

**SUSTAINABILITY**  
THROUGH  
**SMART DIGITAL**  
**TECHNOLOGIES**





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# **SUSTAINABILITY** THROUGH **SMART DIGITAL TECHNOLOGIES**

**SAMART TELCOMS Group** is committed to offering intelligent digital technology of international standards to support the management in both public and private organizations as well as to upgrade the quality of their services, readily taking part in driving society towards sustainability.



## Economic Sustainability



Operating with the aim to achieve economic sustainability for all stakeholders including organizational clients in both public and private sectors, shareholders, the management, and the Company's employees

## Social Sustainability



Offering socially-responsible digital technology solutions to both public and private organizational clients for their operations and services, satisfying the clients' needs and upgrading people's quality of life

## Environmental Sustainability



Placing importance on environment and energy conservation while relying on environment-friendly approaches in operations through energy-saving campaigns and technology that helps reduce the negative impact on environment such as renewable energy technologies for the Company's sustainable growth alongside society



# Messages

## from the Board of Directors



### Dear Shareholders

In 2022, Covid-19 infection rate in Thailand declined resulting in recovery of tourism sector as well as private investment and consumption raising overall economy growth at 2.6 percent, continued expansion from 1.5 percent in 2021. Moreover, the past Covid-19 situation has accelerated enterprises and government agencies in every sector to align digital technology to improve efficiency in operations and services. My gratitude is expressed to the Board of the Directors, executives, and all employees of Samart Telcoms Group for their determination to conduct business on the basis of sustainability delivering continuing growth and trusts from government and private clients, resulting in revenue of Baht 5,267 million and higher profit compared with that in the previous year. The Company, besides, has been consecutively rated “Excellent” in Corporate Governance Report of Thai Listed Companies by Thai Institute of Directors (IOD).

Thai economy is anticipated to expand in 2023 by 3.2 percent due to tourism sector recovery and expansion of private and public investment by 2.1 and 2.7 percent respectively, compared with public investment contraction at 4.9 percent in 2022. Moreover, it is forecast that spending in IT including communication services in Thailand will grow by 4.2 percent. The year 2023 will be desirable year for opportunities and growth to be able to drive business for sustainability along with growth of the country’s digital economy and society.



In conclusion, on behalf of the Board of the Directors, I would like to express my appreciation to shareholders, valued customers, business partners, and all stakeholders for unfailing trusts and supports as always. I am confident that the Company, at full throttle, will conduct business adhering to sustainability development practice, focusing three dimensions: economy and corporate governance; society; and environment, with innovation and products and services improvement, sustainable value chain management, efficient risk management, including responsibility of customers, society, and stakeholder, together with minimizing impact to environment in order to take part in aligning digital technology to drive Thailand's digital economy and society toward sustainability.



**General Sumpun Boonyanun**  
Chairman



# Report of the Executive Board



## Dear Shareholders,

Thai economy in 2022 expanded at good pace from recovery of global economy and domestic tourism due to significant mitigation of the Covid-19 situation. The export value of goods and private investment including private consumption grew at decent rate, despite of slight contraction in government consumption and decline in public investment by 4.9 percent. Nevertheless, the Company's operations in 2022 continued to grow in both revenue at Baht 5,267 million and net profit at Baht 261 million, resulting from customer trust and success in new projects awarded for total value of around Baht 5,300 million with the expansion of such projects and services being able to generate recurring revenues and to extend stability and sustainability of the Company.

In 2023, Office of the National Economic and Social Development Council forecast Thai economy to grow 3.2 percent regardless of decline in government consumption by 1.5 percent. Public investment once again is projected to grow by 2.7 percent with private investment and consumption expansion at 2.1 and 3.2 percent respectively. In addition to, the forecast indicates Thailand's spending in IT and communication services in 2023 to grow by 4.2 percent. The government will continue to drive Bio-Circular-Green (BCG) Economy, smart city development, digital government with acceleration of more secured infrastructure and smarter digital management in order to deliver more e-Services to citizens. Furthermore, enterprises in various industries have aligned advanced technology



to increase efficiency and values to products and services as well as developing sustainability. Such technologies are adaptive Artificial Intelligence, Internet of Things (IoT) applied increasingly in industries, Datafication helping to turn business operations and activities into data for analysis, Big Data Analytics with more AI and Machine Learning deployment, Immersive Technology applied to increase experience and efficiency, Robotic Process Automation (RPA) helping business to automate repetitive tasks more quickly and reducing errors, Cloud Computing becoming faster, more flexible and more environmental friendly, and Cyber Security turning into a necessity for businesses.

The Company therefore has developed human in digital technology to be ready for changes and advanced technologies, as a leading solution and service provider of the country in ICT, digital technology and innovation, to support transformation and changing demands in digital era and to elevate clients' business capabilities.

Other than the preparation of competent professionals, advanced technologies, standards of operations, efficient management, and collaboration with leading partners, Samart Telcoms Group has full of determination and commitment for strong performance together with sustainability development in economy, society, environment, and corporate governance. I, on behalf of the executive board, therefore believe without hesitation that the Company will persistently grow toward stability and sustainability.



**Mr. Watchai Vilailuck**  
Executive Chairman / Chief Executive Officer



## BOARD OF DIRECTORS



1

### GENERAL SUMPUN BOONYANUN

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

2

### MR. VICHAI POKASAMRIT

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



3

### MR. SIRICHAJ RASAMEECHAN

- Independent Director
- Corporate Governance Committee Member
- Nominating & Compensation Committee Member

4

### MISS RAPEEPAN LUANGARAMRUT

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

5

### MR. KAJORNVUT TAYANUKORN

- Director
- Corporate Governance Committee Member





6

**MR. CHAROENRATH VILAILUCK**

- Executive Director
- Risk Management Committee Member



7

**MR. WATCHAI VILAILUCK**

- Executive Director
- Executive Chairman & Chief Executive Officer
- Chairman of the Risk Management Committee



8

**MR. THANANAN VILAILUCK**

- Executive Director
- Risk Management Committee Member



9

**MR. JONG DILOKSOMBAT**

- Executive Director
- President
- Chairman of the Sustainable Development Committee
- Corporate Governance Committee Member
- Risk Management Committee Member



# Vision

## Samart Telcoms Group

is committed to professionally offering, with international standards, a comprehensive range of ICT solutions and digital innovations to enhance customers' competency in moving towards digital economy.

# Corporate Culture

## SAMART DNA



**Think Ahead**



**Customer Focus**



**Team of Professionals**



**Commit to Excellence**



# Mission

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



## Customers

Constantly develop and customize a strong portfolio of advanced ICT solutions and digital innovations to fully serve demands and requirements of our customers with utmost benefit delivered to users.



## Employees

Provide extensive training and development programs to enhance the professionalism, gain new experience and foster the service-minded professionals as well as to improve the quality of life and their career advancement.



## Organization

Define a clear set of high standard of how we conduct ourselves in order to ensure transparency, efficiency and fairness and to be organization of innovation with environmental responsibility.



## Partners

Strengthen relationships with business partners to create sustainable success for all parties and contribute to the creation of vibrant business environment through knowledge transfer to lift up the service quality.



## Shareholders

Ensure a sustainable return on investment for shareholders and investors with stable revenues by expanding customer base and continuously seeking new business opportunities.



## Society and Communities

Be a socially responsible organization through implementation of a wide range of social contribution activities and initiatives that promotes "Creating Quality People and Supporting Ethical Society".



# Report of the Audit Committee

## Dear Shareholders,

The Audit Committee of Samart Telcoms Public Company Limited comprises of three independent qualified committee members as follows: Mr. Vichai Pokasamrit, Chairman of the Audit Committee, General Sumpun Boonyanun and Miss Rapeepan Luangaramrut, committee members and Mr. Somchai Bunsupaporn as Secretary. All members possess adequate qualifications for their posts specified by the Audit Committee Charter and in accordance with the Securities and Exchange Commission, Thailand and the Stock Exchange of Thailand regulations and best practice guidelines.

