 2022 and 2021, the balances of the account between the Company and those related parties were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade accounts receivable - related parties (Note 8)				
Subsidiary companies	-	-	173,862	-
Related companies (related by shareholder)	95	142	-	-
Total trade accounts receivable - related parties	95	142	173,862	-
Amount due from and advance to related parties (Note 8)				
Subsidiary companies	-	-	58,565	37,358
Related companies (related by shareholder)	1,250	1,492	389	389
Total amount due from and advance to related parties	1,250	1,492	58,954	37,747

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade accounts payable - related parties (Note 23)				
Subsidiary companies	-	-	117,390	123,839
Total trade accounts payable - related parties	-	-	117,390	123,839
Other payables and accrued interest expenses - related parties (Note 23)				
Subsidiary companies	-	-	23,327	10,216
Related companies (related by shareholder)	4,502	2,644	255	419
Total other payables and accrued interest expenses - related parties	4,502	2,644	23,582	10,635

Loans to related parties and loans from related parties

As at 31 December 2022 and 2021, 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)

	Separate financial statements		
	31 December 2021	Increase during the year	31 December 2022
Short-term loans to subsidiary companies (Note 11)			
Suvarnabhumi Environment Care Co., Ltd.	244,261	10,240	254,501
Samart U-Trans Co., Ltd.	-	185,000	185,000
Total	244,261	195,240	439,501
Less: Allowance for expected credit losses	(55,999)	(10,240)	(66,239)
Total short-term loans to subsidiary companies - net	188,262	185,000	373,262

Long-term loan to subsidiary company

(Unit: Thousand Baht)

	Separate financial statements		
	31 December 2021	During the year	31 December 2022
Long-term loan to subsidiary company			
Samart Digital Public Co., Ltd.	322,305	-	322,305
Less: 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)

Short-term loans from subsidiary companies (Note 24)	Separate financial statements				
	31 December 2021	During the year		Unrealised loss on exchange	31 December 2022
		Increase	Decrease		
Samart Inter Holding Co., Ltd.	425,096	-	-	14,434	439,530
Cambodia Air Traffic Services Co., Ltd.	184,761	187,164	-	6,670	378,595
Kampot Power Plant Co., Ltd.	67,186	34,550	-	2,465	104,201
The Samart Engineering Co., Ltd.	20,000	-	-	-	20,000
Samart U-Trans Co., Ltd.	97,000	-	(97,000)	-	-
Total short-term loans from subsidiary companies	794,043	221,714	(97,000)	23,569	942,326

Long-term loans from subsidiary company

(Unit: Thousand Baht)

Long-term loans from subsidiary company	Separate financial statements		
	31 December 2021	Decrease during the year	31 December 2022
Kampot Power Plant Co., Ltd. - Current portion	36,000	(36,000)	-

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. During the year 2022, the Company has fully repaid such loan.

Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Short-term employee benefits	88	77	26	23
Post-employment benefits	2	2	1	1
Total	90	79	27	24

Significant agreements with related parties

Long-term rental agreements

- a) 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 1.7 million (2021: Baht 1.9 million) (Separate financial statements: Baht 0.8 million (2021: Baht 0.8 million)).
- b) 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 0.2 million (2021: Baht 0.3 million) (Separate financial statements: Baht 0.1 million (2021: 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

- a) 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 (2021: Baht 6.0 million) (Separate financial statements: Baht 4.0 million (2021: Baht 4.0 million)).
- b) 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 (2021: Baht 0.4 million) (Separate financial statements: Baht 0.2 million (2021: Baht 0.2 million)).

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 44.4.2 to the financial statements.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash	2,655	2,944	20	20
Bank deposits	1,976,526	1,572,317	151,532	228,443
<u>Less:</u> Restricted bank deposits	(343,101)	(266,704)	-	-
Total	1,636,080	1,308,557	151,552	228,463

As at 31 December 2022, bank deposits in saving accounts and fixed deposits carried interests at the rate between 0.01 and 3.50 percent per annum (2021: between 0.04 and 1.50 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade receivables - related parties (Note 6)				
<i>Aged on the basis of due dates</i>				
Not yet due	71	71	173,862	-
Past due				
3 - 6 months	-	47	-	-
Over 12 months	125	125	-	-
Total	196	243	173,862	-
<u>Less:</u> Allowance for expected credit losses	(101)	(101)	-	-
Total trade receivables - related parties, net	95	142	173,862	-
Trade receivables - unrelated parties				
<i>Aged on the basis of due dates</i>				
Not yet due	1,069,927	471,654	394,665	-
Past due				
Up to 3 months	215,452	105,565	-	-
3 - 6 months	60,016	96,970	-	-
6 - 12 months	7,987	212,497	-	-
Over 12 months	3,107,023	3,096,171	117,038	117,038
Total	4,460,405	3,982,857	511,703	117,038
<u>Less:</u> Allowance for expected credit losses	(2,396,433)	(2,349,245)	(22,222)	(22,222)
Total trade receivables - unrelated parties, net	2,063,972	1,633,612	489,481	94,816
Total trade receivables - net	2,064,067	1,633,754	663,343	94,816

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Other receivables				
Amount due from and advance to related parties (Note 6)	1,250	1,492	58,954	37,747
Security business receivables	1,022,626	1,022,626	-	-
Other receivables - unrelated parties	450,042	201,784	29,594	30,352
Total	1,473,918	1,225,902	88,548	68,099
<u>Less:</u> Allowance for expected credit losses	(1,070,224)	(1,101,723)	(54)	(54)
Total other receivables - net	403,694	124,179	88,494	68,045
Other long-term receivables - current portion (Note 9)				
Other long-term receivables	1,500	1,150	1,500	1,150
<u>Less:</u> Allowance for expected credit losses	(355)	(176)	(355)	(176)
Total other long-term receivables - net	1,145	974	1,145	974
Total trade and other receivables - net	2,468,906	1,758,907	752,982	163,835

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	
	2022	2021	2022	2021
Balance as at 31 December 2021	3,451,245	3,458,895	22,452	22,341
Add: Transfer from other long-term receivables	179	111	179	111
Provision for expected credit losses	115,637	38,265	-	-
<u>Less:</u> Amount recovered	(21,420)	(6,349)	-	-
Amount written off	(82,428)	(49,763)	-	-
Translation adjustments	3,900	10,086	-	-
Balance as at 31 December 2022	3,467,113	3,451,245	22,631	22,452

During the year 2022, 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 21 million (2021: Baht 6 million) and reduced expected credit losses, respectively in income statement.

- a) As at 31 December 2022, 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 2,199 million (2021: Baht 2,234 million).

During the year 2022, Samart Digital Group had continually received repayment of approximately Baht 40 million (2021: Baht 156 million). As a result, net receivable as at 31 December 2022 was approximately Baht 13 million (2021: Baht 180 million) and reduced expected credit losses.

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 2022 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 2022 Samart Digital Group wrote-off trade receivables and other receivables approximately Baht 0.8 million (2021: Baht 9 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 2022, the balance of the above accounts receivable included the receivables that were transferred their collection rights to banks totaling approximately Baht 920 million (2021: the Company and two subsidiaries of Baht 772 million) (Separate financial statements: Baht 395 million (2021: Baht 95 million)).

- c) Securities business receivables

As at 31 December 2022, 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 (2021: 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 2022, 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 9.4 million and Baht 11.4 million, respectively, in the subsidiary company’s books of account for the year ended 31 December 2022. 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 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 2022, 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 44.6 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 2022, 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 (2021: Baht 20 million). The subsidiary companies recognised the allowance for expected credit losses from such amount of Baht 14 million (2021: Baht 11 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 2022 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 2022, 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	
	2022	2021
Other long-term receivables	201,395	201,595
<u>Less:</u> Allowance for expected credit losses	(80,631)	(80,631)
Total other long-term receivables - net	120,764	120,964
<u>Less:</u> Current portion (Note 8)	(1,145)	(974)
Other long-term receivables - net of current portion	119,619	119,990

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	
	2022	2021
Beginning balance	80,631	70,631
Allowance for expected credit losses	-	10,000
Ending balance	80,631	80,631

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 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 2022 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	
	2022	2021
Lease receivables (contractual value)	1,220,050	610,149
<u>Less:</u> Receipts	(610,149)	(545,526)
Lease receivables	609,901	64,623
<u>Less:</u> Unearned interest income	(57,306)	(404)
Lease receivables - net of unearned interest income	552,595	64,219
<u>Less:</u> Current portion of lease receivables	(102,008)	(64,219)
Lease receivables - net of current portion	450,587	-

During the year 2017, 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 MLR minus fixed rate per annum. The rental is to be paid on a monthly basis.

During the year 2022, the subsidiary company entered into an additional rental agreement for the phase 2 CCTV project with such government unit which the total revenue is Baht 609 million. The agreement period is 5 years and carries interest MLR minus fixed rate 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	
	2022	2021	2022	2021
Short-term loans to related parties (Note 6)	-	-	373,262	188,262
Short-term loan to unrelated party	9,960	-	-	-
Short-term loans to employees	77	7	-	-
Total short-term loans	10,037	7	373,262	188,262

During the current year, Samart Comtech Co., Ltd., a subsidiary, provided a short-term loan of Baht 24.9 million to a company in order to jointly invest in a government sector project. Interest is charged at a rate of 9 percent per annum and the loan is to be repaid within May 2023. The subsidiary received the rights to make collections from this project as collateral. As at 31 December 2022, the outstanding balance of the short-term loan is Baht 10 million (2021: nil).

12. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2022	2021	2022	2021	2022	2021;
Finished goods	572,418	672,240	(96,641)	(104,431)	475,777	567,809
Work in process	184,768	235,611	(63,232)	(64,589)	121,536	171,022
Raw materials and supplies	68,379	63,853	(50,955)	(53,691)	17,424	10,162
Goods in transit	-	323	-	-	-	323
Total	825,565	972,027	(210,828)	(222,711)	614,737	749,316

During the current year, the subsidiary companies reversed the write-down of cost of inventories by Baht 12 million (2021: Baht 45 million), and reduced cost of sale.

13. Other financial assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Financial assets at fair value through profit or loss				
Listed equity investments (Note 13.1)	3,711	15,891	1,710	7,244
Financial assets at amortised cost				
Fixed deposit	21,260	68,250	-	-
Retention receivables	71,264	66,084	-	-
Deposits	49,376	175,277	13,440	15,297
Total	141,900	309,611	13,440	15,297
Less: Allowance for expected credit losses	(18,237)	(18,462)	(1,511)	(1,164)
Total financial assets at amortised cost - net	123,663	291,149	11,929	14,133
Total other financial assets - net	127,374	307,040	13,639	21,377
Current	33,606	205,205	1,710	7,244
Non-current	93,768	101,835	11,929	14,133
	127,374	307,040	13,639	21,377

As at 31 December 2022, fixed deposit carried between 3.50 - 4.75 percent per annum (2021: 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 2022 and 2021 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Beginning balance	15,891	11,987	7,244	5,771
Increase during the year	222	-	42	-
Decrease during the year				
Proceeds from disposals	(14,521)	-	(7,261)	-
Gain on disposals	3,401	-	841	-
Total	(11,120)	-	(6,420)	-
Gain (loss) on change in value (Note 34 and 35)	(1,282)	3,904	844	1,473
Ending balance	3,711	15,891	1,710	7,244

13.2 Financial assets at fair value through other comprehensive income

Movements of the listed equity investments account during the years ended 31 December 2022 and 2021 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2022	2021
Beginning balance	-	12,900
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
Ending balance	-	-

Equity instruments designated at FVOCI include listed equity investments which the Group considers these investments to be strategic in nature.

During the year 2021, the Group fully disposed the listed equity investments.

14. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Advance for purchase of inventories and equipment	699,394	474,154	69,593	-
Refundable value added tax	384,446	333,939	5,836	6,699
Withholding tax and prepaid tax expenses	320,081	246,784	12,789	7,702
Prepaid expenses	247,821	184,288	12,441	10,643
Retention receivables	108,008	164,939	-	-
Advance payments	11,741	15,632	1,052	1,094
Others	50,304	22,073	23,445	11,087
Total	1,821,795	1,441,809	125,156	37,225
Less: Allowance for diminution in value	(15,730)	(15,730)	-	-
Total other current assets - net	1,806,065	1,426,079	125,156	37,225

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 2022, the Group received such refund of the withholding tax of 2014 - 2021 approximately Baht 58 million (2021: The Group received refund of the withholding tax of 2017 - 2020 approximately Baht 126 million million) (Separate financial statements 2021: the Company received such refund of the withholding tax of 2019 approximately Baht 4 million) (2022: Nil).

As at 31 December 2022, the subsidiaries have allowance for diminution in value of withholding tax deducted at sources totaling approximately Baht 3 million (2021: Baht 3 million). The management of the subsidiaries believe that the allowance for diminution in value of withholding tax deducted at sources is adequate.

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	
	2022 Million Baht	2021 Million Baht	2022 Percent	2021 Percent	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 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	-	-
Samart Telcoms Public Co., Ltd.	618	618	70.14	70.14	1,537,050	1,537,050	47,681	-
Samart Digital Public Co., Ltd.	1,397	1,250	65.37	72.92	5,529,078	5,525,858	-	-
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					8,870,066	8,866,846	47,681	-
Less: Allowance for diminution in value of investments					(4,181,822)	(1,281,822)		
Total investments in subsidiaries - net					4,688,244	7,585,024		

During 2022, the Company recorded allowance for diminution in value of investment in Samart Digital Public Co., Ltd. of Baht 2,900 million (2021: Baht 930 million) in separate financial statement since its fair value was lower than its weighted average cost.

As at 31 December 2022, the Company has warrants SAMTEL-W1 and SDC-W1 of 72.2 million units and 1,479 million units, respectively (2021: 72.2 million units and 1,479 million units, respectively).

A subsidiary company has had operating losses for a number of consecutive years and as at 31 December 2022, the subsidiary company was unable to maintain certain financial ratios or conditions as stipulated in the loan agreements with the financial institutions. Therefore, the loans of Baht 2,502 million (representing 16% of the Group's total liabilities) as mentioned in Note 26 to the financial statements, may be payable on demand. However, the subsidiary company is now negotiating for waivers and expects to receive waivers from the financial institutions. In addition, the Company continues to provide support and issued a letter of intent to continuously provide financial support to the above subsidiary. Furthermore, during the year 2022 the subsidiary measured the recoverable amount of equipment for Digital Trunked Radio System (DTRS) services based on its value in use by discounting the future cash flows. The recoverable amount is lower than its carrying amount due to the lower number of expected users in the future. The subsidiary, therefore, recognised an impairment loss on equipment amounting to Baht 393 million as mentioned in Note 18 f) to the financial statements. Although the subsidiary has conducted an evaluation and exercised its best estimate, there are remain uncertainty about the changing situation and technologies, which may affect the value of equipment.

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	
	2022	2021	2022	2021	2022	2021	2022	2021
	(%)	(%)						
Samart Digital Public Co., Ltd. and its subsidiaries	34.09	26.48	27,789	226,174	(389,037)	(65,848)	-	-
Samart Telcoms Public Co., Ltd. and its subsidiaries	29.86	29.86	1,054,555	993,804	79,443	10,892	20,290	-

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	
	2022	2021	2022	2021
Current assets	1,210,041	1,327,548	5,245,729	4,882,319
Non-current assets	3,041,497	3,224,285	2,225,180	2,262,077
Current liabilities	3,742,282	3,129,895	3,518,243	3,451,144
Non-current liabilities	450,289	585,758	389,990	321,953

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	
	2022	2021	2022	2021
Revenue	642,945	418,190	5,267,072	4,648,527
Profit (loss)	(1,265,309)	(355,656)	258,477	60,324
Other comprehensive income	(625)	26,492	871	7,784
Total comprehensive income	(1,265,934)	(329,164)	259,348	68,108

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	
	2022	2021	2022	2021
Cash flows from (used in) operating activities	136,642	(396,363)	1,072,147	211,681
Cash flows used in investing activities	(362,074)	(67,914)	(486,864)	(591,525)
Cash flows from (used in) financing activities	267,402	511,898	(556,948)	217,057
Net increase (decrease) in cash and cash equivalents	41,970	47,621	28,335	(162,787)

16.4 Change in investments in subsidiaries held by the Group

Dissolution of subsidiaries

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.

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 2022 and 2021
	(Baht per unit)	(Warrants: ordinary shares)	(Thousand units)	(units)	(Thousand units)
SAMTEL-W1	12	1:1	102,998	-	102,998

16.6 Changes in investments in subsidiaries held by Samart Digital Public Co., Ltd.
a) Changes in share capital

Movements of ordinary shares, paid-up share capital and share premium of Samart Digital Public Company Limited, a subsidiary were as follows:

	Number of ordinary shares	Paid-up share capital
	(Thousand shares)	(Thousand Baht)
<u>Registered share capital - Ordinary shares</u>		
As at 31 December 2021	16,759,170	1,675,917
Decrease in share capital	(1,821,220)	(182,122)
Increase in share capital	2,213,029	221,303
As at 31 December 2022	17,150,979	1,715,098

On 18 March 2022, an extraordinary general meeting of the subsidiary shareholding passes the following resolutions.

1. Approving the decrease of the subsidiary's registered capital of Baht 182 million from the Baht 1,676 million to the new registered capital of Baht 1,494 million by cancelling 1,821 million ordinary shares with par value of Baht 0.10 remaining from the allocation to reserve for the issuance of convertible debentures. The subsidiary registered the decrease in share capital with the Ministry of Commerce on 21 March 2022.
2. Approving the increase of the subsidiary's registered capital of Baht 221 million from Baht 1,494 million to the new registered capital of Baht 1,715 million by issuing 2,213 million new ordinary shares with par value of Baht 0.10 in order to reserve for the exercise the conversion right of the Convertible Debentures. The subsidiary registered the increase in share capital with the Ministry of Commerce on 22 March 2022.

	Number of ordinary shares	Paid-up share capital	Share premium
	(Thousand shares)	(Thousand Baht)	(Thousand Baht)
<u>Issue and paid-up share capital</u>			
As at 31 December 2021	12,499,844	1,249,984	3,167,745
Increase from exercise of convertible debentures	1,475,021	147,503	341,497
As at 31 December 2022	13,974,865	1,397,487	3,509,242

The subsidiary has already registered the increase in paid-up share capital with the Ministry of Commerce.

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:

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 15th of March, June, September 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 2022 and 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 18 March 2022, the Extraordinary General Meeting of Samart Digital Public Co., Ltd., a 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 tranches 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 issue the Convertible Debentures in order of the Tranche (1- 4) 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 Convertible Debenture.
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 at least 7 consecutive business days but not more than 15 consecutive business days prior to the date the debenture holders exercise their conversion rights. The weighted average price is calculated from the average price weighted by the trading volume of each 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	2,213,029,597 shares (equivalent to 12.9 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.

On 19 April 2022, the subsidiary company entered into convertible debenture agreement with private placement investors following the approved resolution from the Extraordinary General Meeting of the subsidiary company on 18 March 2022.