The Audit Committee operates independently and performs its duties and responsibilities as assigned by the Board of Directors in overseeing the corporate governance and the internal control systems to ensure that the Company's business operations are carried out for the interests of its shareholders and other stakeholders and that the Management execute their duties with integrity, and in accordance with the Company's policies. The Audit Committee conducted 4 meetings in 2022. To discuss and share opinions with management, external auditors and internal auditors on matters related to the meeting agenda which was summarized below:

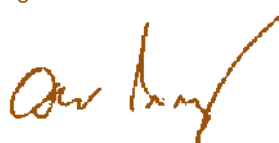
- 1. Review of interim and annual financial statements** as of 2022, in consultation with management and external auditors. The Audit Committee's opinion was that the financial statements were correct adhering to the general acceptable accounting principles and promptly disclose for the benefit of shareholders, investor and users of such statements for the purpose of making informed investment decisions.
- 2. Review the operation information together with its internal control systems** and their efficacy towards ensuring that the Company's business was efficiently and effectively conducted in the pursuit of achieving performance goals. In 2022, based on the COSO Framework, (The Committee of Sponsoring Organizations of the Tread way Commission), the Audit Committee reviewed internal audit reports. Assessment results regarding effectiveness of internal controls and risk management systems disclosed that there are no significant deficiency, have appropriate asset safeguarding, correct, complete and reliable information disclosure. In addition, the Audit Committee evaluated the internal control system in compliance to the Practice of the Securities and Exchange Commission. They commend that the Company possesses good internal control system monitoring the operations of its subsidiaries adequately, appropriately and efficiently.
- 3. Review of internal audit**, by considering the mission, scope of work, duties and responsibilities, independency, manpower and budget of the Internal Audit Division. Reviewed and approved the amendment of the Internal Audit Charter as appropriate, up to date and in compliance with the internal audit practice manual of the Stock Exchange of Thailand. Approval of 2023's audit plans that linked on the internal control evaluation basis and covering crucial working systems of the Company. The Audit Committee also commend that the Company had an internal control was adequate, appropriate and effective. Also have developed the audit quality in personnel training and audit work on par with international standard for the Professional Practice of Internal Auditors.
- 4. Review the Charter of the Audit Committee** The Audit Committee has reviewed and approved the Company's Audit Committee Charter as appropriate, up to date and in compliance with the rules and guidelines of governance principles, good business and regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.
- 5. Reviewed connected transactions, or transactions that may lead to conflicts of interest.** This is to ensure that they were in compliance with the laws, rules and regulations prescribed by the Capital Market Supervisory Board of the Securities and Exchange Commission and other regulatory bodies and were reasonable and for the highest benefit of the Company.

The Audit Committee concluded, that the aforementioned transactions that were conducted by Management was fair, without conflict of interest maximizing the benefit to the Company and shareholders on an arm's length basis and under normal commercial terms. Therefore, the resolution came to propose that to the Board of Directors' Meeting for approval and disclosure to Stock Exchange of Thailand.

6. **Establishing a self assessment** for Audit Committee member and the Audit Committee annually in compliance with Best Practice Guideline for Audit Committee. The evaluation result revealed that the Audit Committee's performance is completely fulfilled according to its Charter and complied with the good principles, effectively enhancing the good corporate governance.
7. **Conducted the Report of the Audit Committee's** Activities to the Board of Directors for acknowledgement for every Audit Committee meetings and provided useful management performance recommendation, which were subsequently adopted. To comply with Best Practice Guideline for Audit Committee and Regulations of the Stock Exchange of Thailand.
8. **Consider appointing the External Auditors and their Remuneration for the year 2022** to be proposed to the Board of Directors to ask for approval of Annual Shareholder's Meeting for the year 2022, which the Audit Committee considered the performance, independency and remuneration and concluded to propose appointing Ms. Siriwan Suratepin, Certified Public Accountant Registration number 4604, Mrs. Sarinda Hirunprasurtwutti, Certified Public Accountant Registration number 4799, or Miss. Kamontip Lertwitworatep, Certified Public Accountant Registration number 4377 of EY office Limited to serve as the Company's external auditors for the year 2022, with the remuneration of 2,800,000 Baht. The Audit Committee has the opinions regarding the external auditors as follows:
  - Based on past performance, the external auditors performed their duties with knowledge, professional competency, independency in performing their duties, and giving recommendations regarding internal control system and various risks.
  - The proposed remuneration was approximately 2,800,000 Baht equal to the year of 2021.
  - There was compliance with Regulation of the Office of the Securities and Exchange Commission (SEC) with regards to the changing of the financial statements signatory external auditor every 7 years.
  - The external auditors had no relation with the Company and subsidiaries.

The Audit Committee performed its duties and responsibilities with appropriate knowledge, ability, carefulness and sufficient independence. The Audit Committee had full access to all pertinent information from management, employees and associated parties. Furthermore, the Audit Committee gave comments and recommendations which were beneficial to all of the Company's stakeholders.

In summary, the Audit Committee had fulfilled the responsibility of the Audit Committee Charter that was approved by the Board of Directors and found that the Board of Directors, Management, and Executive Directors all performed ethically with the intent to conduct their job functions professionally and in pursuit of the Company's performance goals. Furthermore, it has been concluded that the Company was fully committed to effective Corporate Governance. The Company disclosed financial and operation information correctly, had appropriate and effective internal control and audit; risk management, complied with laws, regulations and obligations, disclosed the connected transactions correctly and performed duties in compliance with the Good Corporate Governance principles, with transparency and reliability. Also developed operation systems to be more qualified and fit with the changing business environment on a continuing basis.



(Mr. Vichai Pokasamrit)

Chairman of the Audit Committee



# Report of the Risk Management Committee

## Dear Shareholders,

The Board realizes the importance of Risk Management as it can drive the Company's business operations smoothly and continually has appointed Risk Management Committee, which consists of 4 Directors and appoints the Chairman of the Executive Board as Chairman of the Risk Management Committee. Moreover, a Risk Management's working group comprises of the President and 10 concerned department heads to evaluate related risks as a result of the Risk Management Plans, the appropriate preventive and corrective measures and monitor results regularly. To propose a management plan and follow-up performance on risk management to the Risk Management Committee for consideration.

In 2022, The Risk Management Committee conducted 3 meetings to carry out duties and responsibilities as assigned by the Board of Directors as summarized below:

1. To consider the significant risks that management department heads have evaluate/assessed risks consequently their affects to the business covering operational risk, financial risk, business risk and corruption risk, as well as, determine the method to manage risk and/or reduce its affect to an acceptable level, including assigning to the responsibly teams for implementation.
2. To continuously promote and support executives and employees to aware the importance of internal risk management. So that the company can manage its critical risks to an acceptable level.
3. To consider a risk management plan against the spread of the COVID-19 in 2022, focusing mainly on prevention and control the spread of the COVID-19 according to government measures.
4. To consider 5 risk factors on business operation, both current risks and emerging risks, which consist of strategic risk, operation risk, compliance risk, finance risk and risks affect the investment of securities holders.
5. To monitor progress of risk management from various agencies involved and reviewing the compliance with risk management plan pursuant regarding risk management policy and framework. Assuring that the company has systematically and effectively conduct risk management as well as providing important advice to contribute to the development of the risk management of the Company to be more efficient by assigning the internal audit department to monitor and review the risk management measures of each company to ensure that the goal has been achieved.

According to the issues and tasks mentioned above, The Risk Management Committee responsibilities assigned by the Board of Directors and ensure that the Corporate Risk Management operations are carried out efficiently and effectively in line with the good Corporate Governance Principle, sufficient internal control including compliance with the law and regulations concerning Company's business.



(Mr. Watchai Vilailuck)

Chairman of the Risk Management Committee

# Report of the Corporate Governance Committee

## Dear Shareholders,

The Board of Directors strongly believes in conducting business according to business ethics, good corporate governance and corporate social responsibility (CSR) as well as supporting in improvement of corporate governance policy on continual basis ensuring solid foundation of the Company and building a strong circle of trust with the ultimate objectives of the equitable treatment to every stakeholder, leading to the sustainable development.

To this end, the Board of Directors has assigned the Corporate Governance Committee (CG Committee) to be responsible to propose corporate governance guidelines and oversee the conduct of directors and the management to ensure conformance to corporate governance principles and in accordance with the corporate governance practices of both national and international standards. The CG Committee has the Chairman who is an independent director.