Movements of convertible debentures net from convertible debenture expenses for the year ended 31 December 2022 and 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2022	2021
Beginning balance	27,632	-
Convertible debentures	500,000	700,000
Deferred interest expense	(40,000)	(56,000)
Issuing during the period	460,000	644,000
Amortisation of debenture expenses	39,332	53,632
Total	526,964	697,632
Convert during the year	(489,000)	(670,000)
Ending balance	37,964	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.

d) Change in subsidiary company's name

On 5 January 2022, the Extraordinary General Meeting of the shareholders of SIM2ASSET Co., Ltd., a 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.

e) Increase in a subsidiary of Samart Digital Public Co., Ltd., a subsidiary company's share capital

On 11 November 2022, the meeting of the Extraordinary General Meeting of Shareholders of Siam Sport Television Co., Ltd., which is a subsidiary company held by I-Sport Co., Ltd., is a subsidiary company approved the increase in the subsidiary's share capital by increase its registered capital of Baht 175 million from Baht 60 million to the new registered capital of Baht 235 million by issuing 17.5 million ordinary shares with par value of Baht 10 to be offered to its existing shareholders according to their shareholding ratio. At the offering price of Baht 10 per share, the shares were paid in full on 15 November 2022.

17. Investment properties

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Land	84,636	84,636	-	-
Right-of-use assets under sublease agreements	-	-	90,649	97,962
Total	84,636	84,636	90,649	97,962

Movements of the investment properties account during the year ended 31 December 2022 and 2021 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Balance at beginning of year	84,636	84,636	97,962	104,473
Loss on revaluation of investment properties (Note 35)	-	-	(7,313)	(6,511)
Balance at end of year	84,636	84,636	90,649	97,962

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
	2022	2021	
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 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
Additions	-	1,179	10,413	50,219	3,961	1,276,174	1,341,946
Transfer in (transfer out)	-	-	47,122	3,713,223	43,623	(3,858,985)	(55,017)
Disposals and write off	-	-	(14,131)	(2,487)	(1,305)	(419)	(18,342)
Capitalised borrowing cost	-	-	-	-	-	16,232	16,232
Translation adjustments	110	303	1,946	1,783	788	-	4,930
31 December 2022	597,393	375,975	2,069,408	15,022,345	249,156	1,987,809	20,302,086
Accumulated depreciation							
31 December 2020	-	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

(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	
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
Depreciation for the year	-	8,680	41,603	522,833	8,424	-	581,540
Transfer in (transfer out)	-	-	26,940	(6,479)	43,001	-	63,462
Accumulated depreciation on disposals and write off	-	-	(10,042)	(2,480)	(1,305)	-	(13,827)
Translation adjustments	-	303	1,482	280	652	-	2,717
31 December 2022	-	324,804	1,977,598	10,879,883	235,222	-	13,417,507
Allowance for impairment loss							
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
Increase (decrease) during the year	-	-	-	392,989	-	(970)	392,019
Translation adjustments	-	-	4	-	-	-	4
31 December 2022	-	7,680	16,135	583,466	-	14,233	621,514
Net book value							
31 December 2021	597,283	50,992	90,312	703,401	17,639	4,539,604	5,999,231
31 December 2022	597,393	43,491	75,675	3,558,996	13,934	1,973,576	6,263,065
Depreciation for the year							
2021 (Baht 311 million included in cost of sales and services, and the balance in selling and distribution expenses and administrative expenses)							397,240
2022 (Baht 529 million included in cost of sales and services, and the balance in selling and distribution expenses and administrative expenses)							581,540

(Unit: Thousand Baht)

	Separate financial statements							
	Revaluation basis	Cost basis						Total
		Buildings and improvement	Office equipment	Tools and equipment	Equipment and system	Motor vehicles	Assets under installation	
	Land							
Cost/Revalued amount								
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
Additions	-	-	464	1,209	355	-	45,118	47,146
Transfer in (out)	-	-	30,972	22	1,769,335	6,898	(1,772,471)	34,756
Disposals	-	-	(25)	(14)	-	-	(234)	(273)
Capitalised borrowing cost	-	-	-	-	-	-	16,232	16,232
31 December 2022	235,555	195,424	589,132	132,531	1,769,690	41,876	2,532	2,966,740
Accumulated depreciation								
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

(Unit: Thousand Baht)

	Separate financial statements							
	Revaluation basis	Cost basis						Total
	Land	Buildings and improvement	Office equipment	Tools and equipment	Equipment and system	Motor vehicles	Assets under installation	
Depreciation for the year	-	2,921	6,379	2,040	146,209	120	-	157,669
Accumulated depreciation on transfer-in	-	-	27,858	-	-	6,898	-	34,756
Accumulated depreciation on disposals	-	-	(22)	(13)	-	-	-	(35)
31 December 2022	-	175,495	575,366	127,971	146,209	41,779	-	1,066,820
Net book value								
31 December 2021	235,555	22,850	16,570	5,370	-	217	1,713,887	1,994,449
31 December 2022	235,555	19,929	13,766	4,560	1,623,481	97	2,532	1,899,920
Depreciation for the year								
2021 (included in administrative expenses)								13,658
2022 (Baht 146 million included in cost of services and the balance in selling and administrative expenses)								157,669

- 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 2022 and 2021 would have been as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Land	124,192	124,192	87,649	87,649

- b) As at 31 December 2022, the Company had construction in process of Baht 2.5 million (2021: Baht 1,714 million). The Company used loan from bank for installation of machinery and equipment in during the year ended 31 December 2022 and capitalised borrowing cost as cost of assets of Baht 16 million (2021: Baht 49 million), which was calculated from interest rate at MLR minus fixed rate per annum (2021: interest rate at MLR minus fixed rate per annum).
- c) As at 31 December 2022, 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 12,930 million and Separate financial statements: Baht 874 million (2021: Baht 12,383 million and Separate financial statements: Baht 835 million).
- d) Cambodia Air Traffic Services Co., Ltd., a subsidiary company, received some of the equipment transferred from The State Secretariat of Civil Aviation of Cambodia ("SSCA") under a Build Cooperate and Transfer contract with Government of Cambodia. The subsidiary company must return all equipment to SSCA at the end of the contract. Currently the above equipment are transferred to intangible assets (service concession) in accordance with TFRIC 12 Service Concession Arrangements, as described in Note 44.5 a) to consolidated financial statements.
- e) 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.

- f) As at 31 December 2022, Samart Digital Group had allowance for impairment loss of equipment amounting to Baht 402 million (2021: Baht 10 million).

During the year 2022, Samart Digital Public Co., Ltd., a subsidiary company measured the recoverable amount of its equipment for Digital Trunked Radio System (DTRS) services based on its value in use by discounting future cash flows. The recoverable amount is lower than its carrying amount due to a lower number of expected users in the future. The subsidiary therefore recognised an impairment loss on equipment amounting to Baht 393 million. Although the Samart Digital Group has conducted an evaluation and exercised its best estimate, there remains uncertainty about changing situations and technologies which is typical for future events that have yet to occur.

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

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 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Buildings and building improvement	Equipment	Motor vehicles	Total
As at 1 January 2021	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
Increase	56,858	99,626	217	156,701
Transfer to motor vehicles	-	-	(621)	(621)
Depreciation for the year	(39,569)	(61,747)	(18,742)	(120,058)
Allowance for impairment loss	-	(77,292)	-	(77,292)
As at 31 December 2022	168,342	148,925	34,975	352,242

(Unit: Thousand Baht)

	Separate financial statements		
	Buildings and building improvement	Motor vehicles	Total
As at 1 January 2021	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
Increase	28,721	-	28,721
Depreciation for the year	(14,284)	(5,189)	(19,473)
As at 31 December 2022	62,065	10,439	72,504

During the year 2022, I-Sport Co., Ltd., a subsidiary of Samart Digital Public Co., Ltd., recognised an impairment loss on equipment of Baht 77 million to reduce the carrying amount of the assets because of the uncertainty surrounding the long-term service agreement with an agency. The subsidiary had conducted an evaluation and exercised its best estimate, but the changing situation is still uncertain, as is typical for future events that have not yet occurred.

The key assumption used in the calculation of value in use was a pre-tax discount rate of 7.9 percent per annum.

b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Lease payments	269,063	182,869	50,924	35,887
Less: Deferred interest expenses	(26,519)	(13,275)	(3,339)	(1,551)
Total	242,544	169,594	47,585	34,336
Less: Portion due within one year	(60,693)	(77,704)	(12,851)	(16,516)
Lease liabilities - net of current portion	181,851	91,890	34,734	17,820

Movements of the lease liability account during the years ended 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Balance at beginning of year	169,594	226,826	34,336	49,901
Additions (decrease)	145,484	24,960	28,721	(1,265)
Accretion of interest	17,757	8,564	1,830	1,472
Repayments	(90,291)	(90,756)	(17,302)	(15,772)
Balance at end of year	242,544	169,594	47,585	34,336

A maturity analysis of lease payments is disclosed in Note 46 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	
	2022	2021	2022	2021
Depreciation expense of right-of-use assets	120,058	125,538	19,473	20,379
Interest expense on lease liabilities	17,757	8,564	1,830	1,472
Expense relating to short-term leases	1,838	2,826	144	144
Expense relating to leases of low-value assets	661	720	-	-

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2022 of Baht 93 million (2021: Baht 94 million) (Separate financial statements: Baht 17 million (2021: Baht 16 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)

	2022	2021
Growth rate	0 - 1.8	0 - 2.5
Discount rate	6 - 12	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.

During the year 2022, the Company recognised an impairment loss on goodwill amounting to Baht 96 million, arising from the purchase of shares of Samart Digital Public Co., Ltd., a subsidiary. In addition, I-Sport Co., Ltd., a subsidiary of Samart Digital Public Co., Ltd., a subsidiary, recognised an impairment loss on goodwill amounting to Baht 59 million, arising from the purchase of shares of Siam Sport Television Co., Ltd., due to uncertainty surrounding the future of the entering into an alliance the long-term service agreement.

21. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements			
	Service concession	Computer software	Right for telecommunication tower service	Total
Cost				
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
Disposal	111,135	2,824	-	113,959
Additions	-	(139)	-	(139)
Transfer in	-	10	-	10
Transfer out	-	(22)	-	(22)
Translation adjustments	54,058	5,305	-	59,363
31 December 2022	1,671,708	745,450	119,332	2,536,490
Accumulated amortisation				
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
Amortisation during the year	56,009	35,377	14,329	105,715
Accumulated amortisation on write-off	-	(39)	-	(39)
Transfer out	-	(12)	-	(12)
Translation adjustments	23,403	4,972	-	28,375
31 December 2022	750,716	649,387	55,594	1,455,697
Allowance for impairment loss				
31 December 2021	-	31,218	-	31,218
31 December 2022	-	31,218	-	31,218
Net book value				
31 December 2021	835,211	97,165	78,067	1,010,443
31 December 2022	920,992	64,845	63,738	1,049,575

(Unit: Thousand Baht)

	Separate financial statements
	Computer software
Cost	
31 December 2020	58,957
31 December 2021	58,957
Addition	89
Transfer in	10
Transfer out	(22)
31 December 2022	59,034
Accumulated amortisation	
31 December 2020	23,619
Amortisation during the year	5,896
31 December 2021	29,515
Amortisation during the year	5,899
Transfer out	(12)
31 December 2022	35,402
Net book value	
31 December 2021	29,442
31 December 2022	23,632

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:	49 years expire in the year 2051
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 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	
	2022	2021	2022	2021	2022	2021
Bank overdrafts	MOR	MOR	65,188	15,385	-	-
Short-term loans from financial institutions	MMR	MMR	3,050,539	2,799,986	1,184,400	1,081,000
Trust receipts	MMR	MMR	24,951	166,165	-	-
Total			3,140,678	2,981,536	1,184,400	1,081,000

- Bank overdrafts of the subsidiaries are secured by the pledge of certain bank deposits of the subsidiaries.
- Short-term loans from financial institutions of the subsidiaries are secured by 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.
- Short-term loans from financial institutions of the Company are secured by the pledge of some 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, as stipulated in the loan agreement.

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.

23. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade payables - related parties (Note 6)	-	-	117,390	123,839
Trade payables - unrelated parties	1,442,165	1,049,091	353,337	1,959
Total trade payables	1,442,165	1,049,091	470,727	125,798
Other payables				
Other payables - related parties	4,502	2,644	1,053	1,385
Accrued interest expenses to related parties	-	-	22,529	9,250
Total other payables and accrued interest expenses - related parties (Note 6)	4,502	2,644	23,582	10,635
Other payables - unrelated parties	269,488	198,786	9,660	11,052
Accrued expenses	322,613	288,239	16,052	10,503
Accrued interest expenses to unrelated parties	23,632	15,068	14,248	10,952
Total other payables	620,235	504,737	63,542	43,142
Total trade and other payables	2,062,400	1,553,828	534,269	168,940

24. Short-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Short-term loans from related parties (Note 6)	-	-	942,326	794,043
Short-term loans from unrelated parties	12,708	12,708	-	-
Total short-term loans	12,708	12,708	942,326	794,043

Short-term loans from unrelated parties

Short-term loan as at 31 December 2022 amounting Baht 12.7 million (2021: Baht 12.7 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	
	2022	2021
Debentures	1,669,389	1,199,377
Less: Current portion of debentures	-	(1,199,377)
Debentures - net of current portion	1,669,389	-

Movements in the debentures account for the years ended 31 December 2022 and 2021 were as follows:

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	2022	2021
Beginning balance	1,199,377	1,196,567
Add: Debentures issued during the year	1,675,300	-
Amortisation of transaction costs for debenture issuance during the year	4,089	2,810
Less: Redemption of debentures during the year	(1,201,000)	-
Transaction costs	(8,377)	-
Ending balance	1,669,389	1,199,377

Debentures are unsubordinated, unsecured debentures with registered name and carried fixed interest rate of 4.25 percent per annum, quarterly repayments, as stipulated in each debenture with fully principal repayment in January 2025 (2021: fully repayment in July 2022).

26. Long-term loans from financial institutions

The details of long-term loans from financial institutions as at 31 December 2022 and 2021 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)	2022 (Thousand Baht)	2021 (Thousand Baht)	2022 (Thousand Baht)	2021 (Thousand Baht)
The Company								
1.	1,101	Repayment of principal in 60 monthly installments with the first installment in September 2022, until 31 August 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	1,019,704	1,091,052	1,019,704	1,091,052
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 Telecoms Public Co., Ltd., a subsidiary company, of 155 million shares.	MLR minus fixed rate per annum	309,175	397,850	309,175	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	36,977	56,977	36,977	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)	2022 (Thousand Baht)	2021 (Thousand Baht)	2022 (Thousand Baht)	2021 (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 24 installments (within December 2023). - 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 4.9 million in December 2021 Baht 2.5 million in January 2022 - Installment 17 - 23: Baht 7.4 million each - Installment 24 : The remaining principal and interest	-	MLR minus fixed rate per annum	337,753	369,798	-	-
5.	359	Repayment on a quarterly basis within 31 March 2023. - 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 : quarterly installments of Baht 5.38 million - Year 2023 : March : The remaining principle and interest	-	MLR minus fixed rate per annum	245,875	267,407	-	-

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 21 installments within 30 December 2023. - 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 - 20 : Baht 3 million each - Installment 21 : The remaining principal and interest	-	MLR minus fixed rate per annum	137,053	149,020	-	-
7.	194	Repayment on a quarterly basis within the 26 th installment within 30 December 2025. - Installment 1 - 2 : Baht 3 million each - Installment 3 : March 2020 : Baht 3 million : April 2020 : Baht 4.98 million - Installment 4 - 8 : moratorium on principal payment - Installment 9 : Baht 3.6 million - Installment 10 - 11 : moratorium on principal payment - Installment 12 : Baht 7 million - Installment 13 : Baht 5 million - Installment 14 : Baht 3 million - Installment 15 - 17 : Baht 5 million each - Installment 18 : Baht 10 million - Installment 19 - 22 : Baht 12.09 million each - Installment 23 - 26 : Baht 15.91 million each	-	MLR of a bank minus fixed rate per annum	137,020	152,020	-	-

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)	2022 (Thousand Baht)	2021 (Thousand Baht)	2022 (Thousand Baht)	2021 (Thousand Baht)
Subsidiaries								
Samart Digital Public Co., Ltd.								
8.	2,034	Repayment on a quarterly basis within 8 installments within 31 January 2023, the first installment in last business day of June 2021. - Installment 1 : Baht 6.6 million - Installment 2 - 7 : Baht 33 million - Installment 8 : The remaining principal and interest	-	MLR minus fixed rate per annum	1,507,215	1,639,215	-	-
9.	180	Repayment on a quarterly basis within the 12 th installment within 30 September 2023, the first installment in last business day of December 2020. - Installment 1 : Baht 24,32 million each - Installment 2 - 3 : moratorium on principal payment - Installment 4 : Baht 3.6 million - Installment 5 : Baht 3 million - Installment 6 - 11 : Baht 3 million each - Installment 12 : The remaining principal and interest	-	MLR minus fixed rate per annum	137,025	149,020	-	-
Vision and Security System Co., Ltd.								
10.	286	The loan principal is repayable on a monthly basis by 41 installments, beginning by the earlier of commencing in 7-month from the agreement date (29 November 2022) or the subsidiary receives the right assignment.	As assignment of the right to receive service fees from the installation (Phase 2) CCTV project.	MLR minus fixed rate per annum	143,400	-	-	-

		Significant terms and conditions of loan agreements			Consolidated financial statements		Separate financial statements	
No.	Credit facilities	Repayment term	Collateral	Interest rate	2022	2021	2022	2021
	(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.								
11.	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 - 18 : Moratorium on principal payment - Installment 19 : USD 1.74 million each - Installment 20 : USD 2.26 million each - Installment 21 - 24 : USD 3.39 million each - Installment 25 - 27 : USD 4.52 million each - Installment 28 : USD 4.47 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	1,169,765	1,189,247	-	-
Total long-term loans from financial institutions					5,180,962	5,461,606	1,365,856	1,545,879
Less: Current portion					(3,495,194)	(2,987,266)	(479,642)	(316,277)
Long-term loans - net of current portion					1,685,768	2,474,340	886,214	1,229,602

Movements in the long-term loans account during the years ended 31 December 2022 and 2021 summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Beginning balance	5,461,606	4,998,140	1,545,879	1,087,742
Add: Additional borrowing	143,400	66,977	-	66,977
Convert from short-term loans	-	400,000	-	400,000
Amortisation of front end fee	4,717	5,160	4,717	5,160
Less: Repayment	(471,495)	(125,047)	(183,740)	(10,000)
Front end fee	(1,000)	(4,000)	(1,000)	(4,000)
Translation adjustments	43,734	120,376	-	-
Ending balance	5,180,962	5,461,606	1,365,856	1,545,879

- a) Under the loan agreement of the Company, the Company has to comply with the conditions stipulated in the agreement, such as maintenance of certain financial ratio etc.
- b) Under Samart Digital Public Co., Ltd., a 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.

The Subsidiary has successfully negotiated with financial institutions to amend the conditions and extend the repayment periods of long-term loans amounting to Baht 995 million. The loan repayments are extended to the first, third, fourth quarters of 2023 and the fourth quarter of 2025, as agreed by the financial institution. In addition, the subsidiary has negotiated with financial institution to amend the conditions and extend the repayment periods of long-term loans amounting to Baht 1,507 million to align with the cash inflows from a new business in which it has expertise and experience. As at 31 December 2022, the subsidiary has not received an approval to amend the conditions and extend the repayment periods of long-term loans. However, on 21 February 2023, the Company received a draft acknowledgement letter of debt restructuring, which was approved by the Board of Directors of bank.

According to the financial statements, as at 31 December 2022 the subsidiary was unable to maintain certain financial ratios or conditions as stipulated in the loan agreements with the aforementioned financial institutions. Therefore, the loans of Baht 2,502 million (2021: Baht 1,788 million) may be payable on demand. The subsidiary had classifies this loan as current portion. However, the subsidiary expects to receive waivers from the financial institutions. In addition, the subsidiary received Letter of Intent from the Group committing to providing continuous financial support to the subsidiary. The negotiation outcome depends on the consideration for approval by the financial institutions. However, base on past experience, the subsidiary has always received approval from the financial institutions for the amendment of the conditions and extension of the repayment periods of long-term loans.

- c) Under loan agreement of Samart Aviation Solution Public Co., Ltd. and its subsidiaries (Samart Aviation Group), the subsidiary company, Samart Aviation Group has to comply with the conditions stipulated in the agreement, such as maintaining of certain financial ratios.

27. Provisions

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Balance at beginning of year	225,147	197,902	1,247	2,456
Increase during the year	651,876	63,007	428,763	-
Utilised	(86,088)	(23,232)	(860)	(1,209)
Reversal of provisions	(29,898)	(18,189)	-	-
Translation adjustments	2,081	5,659	-	-
Balance at end of year	763,118	225,147	429,150	1,247

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Provision				
Current	107,937	94,666	387	1,247
Non-current	655,181	130,481	428,763	-
	763,118	225,147	429,150	1,247

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.

Long-term provision of litigation and commercial disputes

During the current year, the Company recognised a long-term provision of litigation and commercial disputes as described in Note 44.6 a) in accordance with the accounting principle of conservatism, this does not affect the Company's legal rights and does not waive those rights.

Long-term provision under service concession

Cambodia Air Traffic Services Co., Ltd., the subsidiary company recognised long-term provision under service concession based on the best estimate provided by the management for the costs to be incurred on the existing concession assets under the subsidiary company's contractual obligations pursuant to the BCT Agreement with The Cambodian State Secretariat of Civil Aviation ("SSCA") under a Build Cooperate and Transfer contract with Government of Cambodia.

28. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Unearned revenue	488,585	381,071	260	254
Undue output tax	118,705	43,483	25,819	-
Value added tax payable	11,095	4,842	-	-
Others	45,923	42,161	1,811	1,616
Total	664,308	471,557	27,890	1,870

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	
	2022	2021	2022	2021
Provision for long-term employee benefits at beginning of year	304,471	304,650	47,763	45,591
Included in profit or loss:				
Current service cost	23,661	28,762	1,919	1,927
Interest cost	5,036	3,295	587	347
Past service cost	(5,560)	-	-	-
Increase from employee transferal	-	-	2,040	1,768
Gain on settlement	(1,591)	(2,061)	-	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	6,340	-	197	-
Financial assumptions changes	(21,532)	(36,570)	(2,817)	(3,103)
Experience adjustments	16,499	24,129	2,134	3,205
Benefits paid during the year	(18,085)	(19,947)	(154)	(1,972)
Unrealised gain on exchange	(280)	(881)	-	-
Translation adjustments	1,082	3,094	-	-
Provision for long-term employee benefits at end of year	310,041	304,471	51,669	47,763

The Group expects to pay Baht 15 million of long-term employee benefits during the next year (Separate financial statements: Baht 3 million) (2021: Baht 10 million (Separate financial statements: Baht 0.2 million)).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is 4 - 35 years (Separate financial statements: 7 years) (2021: 6 - 36 years (Separate financial statements: 7 years)).

Key actuarial assumptions are summarised below.

(Unit: Percent per annum)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Discount rate	1.8 - 4.9	1.0 - 3.5	2.0	1.2
Salary increase rate	3.0 - 4.5	2.0 - 5.5	3.0 - 4.5	3.5 - 4.5
Turnover rate	0 - 24	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 2022 and 2021 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%	
	2022	2021	2022	2021	2022	2021	2022	2021
Discount rate	(20.5)	(21.0)	23.2	23.8	(2.5)	(2.5)	2.7	2.7
Salary increase rate	22.8	21.7	(20.6)	(19.6)	2.7	2.4	(2.5)	(2.2)
	Increase 20%		Decrease 20%		Increase 20%		Decrease 20%	
	2022	2021	2022	2021	2022	2021	2022	2021
Turnover rate	(18.8)	(20.5)	21.6	24.1	(1.7)	(1.7)	1.9	2.0

30. Share capital and share premium

On 22 April 2022, the Ordinary General Meeting of shareholders of the Company passed a resolution to approve 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 to reflect the decrease in the Company's registered capital.

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	26 April 2022
Decrease in registered share capital	(335,501,070)	(335,501,070)	
Balance as at 31 December 2022	1,174,254,794	1,174,254,794	

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
Balance as at 31 December 2022	1,006,504,143	1,006,504,143	243,407,227

31. Warrants

Movements in warrants issued by the Company for the year ended 31 December 2022 and 2021 were summarised below.

Allocated to	Approval Date	Determined exercising date		As at 31 December 2020	Increase during the period	Exercise (Unit)	Decrease during the period					Outstanding warrants				
							Exercise				Expired period of warrant					
							First exercise	Last exercise	Outstanding warrants	Warrants		Exercise ratio for ordinary shares 1 warrant	Issued ordinary shares during the period	Exercise Price	Amount	Warrants
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)	-	-	-	-	-
Existing-shareholder (SAMART-W3)	27 April 2021	30 November 2021	17 May 2024	-	167,711,498	-	1,000	-	10.0	-	-	-	167,711,498	167,711,498	167,711,498	167,711,498
Total				335,429,635	167,711,498	(231)		233		3,449	(335,429,404)		167,711,498	167,711,498	167,711,498	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		Separate financial statements	
	2022	2021	2022	2021
Type of revenue:				
Revenues from sales	765	545	166	-
Revenues from contract work	4,250	4,036	-	-
Service income	4,005	2,374	620	-
Total revenue from contracts with customers	9,020	6,955	786	-
Timing of revenue recognition:				
Revenue recognised at a point in time	765	545	166	-
Revenue recognised over time	8,255	6,410	620	-
Total revenue from contracts with customers	9,020	6,955	786	-

33.2 Contract balances

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Contract assets				
Accrued income	2,947,005	2,927,950	104,642	-
Retention receivable	398,641	542,914	-	-
Total	3,345,646	3,470,864	104,642	-
Less: Allowance for expected credit losses	(13,685)	(16,059)	-	-
Total contract assets, net	3,331,961	3,454,805	104,642	-
Contract liabilities				
Unearned revenue	483,902	379,294	-	-
Total contract liabilities	483,902	379,294	-	-

During the current year, the Group reversed allowance for expected credit losses on contract assets by Baht 2.4 million (2021: the Group recognised allowance for expected credit losses on contract assets by Baht 14.2 million) (Separate financial statements: Nil (2021: Nil)).

33.3 Revenue recognised in relation to contract balances

(Unit: Million Baht)

	Consolidated financial statements	
	2022	2021
Revenue recognised that was included in contract liabilities at the beginning of the year	336	377

33.4 Revenue to be recognised for the remaining performance obligations

As at 31 December 2022, revenue totaling Baht 10,163 million (2021: Baht 8,149 million) is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unsatisfied. The Group expect to satisfy these performance obligations within 5 years (2021: 5 years). The above information does not include revenue to be recognised for the unsatisfied portions of performance obligations related to contract where the revenue is recognised in the amount that the Group has a right to invoice.

33.5 Assets recognised in respect of costs to fulfill a contract with a customer

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Net book value at beginning of year	206,171	256,385	7,507	7,507
Additions	107,452	72,578	-	-
Transfer to cost	(139,890)	(122,792)	(620)	-
Net book value at end of year	173,733	206,171	6,887	7,507

33.6 Estimation of penalty from project delay

Samart Telcoms Public Company Limited's group

33.6.1 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. Subsequently, on 27 September 2022, the subsidiary company received a letter notifying of amendment of the agreement and received a reduction in the total fine of Baht 2 million. As a result, the subsidiary company was charged penalty for such project totaling of Baht 7 million (2021: Baht 29 million). Therefore, the subsidiary company had reversed the penalty which was deducted from contractual value of Baht 22 million for the year ended 31 December 2022.

- 33.6.2 On 26 July 2022, Samart Comtech Co., Ltd., a subsidiary company, entered into an agreement with a government agency to purchase communication linkage equipment, including installation, for increasing the efficiency of the government sector's data communication network. The subsidiary is contractually obliged to complete the installation and deliver the equipment within 180 days from the agreement date until 22 January 2023. Failure to meet the specified deadlines will result in penalty, which the government agency, as the contract counterparty, will calculate from the day after each delivery deadline until the works have been delivered properly. The subsidiary company anticipates potential delays in delivering the equipment to the government agency due to the distributor's inability to supply the equipment to the subsidiary company. At present, the subsidiary company requests a 150-day extension for the delivery period and a waiver of the penalty, which is currently under consideration by the government agency. However, for the year ended 31 December 2022, the subsidiary company estimated potential deductions from the contractual value of Baht 2.6 million due to delays in delivery or contractual penalties.
- 33.6.3 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 and there is a contractual penalty of Baht 7 million (2021: Baht 10 million) as the deductions from contractual value due to delays in delivery. The subsidiary company has already paid such penalty in April 2022.