In 2022, the Corporate Governance Committee held two meetings to follow up operations and to consider matters that encourage and promote corporate governance. The CG Committee regularly reported to the Board of Directors with the meeting results having key agendas that can be concluded as follows:

- **Review the compliance with the principles of good corporate governance, Corporate Governance Policy, Business Ethics, and the Board of Director and the Committee Charters of the Company.**

The Corporate Governance Committee reviewed the compliance with the principles of good corporate governance, Corporate Governance Policy, Business Ethics, and the Board of Director and the Committee Charters of the Company to according with the good corporate governance principles for listed companies in 2017 (CG Code) and the criteria under the Corporate Governance Report of Thai Listed Companies. The meeting has considered the amendments on the following main topics as:

1. Amendment to Corporate Governance Policy, in the topic “Inside Information Monitoring”, “Composition of the Board of Directors”, “Roles and Responsibilities of the Chairman of the Board”, “Being Director in other Listed Companies”, “Supervision on Operation of the Subsidiaries and the Associated Companies”, “Transparency of Nomination of Directors and Managements”, “Set up of Committees on Roles and Responsibilities of the Nominating & Compensation Committee” and “Company Secretary”;
2. Amendment to the Board of Directors Charter, in the topic “Composition” and “Roles and Responsibilities of the Chairman of the Board” and Nominating & Compensation Committee Charter in the topic “Objective” and “Roles and Responsibilities of the Nominating & Compensation Committee”.

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

- **The Self-Assessment of the Board of Directors, Committee, Executive Chairman and Company Secretary**

The Corporate Governance Committee oversaw and encouraged annual self-assessment of the Board of Directors, both as a group and individual, Committees, the Executive Chairman and the Company Secretary. Results from such assessments with recommendations shall be used to improve, rectify and develop for better efficiency and proposed to the Board of Directors and the shareholders for their acknowledgement.

- **Review of the Company’s Corporate Governance Report disclosed in the Annual Report.**

The review was conducted in accordance with the principles of good corporate governance to comply with the new regulations of the Stock Exchange of Thailand and additional defined regulations by the various regulatory agencies.



- **Agenda and enquiries for AGM.**

The Corporate Governance Committee has encouraged the minority shareholders to propose the agenda and submit enquiries in advance for consideration in the Annual General Meeting of Shareholders in order to promote shareholders' rights and equality for the transparency and efficiency of AGM arrangement in accordance with good corporate governance and the AGM Checklist.

In 2022, the Company was also recognized through the following honors for consistently making good corporate governance a priority, thus several awards received for the evaluation of corporate governance reports of Thai listed companies by the Thai Institute of Directors (IOD), in 2022, the Company was rated "Excellent" and being ranked in Top Quartile of the group of companies with a market capitalization of Baht 3,000-9,000 million Baht and was assessed with 4 TIA (90-99 points) for the 2022 Annual General Meeting of Shareholder (AGM Checklist) by the Thai Investors Association.

The Company will still adhere to conducting business compliant with corporate governance with transparency and business ethics. The Company also encourages improvement and development of Corporate Governance policy including fostering all employees to have awareness and service mind of business ethics. The Company has promoted the Company's Corporate Governance Policy and Business Ethics for employees and executives to realize and encourage the Company's corporate governance to align with international standard of corporate governance resulting in more trust and acceptance by all stakeholders.



(Mr. Vichai Pokasamrit)

Chairman of the Corporate Governance Committee

# Report of the Nominating & Compensation Committee

## Dear Shareholders,

The Board of Directors has appointed the Nominating & Compensation Committee consisting of all independent directors to be responsible for recruiting and nominating candidates who is qualified by the relevant laws and regulations together with qualification, experience, knowledge and ability that is advantageous and beneficial to the Company for the Board position and senior managements. Also responsible for specifying the reasonable structure policy, forms and criteria of remuneration payment of the directors, committees, Executive Chairman, senior managements, managements as well as the employees fairly, and in accordance with the strategies and goals including the performance of the Company and market conditions into consideration with the best interests of all parties as the main priority.

In 2022, the Nominating & Compensation Committee independently performing its roles in accordance with its charter and the scope of authority, with pursuant to the Company's corporate governance, held three meetings to consider numerous matters. The member who had interest in any matter considered shall be refrained from voting. The committee reported results from the meeting including comments and recommendations to the Board of Directors for considerations. The matters can be concluded as follows:

- **Nominated and proposed new Directors to replace the Directors retiring by rotation:**

The Nominating & Compensation Committee considered nomination and proposed persons to replace Directors retiring. The Nominating & Compensation Committee considered not only qualifications, experience, knowledge, ability benefiting the Company, but also diversity aspects in the structure of the Board of Directors such as gender, age, race, nationality and necessary skills that the Company still lacks in order to align with business strategies of the Company. The Nominating & Compensation Committee also employed Director Database of the Thai Institute of Directors Association in consideration to recruit and select appropriate persons according to the laws and regulations and proposed to the Board of Directors in order to appoint or propose for approval in the shareholders' meeting in accordance with the Company's regulations.

- **Nominated and proposed personnel to assume the Committees' members**

The Nominating & Compensation Committee, carefully considered, nominated and proposed qualified persons for the Committees' member using guidelines for the structure of Committees every year and proposed to the Board of Directors for further approval.

- **Reviewed succession plan of the managements**

The Nominating & Compensation Committee has reviewed succession plan of the top management and senior managements is of the opinion that the aforementioned criteria were appropriate to use continuously, which aligns with the 4<sup>th</sup> principles, ensure effective CEO and people management of good corporate governance principles for listed companies in 2017 (CG Code).

- **Determined Compensation for Directors and Committees' members**

The Nominating & Compensation Committee considered the 2022 remuneration for the Board Directors and Committees consisting the Audit Committee, the Nomination and Remuneration Committee, and the Corporate Governance Committee to further propose to the Board of Director and the Shareholders' meeting for consideration and approval, taking into the appropriateness of role and fairly in accordance with 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, as well as to be competitive with listed companies of the same industry with comparable business size consistent with the company's strategy and goals and enough to attract quality directors and executives to achieve the goals and directions as defined by the Company.



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

The Nominating & Compensation Committee jointly with the Human Resources Department and the Executive Board considered the criteria on salary increase for 2023, bonus payment of 2022 and criteria for bonus of 2023.

The salary increase rate and the bonus shall be in appropriate rate and in line with the Company's performance.

The Nominating & Compensation Committee reported its performance to the Board of Directors for acknowledgement on a regular basis, which completely carried out its duties as assigned with due care, due diligence, transparency and independence and provided straightforward comments for the ultimate benefits of shareholders, investors and all stakeholders.



(General Sumpun Boonyanun)

Chairman of the Nominating & Compensation Committee

# Report of the Sustainable Development Committee

## Dear Shareholders,

The Board of Directors realizes the importance of sustainable development that will lead to the sustainable business growth considering all stakeholders, as well as conducting business with social and environmental responsibility continuously, due to continuous changes of social and environmental driving forces. The Board of Directors consequently appointed the Sustainable Development Committee to oversee such matters. Presently, the Sustainable Development Committee consists of 6 directors and the President is the Chairman of the Committee.

In 2022, the Sustainable Development Committee arranged 4 meetings to follow up operations and consider matters pursuant to the sustainability development policy and the Sustainable Development Committee Charter. The meeting results had been constantly reported to the Board of Directors of which their main points were summarized as follows:

1. To consider and review the sustainability development policy to align with the Company's direction and business strategy, taking into account environmental, social and good governance issues;
2. To consider the sustainability performance plan for the year 2022 to align with the policies and goals for sustainability management in line with the Company's business strategy;
3. To monitor the sustainability performance in the year 2022 in order to ensure that the operation in accordance with the action plan;
4. To consider the criteria for evaluating corporate governance survey projects of listed companies related to sustainability development operations, and implement to be in line with the changing trends in corporate governance both domestic and global;
5. To consider the report of the sustainable development committee for the year 2021 and the driving business for sustainability report for the year 2021 to propose to the shareholders and disclose in the Annual Registration Statement / Annual Report (Form 56-1 One Report).

The Sustainable Development Committee has performed duties to the best of its ability as well as being highly committed to sustainable development in an efficient. Along with creating shared values among all stakeholders by considered to material issues of sustainability having impacts on all stakeholders in order to lead the organization towards sustainability.



(Mr. Jong Diloksombat)

Chairman of the Sustainable Development Committee

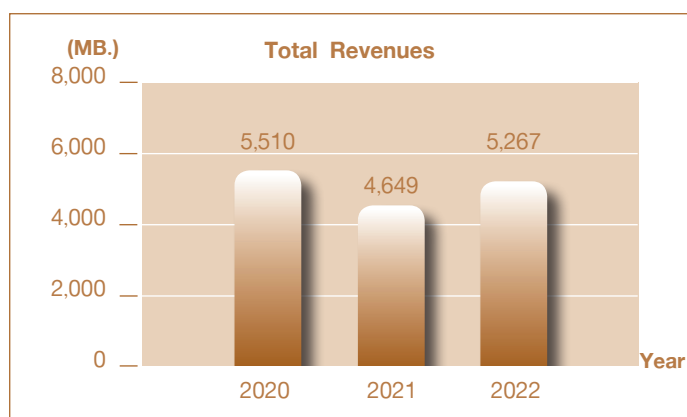


# Financial Highlights

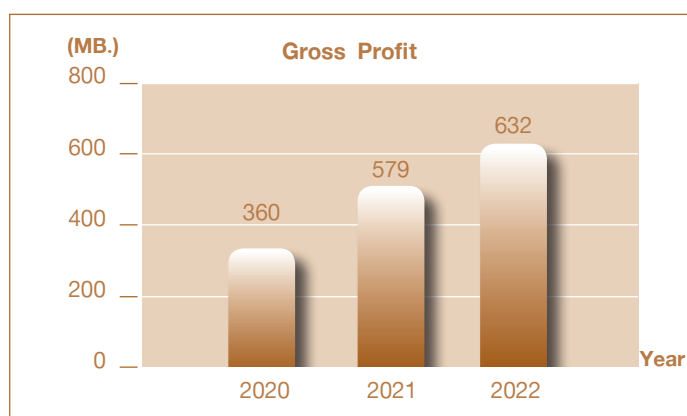
		2020	2021	2022
<b>Operating Results (Baht Million)</b>				
Total revenues		5,510	4,649	5,267
Gross profit		360	579	632
Net profit (loss)		(288)	61	261
<b>Financial Status (Baht Million)</b>				
Total assets		6,972	7,144	7,471
Total liabilities		3,668	3,773	3,908
Shareholders' equity		3,304	3,371	3,563
<b>Financial Ratio</b>				
Net Profit Margin	(%)	(5.22)	1.32	4.95
Return on equity	(%)	(8.05)	1.82	7.45
Return on asset	(%)	(3.50)	0.87	3.57
Debt to equity	(Time)	1.11	1.12	1.10
Earning (loss) per share	(Baht)	(0.47)	0.10	0.42
Dividend per share	(Baht)	-	0.05	0.21 <sup>(1)</sup>
Dividend payout ratio <sup>(2)</sup>	(%)	-	31.27	87.93
Book value per share	(Baht)	5.39	5.50	5.81
Par value per share	(Baht)	1	1	1
No. of Shares	(Million Share)	618.0	618.0	618.0

**Remarks:** <sup>(1)</sup> Dividend per share for 2022 at Baht 0.21 which will be proposed for consideration of shareholders in the 2023 Annual General Meeting of Shareholders;

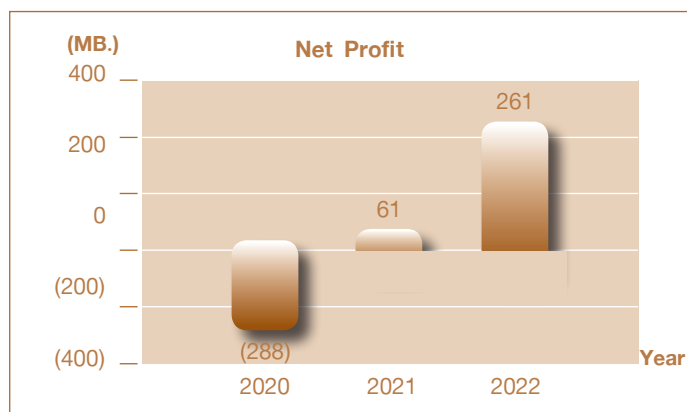
<sup>(2)</sup> % of separate company net profit after deduction of all reserves complied with the company's Articles of Association and related laws.



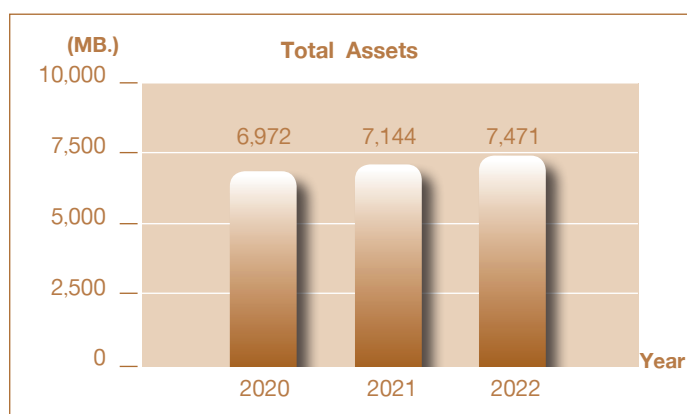
In 2022, total revenue was Baht 5,267 million, increased from 2021 by Baht 618.6 million or 13.3%. Revenue from sales, contract work, services and rental was Baht 4,947 million, increased by Baht 366 million or 8.0% comparing to 2021, increased in revenue from sales and contract work, services and Rental. Other income was Baht 320 million, increased by Baht 253 million from 2021.



In 2022, gross profit was Baht 632 million, increased by Baht 53 million or 9.2% from 2021. Gross profit margin was 12.8 % increased from 12.6% in 2021.



In 2022, net profit was Baht 261 million, increased by Baht 199 million from 2021. Net profit margin was 5.0% in 2022, increased from 1.3% in 2021.



Total assets as of December 31, 2022 were Baht 7,471 million increased by Baht 327 million or 4.6% from the end of 2021, mainly resulting from an increasing of project equipment, trade and other receivables.



# Changes During the Year

The Company has classified the business structure into 3 Business Groups comprising Network Solutions, Enhanced Technology Solutions and Business Application for suitability and business operation efficiency and to respond market demands. In 2022, although Thailand's COVID-19 situation was alleviated, mitigating negative impact to tenders of government and purchasing ability in private sector; China's Zero-COVID policy, Russia-Ukraine war, and trading policies between United States of America and China resulted in electronic chip shortage and limitations in international logistics. The Company thus emphasizes efficient risk management, proactive planning, and close monitoring to changing situations, in order to prevent and solve problems that might occur during implementation and services to customers. The Company created business opportunities and had significant changes in each business group as follows:

## 1. Network Solutions Business Group

### 1) Samart Communication Services Co., Ltd. had significant changes as follows:

The company has maintained the service quality standard, ISO 9001, increasing customer satisfaction and also has maintained ISO 2000 for quality and efficiency of IT service management in order that the system provided could gain more confidence from customers. These service quality considered strengths in long-term competitiveness helping the company achieve several service contract renewals and new project contracts in 2022, for example, service of security network with CCTV system, communications system improvement, including maintenance services on system such as Mediation Device system, Intelligent Network system, etc. Major customers are NT Public Company Limited, Royal Thai Police, Industrial Estate Authority of Thailand, etc.

### 2) Samart Telcoms Public Co., Ltd. had significant changes as follows:

The company maintained its service standards increasing confidence in the system and operations, considered the strengths for long-term competition, resulting in success in several important projects in 2022, for example, projects regarding Wireless LAN implementation, Rental of Computer System for Branch Offices, Mobile Endpoint Security, satellite communication services, and long distance learning via Internet.

The company proceeds and provides services for key customers such as Government Saving Bank, PTT Public Company Limited, Panyapiwat Technological College, Royal Thai Police, etc.