34. Other income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Gain on disposals of listed equity investments at fair value through profit or loss (Note 13)	3,401	-	841	-
Management fee income (Note 6)	-	-	68,887	65,067
Gain on exchange	13,535	15,437	-	-
Gain (loss) on change in value of listed equity investments (Note 13)	-	3,904	844	1,473
Gain on disposal of equipment and intangible	2,102	31,126	-	1,083
Dividend income from subsidiaries (Note 16)	-	-	47,681	-
Dividend income from listed equity investment at fair value through profit or loss	656	507	328	253
IT service fee from subsidiary companies and related parties	11,519	13,883	45,599	65,405
Gain on compensation received from insurance	27	56	-	-
Gain on disposals of investments and warrants	-	-	-	84,846
Income from pursuing a legal case	247,568	-	-	-
Others	118,744	109,988	73,144	81,071
Total	397,552	174,901	237,324	299,198

On 29 September 2016, Samart Comtech Co., Ltd., a subsidiary, filed a lawsuit with the Central Administrative Court, seeking settlement of a government agency as a trade account receivable and retention receivable that was past due totaling approximately Baht 536 million for providing computer system installation services. Finally, on 29 November 2022, the Supreme Administrative Court affirmed the judgment and ordered such government agency to repay the full amount of debt with interest and court fees to the subsidiary. In 2022, the subsidiary company recorded such interest and fees from the aforementioned legal case totaling of Baht 248 million as other income and a partial allowance for expected credit losses as administrative expense in the consolidated income statement.

35. Other expenses

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Loss on diminution in value of investment in subsidiary (Note 16)	-	-	2,900,000	930,000
Loss on long-term provision (Note 27)	426,563	-	426,563	-
Loss on impairment of equipment and right-of-use assets	470,292	107	-	-
Write-off withholding tax deducted at source	8,815	7,729	670	638
Loss from write-off goodwill	155,417	-	-	-
Loss on exchange	-	-	22,056	64,111
Loss on change in value of listed equity investment at fair value through profit or loss (Note 13)	1,282	-	-	-
Write-off bad debts	638	108	-	-
Loss on disposals of equipment	835	739	-	-
Loss on revaluation of investment properties	-	-	7,313	6,511
Others	1,880	1,483	1,923	1,483
Total other expenses	1,065,722	10,166	3,358,525	1,002,743

36. Finance income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Interest income on debt instruments measured at amortised cost:				
Bank deposit	4,163	4,758	744	193
Lease receivables	405	4,541	-	-
Loans	7,713	2,784	28,546	26,793
Total	12,281	12,083	29,290	26,986

37. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Interest expenses on:				
Bank loans, overdrafts and trust receipts and debentures	438,782	363,123	177,312	110,973
Loans from related parties	-	-	19,824	4,925
Liabilities under lease agreements	17,757	8,563	1,830	1,471
Long-term provision under service concession	1,281	1,096	-	-
Others	808	410	-	-
Total interest expenses	458,628	373,192	198,966	117,369
Bank charges	25,093	15,095	10,960	11,658
Total finance cost	483,721	388,287	209,926	129,027

38. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Salaries, wages and other employee benefits	1,324,943	1,279,360	137,219	103,798
Promotion and advertising expenses	11,843	13,661	120	105
Revenue sharing under service concession arrangement	383,846	157,717	-	-
Changes in of finished goods and work in progress	150,665	(101,220)	-	-
Provision for expected credit losses	149,859	60,478	10,587	19,650
Depreciation	581,540	397,240	157,669	13,658
Right-of-use assets depreciation	120,058	125,538	19,473	20,379
Raw materials and consumables used	46,191	38,290	-	-
Amortisation expenses	105,715	115,470	5,899	5,896
Raw materials, equipment and cost of projects used	2,562,182	2,744,572	-	-
Purchase finished goods for sales	965,304	218,771	-	-
Loss on diminution in value of investment in subsidiary (Note 16)	-	-	2,900,000	930,000
Loss on impairment of equipment and right-of-use assets	470,292	107	-	-
Loss from write-off goodwill	155,417	-	-	-
Loss on long-term provision	426,563	-	426,563	-

39. Income tax

39.1 Income tax expenses for the years ended 31 December 2022 and 2021 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Current income tax:				
Current income tax charge	60,985	38,140	3,446	3,435
Adjustment in respect of current income tax of previous year	(101)	(7,821)	-	10
Deferred tax:				
Relating to origination and reversal of temporary differences	421,104	16,388	4,424	378
Income tax expense reported in profit or loss	481,988	46,707	7,870	3,823

39.2 The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Deferred income tax relating to profit on measuring financial assets at fair value through other comprehensive income	-	18,970	-	-
Deferred tax relating to actuarial gain (loss)	(122)	(2,257)	(97)	21
Total	(122)	16,713	(97)	21

39.3 The reconciliation between accounting loss and income tax expenses was shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Accounting loss before tax	(850,672)	(413,712)	(3,468,333)	(1,111,032)
Applicable tax rate	8% - 30%	8% - 30%	8% - 20%	8% - 20%
Accounting loss before tax multiplied by applicable tax rate	(174,495)	(87,625)	(698,273)	(227,068)
Adjustment in respect of current income tax of previous year	(101)	(7,821)	-	10
Effects of:				
Utilisation of tax loss carry forward	(2,420)	(3,168)	-	-
Non-deductible expenses	13,377	16,346	2,244	9,585
Additional expense deductions allowed	(1,367)	(597)	(14)	(4)
Income not subject to tax	(2,171)	(288)	(9,568)	(51)
Non-deductible taxable income	(162)	(3,667)	-	(321)
Adjustment of taxable income from exchange rate	(3,772)	(16,437)	-	-
Tax losses from disposals of investments and warrants	-	(89,000)	-	(105,969)
Write-off of deferred tax assets	330,427	141,687	-	-
Others	(323)	(4,134)	-	-
Total	333,589	40,742	(7,338)	(96,760)
Deferred tax assets not recognised	268,569	58,034	670,958	189,924
Additional recognition of deferred tax assets from tax losses	46,906	143,379	42,523	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	7,519	2,881	-	-
Income tax expenses reported in profit or loss	481,987	46,707	7,870	3,823

39.4 The components of deferred tax assets and deferred tax liabilities were as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Deferred tax assets				
Allowance for expected credit losses	26,921	37,782	-	-
Allowance for diminution in value of inventories	19,589	27,885	-	-
Allowance for expected credit losses of other current financial assets	134	65	134	65
Allowance for expected credit losses of other non-current financial assets	564	677	-	-
Allowance for asset impairment	25,719	37,197	-	-
Accumulated depreciation - Equipment	51,147	75,273	41	47
Provision for long-term employee benefits	53,827	56,498	8,874	8,972
Accrued vacation leave	1,064	1,203	120	120
Unused tax loss	145,500	484,178	-	-
Unrealised loss from revaluation of trading investments	5,217	13,367	3,108	3,108
Provision for maintenance warranties	14,834	15,197	76	248
Right-of-use assets	1,568	1,019	171	171
Others	39,148	51,575	608	596
Total	385,232	801,916	13,132	13,327
Deferred tax liabilities				
Accumulated depreciation - Equipment for project	4,692	-	4,692	-
Accumulated amortisation - License	3,978	4,874	-	-
Accumulated amortisation - Intangible assets	110,831	109,237	-	-
Surplus on revaluation of land	94,554	94,554	29,581	29,581
Other receivables - unrelated parties	-	17,564	-	-
Lease liabilities	21,615	2,339	-	-
Others	3,194	3,431	2,559	2,925
Total	238,864	231,999	36,832	32,506
Deferred tax - net	146,368	569,917	(23,700)	(19,179)

Deferred tax assets and liabilities in statement of financial position were as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Deferred tax assets	328,795	710,280	-	-
Deferred tax liabilities	(182,427)	(140,363)	(23,700)	(19,179)
Deferred tax - net	146,368	569,917	(23,700)	(19,179)

39.5 As at 31 December 2022, the Group had deductible temporary differences and unused tax losses totaling Baht 5,510 million and Myanmar Kyat 15 million and Separate financial statements: Baht 5,385 million (2021: Baht 4,933 million and Myanmar Kyat 15 million (Separate financial statements: Baht 2,260 million)), on which deferred tax assets have not been recognised which are summarised as below.

(Unit: Million)

	Consolidated financial statements			
	2022		2021	
	(Baht)	(Myanmar Kyat)	(Baht)	(Myanmar Kyat)
Unused tax losses				
31 December 2022	-	-	722	-
31 December 2023	878	-	414	-
31 December 2024	637	15	103	15
31 December 2025	574	-	313	-
31 December 2026	1,088	-	999	-
31 December 2027	553	-	-	-
Deductible temporary differences	1,780	-	2,382	-
	5,510	15	4,933	15

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 2022, Samart Digital Public Co., Ltd., a subsidiary company, and its subsidiaries have deferred tax assets of Baht 18 million (2021: Baht 291 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 2022 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 2022, the Samart Digital Group have deductible temporary differences Baht 2,796 million (2021: Baht 2,071 million) and unused tax losses which will expire in 2023 - 2027 totaling Baht 2,195 million (2021: Baht 1,202 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 2022 and 2021 since their exercise price was higher than the fair value of the ordinary shares.

41. 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 2022 amounting to approximately Baht 50 million (2021: Baht 50 million) (Separate financial statements: Baht 6.5 million (2021: Baht 6 million)) were recognised as expenses.

42. 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 2022 and 2021 are software development services which could be divided between BOI promoted activities and Non-BOI promoted activities as follows:
(Unit: Thousand Baht)

	2022	2021
Non-BOI promoted	47,281	51,726
Total service income	47,281	51,726

43. 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 2022 and 2021, respectively.