### 3) Samart Infonet Co., Ltd. had significant changes as follows:

Operating with the expertise in providing high-speed broadband Internet services, Co-Location services, and additional solutions of Software-Defined Wide Area Networking (SD-WAN) as an alternative service to enterprise customers for secure data connectivity between office branches helping reduce network expenses for customers. In the past year, the company began its Cloud Infrastructure-as-a-Service (IaaS), known as SAFE Cloud, managed cloud services on Hyper-Converged Infrastructure increasing system security and flexibility in various services, supporting workloads efficiently with professional services.

These successful projects in the Network Solutions Business Group will be the Company's revenue stream in 2023 and serve as additional revenue sources from services and system maintenance in the future.

## 2. Enhanced Technology Business Group

### 1) **Samart Comtech Co., Ltd.** had significant changes as follows:

The company constantly maintained standards of internal work process with efficiency and effectiveness emphasizing development of knowledge known as “Target Knowledge Certification”, enabling sales force, and designing and implementing engineers to deliver high quality works and keep up with business changes in current period and in the future. Besides, the company has maintained standards of its operations and services in compliance with ISO 9001. In 2022, the company succeeded in several projects regarding, for example, digital platform development for centralized service, implementation of CCTV with tracking and monitoring system, information system services, etc. Major customers are Ministry of Interior; Royal Thai Armed Forces Headquarters; Bangkok Metropolitan Administration; Social Security Office, Ministry of Labor; etc.

### 2) **NetService (Thailand) Co., Ltd.** had significant changes as follows:

The company has developed and brought expertise in design and development of IT system and related software development for customers in government and private sectors as well as supporting operations of companies in this Business Group. During the year, the company developed and improved specialized information system for its core products such as Website Management system to increase capabilities and security. Additionally, the company provided internal and online training programs to transfer knowledge and information technology regarding Website Management and land information system in order that all staffs can rotate operations and work substitutably.

### 3) **SecureInfo Co., Ltd.** had significant changes as follows:

The company has maintained high standards of Cyber Security Operation Center (CSOC) services as it has been continually certified the ISO/IEC 27001: 2013 standard (Surveillance Annually Audit), increasing confidence of customers in its CSOC services. Furthermore, the company has extended ISO/IEC 27001 to its services in Penetration Testing, Vulnerability Assessment, and Security Consultancy. The company succeeded in several projects awarded in 2022 such as the project regarding installation of cyber threat monitoring and management system, CSOC services, penetration testing services, cyber security assessment, cyber security consultancy services, etc. Key customers are Social Security Office, Electronic Transactions Development Agency, Provincial Electricity Authority, Government Saving Bank, Krungthai Card PCL, etc.

### 4) **Samart Telcoms Public Co., Ltd.** had significant changes as follows:

The company has maintained its service standard and constantly improved for readiness in technological knowledge and expertise of employees as well as its quality work processes. The company succeeded in gaining several important projects, for example, projects regarding Advanced Metering Infrastructure (AMI), CCTV System for risky public areas and community roads, etc. Key customers are Provincial Electricity Authority, Chonburi Provincial Administration Organization, Excise Department, etc.

### 5) **Smarterware Co., Ltd.** had significant changes as follows:

The company brought its expertise in complete services in consultancy, software application development with standard, and specialized services in software engineering to support business of other companies in the Business Group. During the year, other than development and maintenance of information system for Department of Land and land information management center, the company additionally developed features in e-Office system, application supporting advanced metering system, and cloud-native application development, which expedite development process with flexibility, faster response to customers, and efficient use of resources.



These successful projects in the Enhanced Technology Business Group will be the Company's revenue stream in 2023 and serve as additional revenue sources from services and system maintenance in the future.

### 3. Business Application Business Group

**1) Samart Telcoms Public Co., Ltd.** had significant changes as follows:

The company has provided solutions and services regarding business application to enhance capability and operation efficiency of customers in both government and private sectors in various industries through subsidiaries in this Business Group such as Portalnet Co., Ltd., Posnet Co., Ltd., Thai Trade Net Co., Ltd. and Samart eD Tech Co., Ltd. In 2022, the company has developed data transfer system for banking, collateral appraisal system, and maintenance services of Core Banking System for Government Housing Bank, including maintenance and services for customers.

**2) Portalnet Co., Ltd.** had significant changes as follows:

The company has maintained CMMI Level 3 standard and has conducted the business with expertise in design, implementation and outsourcing services for Enterprise Resource Planning (ERP), Enterprise Service Bus (ESB), Human Capital Management (HCM), Analytical System, Enterprise Content Management (ECM), Enterprise Management System (EAM), and Robotic Process Automation (RPA). During the year, the company has been certified ISO 9001: 2015 in its quality procedures of design, supply, development, installation, and maintenance of systems. Furthermore, the company, trusted by customers, was awarded new projects, for example, projects regarding SAP Upgrade, SAP S/4 HANA system development, including ERP system maintenance, and continued the maintenance service of Core Business System phase 2. Key customers are Provincial Electricity Authority, Metropolitan Waterworks Authority, Metropolitan Electricity Authority, Aeronautical Radio of Thailand Ltd. etc.

The company has also been extended certification of “Partner Center of Expertise” by SAP, indicating the company's high standard of operation on SAP system and the company regularly provided staffs necessary training programs, resulting in several staffs being certified from SAP and Project Management from Project Management Institute (PMI) to ensure staffs' service efficiency compliant with international standard.

**3) Posnet Co., Ltd.** had significant changes as follows:

The company has conducted business regarding business application with the expertise in e-payment system and as a payment solution provider to commercial banks and financial institutions, including large retailers. During the year, the company further imported and developed new Electronic Data Capture (EDC) system with higher capabilities to meet customer needs efficiently. The company also developed EDC Monitoring system to track various status of the system in order to support customers more quickly. Posnet Connecting Platform (PCP) was also implemented to be QR Gateway connecting various QR Platforms such as Atome, ShopBack, True Money, etc., enabling EDC system to pay via QR Wallet in various platforms.

**4) Thai Trade Net Co., Ltd.** had significant changes as follows:

Conducting in business application to support customers' operations with expertise in Electronic Data Interchange (EDI), during the year, the company applied to be a National Single Window (NSW) Service Provider (NSP) with National Telecommunication PCL, the NSW Operator regulated by Customs Department. The NSP will be able to provide service of direct data transmission through NSW system without transmitting via gateway providers. The service is expected to begin within second quarter of 2023.

**5) Samart eD Tech Co., Ltd.** had significant changes as follows:

Conducting business application to support customers' operations, the company has expertise in technologies regarding total education, Learning Management System (LMS), development of Courseware, Digital Content and Mobile Application development. During the year, the company improved its courseware and exam repositories, increased cyber security protection, and improved tracking ability in videos embedded. The company has provided services to leading enterprises, commercial banks, and government agencies such as PTT Exploration and Production PCL; Government Housing Bank; Government Saving Bank; Siam Commercial Bank PCL; Department of Business Development, Ministry of Commerce; the Comptroller General's Department, Ministry of Finance; the Office of Public Sector Anti-Corruption Commission; King Prajadhipok's Institute; etc.

These successful projects in the Business Application Business Group will be the Company's revenue stream in 2023 and serve as additional revenue sources from services and system maintenance in the future.



# 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 instability<sup>1</sup>. 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 2021<sup>2</sup>

Global economy in 2023 is projected to expand at slow pace by 2.9 percent<sup>1</sup> 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 percent<sup>2</sup>.

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 2022<sup>3</sup>.

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 percent<sup>4</sup>.

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 percent<sup>4</sup>. 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 software<sup>5</sup>.

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 2027<sup>6</sup> and driving the country as ASEAN's digital hub according to the 13<sup>th</sup> 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 execution<sup>7</sup>. Moreover, other technology trends are Datafication<sup>8</sup>, 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)<sup>9</sup> 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 sentiments<sup>2</sup>. 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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# Section 1

## Business Operations and Operating Performance

1. Structure and Operation of the Group of Companies
2. Risk Management
3. Driving Business for Sustainability
4. Management Discussion and Analysis
5. General Information and Other Important Information



# 1. Structure and Operation of the Group of Companies

## 1.1 Policy and Overview of Business Operation

### Background

Samart Telcoms Public Limited Company (“The Company” or “SAMTEL”) with the current registered capital of Baht 721 million and paid-up capital of Baht 618 million was founded on July 18<sup>th</sup>, 1986 with initial registered capital of Baht 5 million and the business purpose of provision in Satellite Telecommunication Services. The Company has registered in terms of the Public Limited Company and become a listed company of the Stock Exchange of Thailand since 1996. Currently, the Company has been organized into three Business Groups: Network Solutions, Enhanced Technology Solutions and Business Application.

### Overview of Business Operation of Subsidiaries and Associate Companies

The Company focuses on conducting business to provide ICT and digital solutions and classify business structure to cover all ranges of advanced solutions and technologies into 3 Business Groups: Network Solutions, Enhanced Technology Solutions, and Business Application. Based on customer needs, subsidiaries provide various service models as:

- System integrator, applying and integrating various technologies and solutions with service ranging from consulting, system design, installation, project management for delivery of quality works meeting the needs, including maintenance services and after-sales service at the international standard level;
- ICT Service Provider, providing network services for both wireline and wireless networks including satellite networks, specialized IT services and software application services for business;
- ICT Outsourcing Provider, providing consulting and system implementation along with team of experts to run the system operation under international standard process to support customers’ tasks or core business efficiently.

### Business operations of the Company in 3 business groups

The Company deploys the policy and guidelines in categorizing its business operations into three business groups based on types and characteristics of products and services covering all ranges of solutions and technologies in order to suitably respond to the needs in rapidly changing world, to reach every desire in every industry, and drive values of private sector including state enterprises under social and environmental responsibility. The business operations of each business group are as follows:

#### 1. Network Solutions Business Group

Network Solutions Business Group conducts business in providing total solutions and services regarding advanced technologies in telecommunications and data communication networks, from consulting services, survey, design, installation and implementation including along with management services including professional maintenance services. Trusted by leading organizations in both government and private sectors, the Network Solutions Business Group is versatile in and capable of providing customers turnkey solutions and outsourcing services under expertise and experience of engineers and excellence in project management which ensures quality of project delivery, including high level of service quality complying with ISO 20000 for quality IT service management and ISO 9001 for service quality control, along with 30 service centers nationwide and Network Operation Center (NOC) that always ready for customer supports, problem analysis, and troubleshoots for 24/7 to meet customer satisfaction. Solutions and services are:

Solutions in high-speed wireline technologies:

- Services on complete design, installation, implementation, and maintenance of high-speed fiber optic networks using advanced technologies such as DWDM (Dense Wavelength Division Multiplexing) and FTTX (Fiber to the X);
- Solutions and Services on various types of networks such as Leased Line, MPLS (Multiprotocol Label Switching), DSL (Digital Subscriber Line), Frame Relay, ATM (Asynchronous Transfer Mode), Software-Defined WAN (SD-WAN) and more.

Solutions in wireless technologies:

- Solutions for 4G, LTE Technologies and 5G;
- Solutions and Services for Digital Trunked Radio System and handset devices;
- Satellite Communication services through VSAT (Very Small Aperture Terminal), SCPC (Single Channel Per Carrier) and iPStar technologies.

## **2. Enhanced Technology Solutions Business Group**

Enhanced Technology Solutions Business Group conducts business in providing advanced solutions and services, which integrate and apply varieties of information and digital technologies to achieve various customer needs and customer expectations, which become more complex. Solutions and services in this Business Group also include advanced, specialized technology to support customers' critical tasks requiring accuracy, reliability, and stability, customized specifically for each customer for efficiency.

This Business Group ranges its services from consulting, engineering design and software development, implementation under professional project management, including outsourcing services and maintenance services for both government and private clients. This Business Group maintains international standard regarding service quality, ISO 9001. Samart Comtech Co., Ltd is a leading company of this Business Group. Various solutions and services in this Business Group include:

- Automatic Meter Reading (AMR) and Advanced Metering Infrastructure (AMI)
- Multimedia Solutions: IPTV, Video Conference System, etc
- Security Solutions: CCTV Systems, Face Verification System
- Cyber Security Operations Center (CSOC) Services
- Geographic Information System (GIS)
- Airport Solutions
- Digital TV Solutions: Transmission, Media Asset Management, Studio & Control Room System
- Energy Savings: Building Energy Management System (BEMS), Smart Photovoltaic (PV) Solutions
- Intelligent Robotics and Automation System
- Cloud Computing, Data Center and Big Data Analytic Solutions

## **3. Business Application Business Group**

Business Application 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 more efficiently, and for corporate clients to gain more competitiveness and increase customer satisfactions. Solutions and services in this Business Group are:

- Enterprise Resource Planning (ERP), Enterprise Asset Management (EAM), and Robotic Process Automation (RPA);
- Core Banking Solutions for banks and finance institutes;

- E-Payment Solutions and Services, Electronic Data Capture (EDC) System, Electronic Signature Capture System, E-Receipt Platform System, Smart Card System, Loyalty Services, QR Payment System, Kiosk Application for selling products and services, and Point of Sales System;
- Electronic Data Interchange (EDI) Services, Supply Chain Financing Services, Supply Chain Management System, including Cloud Computing Services.
- e-Learning, e-Courseware, and Digital Content development, including Mobile Application development.

### 1.1.1 Corporate Vision, Mission, Goals and Strategies

#### **Vision & Mission**

##### **Vision**

Samart Telcoms Group is committed to professionally offering, with international standards, a comprehensive range of ICT solutions and digital innovation to enhance customers' competency in moving towards digital economy.

##### **Mission**

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

##### **Customers**

Constantly develop and customize a strong portfolio of advanced ICT solutions and digital innovation to fully serve demands and requirements of our customers with utmost benefit delivered to users.

##### **Employees**

Provide extensive training and development programs to enhance the professionalism, gain new experience and foster the service-minded professionals as well to improve the quality of life and their career advancement.

##### **Organization**

Define a clear set of high standard of how we conduct ourselves in order to ensure transparency, efficiency and fairness and to be organization of innovation with environmental responsibility.

##### **Partners**

Strengthen relationships with business partners to create sustainable success for all parties and contribute to the creation of vibrant business environment through knowledge transfer to lift up the service quality.

##### **Shareholders**

Ensure a sustainable return on investment for shareholders and investors with stable revenues by expanding customer base and continuously seeking new business opportunities.

##### **Society and Communities**

Be a socially responsible organization through implementation of a wide range of social contribution activities and initiatives that promotes "Creating Quality People and Supporting Ethical Society".

#### **Corporate Culture**

Think Ahead

Customer Focus

Team of Professionals

Commit to Excellence

#### **Core Value**

##### **3S for Success**

- |               |                                       |
|---------------|---------------------------------------|
| Synergy:      | Together WE can Succeed               |
| Standard:     | Be Professional with Global Standards |
| Satisfaction: | Customers Satisfaction is Our Success |



### **Business Goals and Strategies**

The Company aims to be the leading, complete ICT and digital solution service provider with strategies, based on sustainability development, focusing on providing services to organization of customers and directly to end users in order to generate recurring revenue for sustainability. The Company also emphasizes obtaining challenging, large-scale projects, and expanding customer base in both government and private sectors with innovation in technologies delivered in various business models to customers. With readiness and competency derived from high expertise and experiences, together with strong **Synergy** among subsidiaries in Samart Group, good relationship with world-class business partners, retention of certified international **Standards** such as CMMI for quality software development, ISO 20000 for IT service management and ISO 9001 for service quality and ISO/IEC 27001 Standard for information security management, the Company can be capable of providing advanced and high standard ICT services and digital solutions serving all needs of customers with value added and differentiated products and services to customers efficiently improving convenience, speed and operation cost reduction, resulting in customer confidence and **Satisfaction**.

### **Business Goals in 3-5 years**

Within the next 3-5 years, rivalry among competitors in domestic and abroad will be more intensive, however, the business opportunities will also increase, supported by Digital Government policy driven by the government and acceleration of digital transformation in private enterprises to increase efficiency and support new work styles as well as adoption of data analytics applied in various business models. Communications, information and digital technologies are important to helping businesses survive and compete. Therefore, in the next 3-5 years, investment in such technologies will have continue higher growth.