(Unit: Million Baht)

	For the years ended 31 December											
	ICT Solution and Service		Digital		Utilities and Transportations		Technology Related Services		Adjustments and eliminating		Consolidation	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenues from sales, contract work and service												
- Third parties	4,484	4,365	602	365	2,526	1,968	1,403	249	-	-	9,015	6,947
- Related parties	463	216	30	29	-	-	330	329	(818)	(566)	5	8
Total revenues from sales, contract work and service	4,947	4,581	632	394	2,526	1,968	1,733	578	(818)	(566)	9,020	6,955
Cost of sales, contract work and services	4,315	4,002	662	401	1,863	1,651	1,450	476	(780)	(562)	7,510	5,968
Gross profit (loss)	632	579	(30)	(7)	663	317	283	102	(38)	(4)	1,510	987
Unallocated income (expenses):												
Other income											398	175
Selling and distribution expenses											(223)	(223)
Administrative expenses											(899)	(909)
Loss on impairment loss on financial assets											(99)	(57)
Other expenses											(1,066)	(10)
Finance income											12	12
Finance cost											(484)	(388)
Income tax expenses											(482)	(47)
Non-controlling interests of the subsidiaries											378	71
Loss for the year											(955)	(389)

(Unit: Million Baht)

	As at 31 December											
	ICT Solution and Service		Digital		Utilities and Transportations		Technology Related Services		Adjustments and eliminating		Consolidation	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Assets												
Trade receivables	1,271	1,350	55	265	277	150	1,122	474	(559)	(541)	2,166	1,698
Inventories	27	131	221	243	341	360	29	15	(3)	-	615	749
Investment properties	-	-	-	-	-	-	85	85	-	-	85	85
Property, plant and equipment	1,300	1,085	2,672	2,377	60	73	2,202	2,295	29	169	6,263	5,999
Right-of-use assets	172	109	56	160	2	4	125	125	(3)	(4)	352	394
Intangible assets	37	64	65	80	960	878	24	29	(36)	(41)	1,050	1,010
Others	4,659	4,355	1,331	1,421	3,578	2,996	7,192	6,465	(7,802)	(7,023)	8,958	8,214
Segment total assets	7,466	7,094	4,400	4,546	5,218	4,461	10,779	9,488	(8,374)	(7,440)	19,489	18,149
Segment total liabilities	3,862	3,724	4,340	3,709	3,120	2,707	7,334	5,451	(3,020)	(2,168)	15,636	13,423
Additions (decrease) to non-current assets other than financial instruments and deferred tax assets	65	(398)	116	(6)	186	(30)	347	(18)	(180)	(193)	534	(645)

Geographic information

Revenue from external customers is based on locations of the customers.

(Unit: Thousand Baht)

	2022	2021
Revenue from external customers		
Thailand	7,703,886	6,414,058
Cambodia	1,232,703	467,090
Others	83,908	73,398
Total	9,020,497	6,954,546
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	8,169,942	7,830,780
Cambodia	1,259,570	1,064,931
Total	9,429,512	8,895,711

Major customers

For the year 2022, the Group had revenue from three major customers totaling of Baht 3,293 million, mainly arising from sales by ICT Solution and Service segment, Digital segment, Utilities and Transportations segment and Technology Related Services segment. (2021: revenue from three major customers totaling of Baht 2,199 million, mainly arising from sales by ICT Solution and Service segment, Utilities and Transportations segment).

44. Commitments and contingent liabilities

The Group has commitments and contingent liabilities other than those disclosed in other notes as follows:

44.1 Capital commitments

- 44.1.1 As at 31 December 2022, Samart Digital Public Co., Ltd., and Samart Comtech Co., Ltd., the subsidiary companies, had capital commitments totally of approximately USD 1.4 million or equivalent to Baht 49 million and Baht 10 million (2021: USD 3.3 million or equivalent to Baht 110 million and Baht 88 million) regarding the purchase of equipment for Digital Trunked Radio System (DTRS) services.
- 44.1.2 As at 31 December 2022, Thai Base Station Co., Ltd., a subsidiary company, had capital commitments of approximately Baht 92 million (2021: Baht 92 million), regarding the purchases of equipment and installing for telecommunication tower service for Tower-Co project.
- 44.1.3 As at 31 December 2022, Cambodia Air Traffic Services Co., Ltd., a subsidiary company, had capital commitments of approximately USD 0.06 million or equivalent to Baht 2 million (2021: USD 0.06 million or equivalent to Baht 2 million), regarding the additionally invest in project assets as condition stipulated in the extend agreement.

44.2 Short-term leases and leases of low-value assets commitments

As at 31 December 2022, 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	
	2022	2021	2022	2021
Within 1 year	2,472	802	144	96
Total	2,472	802	144	96

44.3 Commitments in uncalled portions of investments

The subsidiaries are committed to pay the uncalled portions of their investments as follows:

	Currency	Amount (Million)	
		2022	2021
The local subsidiary companies	Baht	130	130
The overseas subsidiary companies	USD	3	3

44.4 Guarantees

44.4.1 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	
	2022	2021	2022	2021
Baht				
Performance guarantees	4,157	4,564	573	573
Guarantee electricity use and others	958	336	1	1
Yen				
Performance guarantees	26	26	-	-
Euro				
Performance guarantees	1	1	-	-
Swiss franc				
Performance guarantees	1	2	-	-
US Dollar				
Performance guarantees	4	1	-	-
Chinese Yuan				
Performance guarantees	2	2	-	-

44.4.2 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	
	2022	2021
Baht		
Teda Co., Ltd.	5,459	4,498
Transec Power Services Co., Ltd.	1,625	1,625
Vision and Security System Co., Ltd.	968	927
The Samart Engineering Co., Ltd.	87	87
Samart U-Trans Co., Ltd.	133	121
Samart Aviation Solutions Public Co., Ltd.	18	18
Suvarnabhumi Environment Care Co., Ltd.	-	45
Samart RadiTech Co., Ltd.	40	40
Samart Digital Public Co., Ltd.	393	393
	8,723	7,754
US Dollar		
Teda Co., Ltd.	8	8
	8	8

- 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	
	2022	2021
I-Sport Co., Ltd. and Siam Sport Television Co., Ltd.	10	10

- c) As at 31 December 2022, 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 4,903 million (2021: Baht 6,592 million).
- d) As at 31 December 2022, the Company has credit bank guarantee facilities of Baht 1,000 million (2021: 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 (2021: Baht 150 million), from the credit facilities.

In addition, as at 31 December 2022, the Company cancelled to allow Suvarnabhumi Environment Care Co., Ltd. to draw down from the joint facilities (2021: joint facilities Baht 20 million).

44.5 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. In addition, the subsidiary has continuously requested to extend the concession agreement several times. Until the latest, on 18 August 2022, the subsidiary company signed an amendment to the concession agreement with the Royal Government of the Kingdom of Cambodia to extend the concession period for another 10 years which will expire in the year 2051, 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)	
	2022	2021
Australian dollar	-	1
Baht	7	13
Euro	3	2

- c) As at 31 December 2022, 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 1,104 million (2021: Baht 1,205 million).
- d) As at 31 December 2022, 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 49 million (2021: Baht 24 million).

- e) As at 31 December 2022, the Group has other outstanding commitments from service agreements with various companies totaling approximately Baht 51 million (2021: Baht 29 million). These commitments mainly related to management, strategic planning, and other business operations consultant services between 1 and 10 years. The Group has to pay a monthly service fee at the rate stipulated in the agreements.
- f) As at 31 December 2022, 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 0.1 million, or equivalent to Baht 3.6 million (2021: USD 0.3 million, or equivalent to Baht 9.7 million).

Other commitments of Samart Telecoms 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 (2021: 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	
	2022	2021
Payable:		
In up to 1 year	268	238
In over 1 and up to 5 years	313	512
Total	581	750

- 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 2022, the subsidiary is obligated to pay for equipment and service fee amounting to Baht 73 million, EUR 1.0 million, and USD 0.2 million, or equivalent to Baht 118 million (2021: Baht 105 million, EUR 1.3 million, and USD 0.2 million, or equivalent to Baht 163 million).
- j) 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 2022, the subsidiary is obligated to pay for equipment and service fee totaling approximately Baht 71 million (2021: Baht 207 million).

Other commitments of Samart Digital Public Co., Ltd.'s group

- k) 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.

- l) As at 31 December 2022, Samart Digital Public Co., Ltd., a subsidiary company, has commitment approximately USD 20.8 million or equivalent to Baht 723 million and Baht 83 million (31 December 2021: USD 14 million or equivalent to Baht 468 million and Baht 101 million) relating to purchase inventory for Digital Trunked Radio System (DTRS) services.

44.6 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 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.

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.

Subsequently, on 22 September 2022, the Civil Court issued an order dismissing the Company's petition to revoke the Arbitral award. On 20 February 2023, the Company has already submitted an appeal to the Supreme Court. The legal advisor of the Company expects that the court proceedings will take no less than 3 years.

As of 31 December 2022, this case is under ongoing court proceedings. Although the Company has set aside a provision in accordance with the accounting principle of conservatism, this does not affect the legal rights. In addition, setting aside a provision does not mean that the Company waives its right under the judiciary proceedings in the future since the Company still believes in its legal standing as well as having an interest in going through all judiciary processes until the end. The legal advisor and the management of the Company continue to believe that, based on the Company's defense, the Supreme Court's judgement will be in favour of the Company and the Company will eventually win the case. Thus, the Company shall not be liable to pay for such claim to the Organizing Committee and the Sports Authority of Thailand.

- 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.

On 23 March 2022, subsequently, the SPS Consortium submitted a petition to the court requesting an amendment to the plaint, asking the money and interest totaling 69 million Baht back from that state enterprise, which it received from the guaranteeing bank. However, the Company recorded related transactions for accounting purposes as described in Note 8 e) to the 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.