The government continues to accelerate the digital economy. Digital Government has been developed in order to provide e-Services of the government agencies to citizens, promoting Digital Inclusion. The government also drives Smart City development and various industries along with driving knowledge of citizens, investment in key infrastructure, the development of Eastern Economic Corridor (EEC), including development of Bio-Circular-Green Economy (BCG) involving digital technology. In household sector, digital technology is inevitable in daily lifestyles of people for online transactions, entertainment, communications through online social network, contributing overall ICT and digital industry expansion.

The Company has goals in creating new business opportunities, based on sustainability development, to expand customer base and increase recurring revenue from customers in both government and private sectors, including individuals as end users by aiming at improvement of organizations efficiency through transformation. The Company aims to be a leading ICT and Digital Technology Outsourcing & Service Provider, focusing more on government digital services and collaboration with partners to drive innovation with new values added as well as elevating quality standards in solutions and services of all three Business Groups consisting of Network Solutions, Enhanced Technology Solutions and Business Application. Moreover, the Company attaches importance to reduction of impact to environment and social responsible in order to achieve strong and sustainable growth responding to the Company's vision and missions.

### 1.1.2 Important changes and development during the past 3 years

#### 2022

The Company has expanded major project in line with the corporate's strategy and has been entrusted with the implementation of Advanced Metering Infrastructure (AMI) System for large electricity users with Provincial Electricity Authority (PEA), in collaboration with "STS Consortium" which comprises the Samart Telcoms Public Company Limited and Samart Communication Services Co., Ltd. (the Subsidiary), a subsidiary with 99.99 percent of total shares held by the Company, with the proportion of 60:40. The total value of the project is THB 2,359.96 million (including VAT), for the service term of 84 months from 1 April 2022 to 31 March 2029. Revenue recognition will be based on the progress of the work completed.

#### 2021

- The Company has proceeded to decrease/increase the registered share capital and propose the warrant issuance, with the warrants to be issued to the existing shareholders proportionate to their respective shareholdings (Right Offering) as follows:
  - 1) The decrease of the Company's registered capital by cancelling 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.
  - 2) The issue and offering of warrants representing the right to purchase the newly issued ordinary shares (SAMTEL-W1) 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.
  - 3) The increase of the 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 issuing not exceeding 103 million new ordinary shares at the par value of Baht 1 each, in order to accommodate the exercises of the warrants No. 1 (SAMTEL-W1) to the existing shareholders proportionate to their respective shareholdings (Right Offering).
- SLA Asia Co., Ltd., a subsidiary of Samart Communication Services Company Limited representing 99.99 percent of its paid-up capital, has filed the application for deregistration with the Ministry of Commerce on 19 July 2021.

#### 2020

The SLA Asia Company Limited, a subsidiary whose share held by Samart Communication Services Company Limited representing 99.99 percent of its paid-up capital, decreased its registered capital for Baht 22,500,000 from the previous capital of Baht 30,000,000 to remaining registered capital of Baht 7,500,000 with totaling of 7,500 shares at a par value of Baht 100 per share.

### 1.1.3 Propose of Fund Raise

The Company has not raised funds from issuing debt or equity instruments during the year 2022.

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

-None-

**1.1.5 General Information of the Company (Name, Location of the Head Office, Type of Business, Company Registration Number, Telephone Number etc.)**

Company	: Samart Telcoms Public Company Limited (“The Company” or “SAMTEL”)
Head Office	: 99/7 Moo 4 Software Park, 29 <sup>th</sup> Floor, Chaengwattana Road, Klong Gluar, Pak-kred, Nonthaburi 11120
Type of Business	: <ol style="list-style-type: none"><li>1. Network Solutions Business Group conducts business in providing total solutions and services regarding advanced technologies in telecommunications and data communication networks, from consulting services, survey, design, installation and implementation including along with management services including professional maintenance services. Trusted by leading organizations in both government and private sectors, the Network Solutions Business Group is versatile in and capable of providing customers turnkey solutions and outsourcing.</li><li>2. Enhanced Technology Solutions Business Group conducts business in providing advanced solutions and services, which integrate and apply varieties of information and digital technologies to achieve various customer needs and customer expectations, which become more complex. Solutions and services in this Business Group also include advanced, specialized technology to support customers’ critical tasks requiring accuracy, reliability, and stability, customized specifically for each customer for efficiency.</li><li>3. Business Application 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 more efficiently.</li></ol>
Registration No.	: 0107538000631
Telephone	: 0-2502-6000
Fax.	: 0-2583-8696
Web site	: <a href="http://www.samtel.com">http://www.samtel.com</a>
Registered Capital	: 721,000,000 Baht (As of 31 December 2022)
Type of share	: Ordinary Share
Number of shares sold	: 618,000,000 Ordinary shares (As of 31 December 2022)
Par Value	: Baht 1 per share



## 1.2 Nature of Business

### 1.2.1 The revenue structure of the Company and Subsidiaries as of December 31, 2020-2022

Unit: Million Baht

Business Group	Operated by <sup>(1)</sup>	% of Holding 2022 <sup>(2)</sup>	2020		2021		2022	
			Revenue <sup>(3)</sup>	%	Revenue <sup>(3)</sup>	%	Revenue <sup>(3)</sup>	%
<b>1. Network Solutions Business Group</b>	SCS	99.99%	979.9	17.8	793.9	17.1	489.2	9.3
	STC	-	400.0	7.2	338.0	7.2	403.5	7.6
	SIF	99.63%	48.6	0.9	36.2	0.8	34.8	0.7
	Other subsidiaries	-	-	-	-	-	-	-
<b>Subtotal</b>			<b>1,428.5</b>	<b>25.9</b>	<b>1,168.1</b>	<b>25.1</b>	<b>927.5</b>	<b>17.6</b>
<b>2. Enhanced Technology Solutions Business Group</b>	SCT	99.99%	2,136.4	38.8	1,628.5	35.0	1,861.1	35.3
	STC	-	441.0	8.0	445.2	9.6	1,265.6	24.0
	SCI	99.99%	84.6	1.5	276.6	6.0	251.8	4.8
	Other subsidiaries	-	4.8	0.1	4.5	0.1	4.1	0.1
<b>Subtotal</b>			<b>2,666.8</b>	<b>48.4</b>	<b>2,354.8</b>	<b>50.7</b>	<b>3,382.6</b>	<b>64.2</b>
<b>3. Business Application Business Group</b>	PTN	99.99%	1,110.4	20.2	806.9	17.4	706.5	13.4
	STC	-	47.9	0.9	115.0	2.5	92.9	1.8
	PN	99.99%	195.2	3.5	151.2	3.2	110.5	2.1
	Other subsidiaries	-	60.9	1.1	52.5	1.1	47.0	0.9
<b>Subtotal</b>			<b>1,414.4</b>	<b>25.7</b>	<b>1,125.6</b>	<b>24.2</b>	<b>956.9</b>	<b>18.2</b>
<b>Grand total</b>			<b>5,509.7</b>	<b>100.0</b>	<b>4,648.5</b>	<b>100.0</b>	<b>5,267.0</b>	<b>100.0</b>

**Remarks:** <sup>(1)</sup> SCS = Samart Communication Services Co.,Ltd. SCT = Samart Comtech Co.,Ltd.  
 STC = Samart Telcoms Pcl. PTN = Portalnet Co., Ltd.  
 SIF = Samart Infonet Co., Ltd. PN = Posnet Co.,Ltd.  
 SCI = Secureinfo Co., Ltd.

<sup>(2)</sup> Direct & Indirect stakeholdings on December 31, 2022.

<sup>(3)</sup> The above revenues are exclusive of Inter-company transactions.