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, the Company recorded these damages based on the proportion of its work in the account of Baht 40 million in the year 2021 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 (2021: 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 complaint 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 2022 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 complaint 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 complaint. On 30 April 2021, Samart Digital Group filed the amended complaint 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 Company and its subsidiary's lawyer (the defendant's lawyer) went to the Court, and the defendant's lawyer requested to amend the statement on such date. Subsequently, on 18 April 2022, the Court made an appointment for the plaintiff to appear in the Court for the taking of evidence on 19 - 20 July 2023, and for the defendant on 20 - 21 July 2023.

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 complaint with the Civil Court as mentioned 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 2022, the case is under further court proceedings. Samart Digital Group is confident that the provision in its account is adequate in current situation.

45. Fair value hierarchy

As at 31 December 2022 and 2021, 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 2022		
	Level 1	Level 2	Total
Assets measured at fair value			
Financial assets measured at FVTPL			
Equity investments	4	-	4
Land	-	597	597
Investment properties	-	85	85

(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)

	Separate Financial Statements			
	31 December 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Equity investments	2	-	-	2
Land	-	236	-	236
Investment properties	-	-	91	91

(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

46. Financial instruments

46.1 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 2022 and 2021, 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	
	2022	2021	2022	2021	2022	2021
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
Financial assets						
US dollar	4	2	7	2	34.3913	33.2469
CNY	2	-	-	-	4.8953	-
Financial liabilities						
Euro	-	1	-	-	-	38.2813
US dollar	17	6	37	20	34.7335	33.5929
CNY	2	-	-	-	5.0375	-

As at 31 December 2022 and 2021, 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	
	2022	2021	2022	2021
	(Million)	(Million)	(USD per 1 foreign currency unit)	
Financial assets				
Baht	32	13	0.0291	0.0301
Euro	-	1	-	1.1282
Financial liabilities				
Baht	15	11	0.0288	0.0298

Forward exchange contracts outstanding as at 31 December 2022 (2021: Nil) are summarised below.

Foreign currency	Bought amount		Contractual exchange bought forward (USD per 1 foreign currency unit)	Contractual maturity date
	Consolidate financial statements	Separate financial statements		
	(Million)	(Million)		
US dollar	9.3	5.6	34.20 - 37.32	January - June 2023

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 2022 and 2021, 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		2022	2021	2022	2021	2022	2021
	2022	2021	2022	2021						
Financial assets										
Cash and cash equivalents	122	81	-	-	1,449	989	65	239	1,636	1,309
Trade and other receivables	-	-	-	-	-	-	2,469	1,759	2,469	1,759
Accrued income	-	-	-	-	-	-	2,966	2,929	2,966	2,929
Short-term loans	10	-	-	-	-	-	-	-	10	-
Deposits at bank with restrictions	343	267	-	-	-	-	-	-	343	267
Other long-term receivables - net of current portion	-	-	-	-	-	-	120	120	120	120
Other financial assets	21	68	-	-	-	-	106	239	127	307
Total	496	416	-	-	1,449	989	5,726	5,286	7,671	6,691
Financial liabilities										
Short-term loans from financial institutions	3	3	-	-	3,138	2,979	-	-	3,141	2,982
Trade and other payables	-	-	-	-	-	-	2,062	1,554	2,062	1,554
Short-term loans from unrelated parties	-	-	-	-	13	13	-	-	13	13
Debentures	-	1,199	1,669	28	-	-	-	-	1,669	1,199
Long-term loans from financial institutions	-	-	-	-	5,181	5,462	-	-	5,181	5,462
Other financial liabilities	-	-	-	-	-	-	58	46	58	46
Total	3	1,202	1,669	28	8,332	8,454	2,120	1,600	12,124	11,284

(Units: Million Baht)

	Separate financial statements									
	Fixed interest rates				Floating interest rate		Non-interest bearing		Total	
	Within 1 year		Over 1 - 5 years		2022	2021	2022	2021	2022	2021
	2022	2021	2022	2021						
Financial assets										
Cash and cash equivalents	-	-	-	-	151	228	1	-	152	228
Trade and other receivables	-	-	-	-	-	-	753	164	753	164
Accrued income	-	-	-	-	-	-	105	1	105	1
Short-term loans	-	-	-	-	373	188	-	-	373	188
Other long-term receivables - net of current portion	-	-	-	-	-	-	120	120	120	120
Long-term loan to subsidiary company	-	-	319	319	-	-	-	-	319	319
Other financial assets	-	-	-	-	-	-	14	21	14	21
Total	-	-	319	319	524	416	993	306	1,836	1,041
Financial liabilities										
Short-term loans from financial institution	-	-	-	-	1,184	1,081	-	-	1,184	1,081
Trade and other payables	-	-	-	-	-	-	534	169	534	169
Short-term loans from related parties	-	-	-	-	942	794	-	-	942	794
Debentures	-	1,199	1,669	-	-	-	-	-	1,669	1,199
Long-term loans from related parties	-	-	-	-	-	36	-	-	-	36
Long-term loans from financial institution	-	-	-	-	1,366	1,546	-	-	1,366	1,546
Other financial liabilities	-	-	-	-	-	-	21	14	21	14
Total	-	1,199	1,669	-	3,492	3,457	555	183	5,716	4,839

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 2022 and 2021.

Currency	Consolidated financial statements			
	2022		2021	
	Increase/decrease	Increase/(decrease) in loss before tax	Increase/decrease	Increase/(decrease) in loss before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
THB	+0.1	7,046	+0.1	4,874
	-0.1	(7,046)	-0.1	(4,874)
USD	+0.1	1,170	+0.1	1,883
	-0.1	(1,170)	-0.1	(1,883)

Currency	Separate financial statements			
	2022		2021	
	Increase/decrease	Increase/(decrease) in loss before tax	Increase/decrease	Increase/(decrease) in loss before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
THB	+0.1	2,102	+0.1	(2,135)
	-0.1	(2,102)	-0.1	2,135
USD	+0.1	922	+0.1	(677)
	-0.1	(922)	-0.1	677

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 2022, approximately 70% (2021: 76%) of the Group's debt will mature in less than one year (Separate financial statements: 53% (2021: 73%) 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 2022 and 2021 based on contractual undiscounted cash flows:

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2022				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	265	2,885	-	-	3,150
Trade and other payables	-	2,062	-	-	2,062
Short-term loans	13	-	-	-	13
Debentures	-	-	1,823	-	1,823
Convertible debentures	-	-	41	-	41
Lease liabilities	-	71	196	2	269
Long-term loans from financial institutions	-	3,686	1,803	-	5,489
Other financial liabilities	-	21	19	4	44
Total non-derivatives	278	8,725	3,882	6	12,891
Derivative financial instruments					
Financial liabilities - forward exchange contracts	-	14	-	-	14
Total derivative financial instruments	-	14	-	-	14

(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 from unrelated company	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)

	Separate financial statements				
	As at 31 December 2022				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	200	987	-	-	1,187
Trade and other payables	-	534	-	-	534
Short-term loans from related company	942	-	-	-	942
Debentures	-	-	1,823	-	1,823
Lease liabilities	-	14	37	-	51
Long-term loans from financial institutions	-	538	965	-	1,503
Other financial liabilities	-	-	-	12	12
Total non-derivatives	1,142	2,073	2,825	12	6,052
Derivative financial instruments					
Financial liabilities - forward exchange contracts	-	9	-	-	9
Total derivative financial instruments	-	9	-	-	9

(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

46.2 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.

47. Capital management

The primary objective of the Group's 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 2022, the Group's debt-to-equity ratio was 4.06:1 (2021: 2.84:1) and the Company's was 2.54:1 (2021: 0.83:1).

48. Events after the reporting period

48.1 Samart Digital Public Company Limited, a subsidiary has offered and issued a newly convertible debentures No. 8 - 12 pursuant to the convertible debenture agreement in November and December 2022 totaling of Baht 41 million. The convertible debentures will be matured on 6 June 2025. The convertible debenture holders have exercised convertible rights in January 2023 of Baht 41 million. The subsidiary registered the latest paid-up share capital with the Ministry of Commerce on 31 January 2023.

In addition, the subsidiary has offered and issued a newly convertible debentures No. 13 - 16 pursuant to the convertible debenture agreement in January and February 2023 totaling of Baht 60 million. The convertible debentures will be matured on 6 June 2025. The convertible debenture holders have exercised convertible rights in January and February 2023 of Baht 11 million and Baht 42 million, respectively. The subsidiary registered the latest paid-up share capital with the Ministry of Commerce on 22 February 2023.

48.2 On 23 February 2023, the Board of Director's Meeting considered to find a solution to the Samart Digital Public Co., Ltd., a subsidiary company, shareholders' equity less than 50% of paid-up capital situation and compliance with the regulations of the Stock Exchange of Thailand in the event that the subsidiary company's securities will be marked with "C" (Caution) sign. In this regard, the subsidiary company will propose solutions to the situation to the meeting in order to provide information to investors and related parties (Public Presentation).

48.3 On 23 February 2023, the meeting of the Samart Telcoms Public Co., Ltd., a subsidiary company's Board of Directors 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 2022, of Baht 0.21 per share, or a total of Baht 129.8 million. The subsidiary Company paid an interim dividend of Baht 0.06 per share on September 2022, a total of Baht 37.1 million, and is to pay the remaining Baht 0.15 per share, or a total of Baht 92.7 million.

49. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised Directors on 23 February 2023.

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 Director 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 https://www.samartcorp.com/11/ir_onereport_en.php or scan QR code below;



- In case that this Annual Registration Statement / Annual Report (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 (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 (Form 56-1 One Report).

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