### 1.2.2 Nature of Business of each Business Group. The Company can be divided into 3 Business Groups as follows:

#### 1) Network Solutions Business Group

##### (1) Nature of Products and Services, and Innovation Development

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; ISO 9001, the standard for service quality control; and 30 service centers nationwide including Network Operation Center (NOC) ready to support incident calls, analysis problems and troubleshoot for customers 24/7. The Company aligns customer support process with Service Tracking System (STS) adopted by service teams for more efficient customer appointment and service tracking. This Business Group provides solutions and services regarding advanced networking infrastructure in Core Network, Access Network, networking equipment and end devices for both high-speed wireline and wireless communications as follows:

- Solutions for high-speed wireline-based network technologies
  - Services on complete design, installation, implementation, and maintenance of high-speed fiber optic networks through the advanced technologies of DWDM (Dense Wavelength Division Multiplexing) and FTTX (Fiber to the X)
  - High-speed solutions and services on various types of technology such as Leased Line, MPLS (Multiprotocol Label Switching), DSL (Digital Subscriber Line), Frame Relay, ATM, Software-Defined WAN (SD-WAN), and more.
- Solutions for 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

This Business Group offers two major types of services as follows:

- 1) **Turnkey services** by providing complete solutions from consultancy, survey, design, installation, after-sales service as well as preventive maintenance and corrective maintenance under Service Level Agreement.
- 2) **Outsourcing services in management, operations and maintenance of telecommunication networks** by providing, other than survey and installation, outsourcing services in management and operations regarding telecommunication networks as well as maintenance for both wireline and wireless networks by service centers (Teleports) nationwide for key customers such as National Telecom Public Company Limited, Ministry of Education, Ministry of Interior, Banks and Financial Institutions, etc.

By having 30 service centers nationwide, the Business Group is able to provide services to customers more conveniently and with centralized Network Operation Center (NOC) ready to support incident calls, analysis problems and troubleshoot for customers 24/7, the Business Group aligns technology with customer support process and service team management using Service Tracking System (STS) to increase flexibility, convenience, and speed to customer services. Call center agencies from neutral party will monitor and survey customer satisfactions after finishing corrective or preventive maintenance or services provided, in order to improve service quality. The company currently has 30 service centers as follows:

Central:	Kanchanaburi, Phetcha Buri, Prachinburi, Nakhon Pathom, Sing Buri and Bangkok
North:	Chiang Mai, Nakhon Sawan, Phitsanulok, Mae Hong Son, Chiang Rai, Phrae, Tak
Northeast:	Nakhon Ratchasima, Ubon Ratchathani, Udon Thani, Khon Kaen, Loei, Buri Ram, Chaiyaphum, Roi Et, Nakhon Phanom
East:	Rayong, Chon Buri
South:	Songkhla, Surat Thani, Phuket, Nakhon Si Thammarat, Samui, Yala

Service centers nationwide help business operations in sales and services for government and private customers more quickly with cost efficiency and improve readiness for other projects in the future.

Moreover, this Business Group provides high-speed Internet services by Samart Infonet Company Limited as the Internet Service Provider (ISP) for small and medium enterprises (SME), large enterprises, government agencies, and state enterprises. Complete Internet services include design, installation, and maintenance as well as hosting services with customer service team to support and troubleshoot for customers 24 hours a day.

For innovation development, the Business Group has policy guidelines to collaborate with technology owners, vendors and other business partners to gather customer requirements and problems emerged to analyze and develop features and specifications of products and services that meet the needs with values differentiating in speed, convenience, and usability. The company also developed communications testing equipment to facilitate testing works and improve efficiency of maintenance services.

For Internet services, the company has integrated of Cyber Security services from partners and the Company's subsidiary to increase cyber security protection and implemented Cloud Infrastructure-as-a-Service (IaaS), allowing customers to deploy quickly with service quality and standards as well as price flexibility and high information security protection.

## **(2) Marketing and Competition**

### **(A) Marketing Policy of Key Products and Services**

The policy emphasizes achieving customer requirements and customer satisfactions. Aiming to be the total solution provider, the company focuses on studying requirements, elaboration on design, product selection with quality and eco-friendly products, implementation, and project management with knowledgeable, high ability experts, in order for customers to trust in work quality received under standards and timplan efficiently.

Moreover, information technology is brought to apply, especially software application integrating to telecommunication services in order to add values to the service and responds to specialized requirements for customers in each industry. By doing so, the company selects competent partners to synergy in delopment of innovation and values differentiate, in order to elevate competitiveness.

For after-sales services, the company emphasizes maintenance and operations for highest stability of the system. Strategy in defining Service Level Agreement (SLA) suitable for customers and technology has been deployed through Teleports nationwide with 24x7 service compliant with service quality standard, ISO 9001 and ISO 20000. Business Continuity Plan has also been conducted to ensure continual services with efficiency.

**Target Customers** are in three key groups: government agencies, state enterprises, and corporate clients, including subsidiaries that need quality solutions with standard from a single complete provider with expertise and experience, capable of providing from consultancy and planning to delivery ensuring project success and work efficiency.

### **(B) Market Competition**

Market competition in projects for government and private sector is high, competing in improving capability to propose products and services with advanced technologies. Price cometiitiion is also intense due to new players in the market. Some product owners has turned into providers making more intense competition. However, this Business Group has competitive advantages by having experts integrating various technologies, efficient project management, remarkable project references, and outstanding services to customers: government agencies and state enterprises, both in the past and at present. Moreover, the companies in this Business Group have expertise in providing complete services raning from survey, implementation, and maintenance system, covering varieties of solutions.



### (3) Product and Service Sourcing

Sourcing of technology and system equipment are mostly from business partners both domestic and abroad, capable of manufacturing and importing of products, and authorized distributors in Thailand. For implementation, project management, and after-sales services, this Business Group has its own workforce with expertise in telecommunication and information system and has partnership with leading technology owners as the following:

Network solutions:	Cisco Systems (Thailand) Company Limited (Cisco), Nokia (Thailand) Company Limited (Nokia), Huawei Technologies (Thailand) Company Limited (Huawei), Motorola Solutions Inc. (Motorola), Fortinet Security Network (Thailand) Company Limited.
Satellite communications:	Thaicom PCL, TC Broadcasting Company Limited.
Network providers:	National Telecom PCL, True Corporation PCL, JasTel Network Company Limited, United Information Highway Company Limited (UIH), Symphony Communication PCL.
Wireless network providers:	Advanced Info Services PCL, True Corporation PCL, Total Access Communication PCL.
Cyber Security:	SecureInfo Company Limited, IBM Thailand Company Limited
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

### (4) Projects in progress

Network Solution Business Group has projects in progress regarding installation of Billing Mediation Device system, Installation of Microwave System, and ongoing services such as service of security network with CCTV system, rental of Digital Trunked Radio System handsets, Rental of Computers for Branch Offices, including maintenance services, satellite communication services, and other data communication services.

## 2) Enhanced Technology Solution Business Group

### (1) Nature of Products and Services, and Innovation Development

Conducting business in providing information and communication technologies including digital solutions that integrate and apply various technologies to serve customer needs, this Business Group provides solutions and advanced, specialized technologies to support customers' critical tasks requiring accuracy, reliability, and stability. For each customer, such solutions are customized specifically for suitability and efficiency, ranging from consulting, engineering design and software development, and implementation under professional project management, including outsourcing services and maintenance services for both government and private customers. This Business Group has maintained international standard regarding service quality, ISO 9001, and SecureInfo Company Limited has also maintained its ISO 27001, international standard for Information Security Management Systems (ISMS). Solutions and services by this Business Group are:

- Automatic Meter Reading (AMR) and Advanced Metering Infrastructure (AMI)
- Multimedia Solutions: IPTV, Video Conference System, and more
- Security Solutions such as CCTV, Face Verification System, Cyber Security Operation Center (CSOC) Services

- Geographic Information System (GIS)
- Airport Solutions such as Common Use Terminal Equipment (CUTE)
- Digital TV Solutions including Transmission system, 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
- Turnkey Software Application Development

For innovation development, this Business Group has studied and developed new solutions, including improvement of existing solutions to better respond customers' requirement and higher technological expectation. Such solutions are energy management solutions. This Business Group has developed software application to add values to existing products with differentiation. Moreover, human resources has been added up and increase capabilities in Big Data Analytics, cyber security, and more, in order to apply for value added into existing products and services.

For process in cyber security operations, a subsidiary extended ISO 27001 to its services in Cyber Security Operation Center, Penetration Testing, Vulnerability Assessment, and Security Consultancy to improve efficiency, increase security, and ensure customer trusts.

For research and development of products and services regarding software development, to increase business opportunities and competitiveness, the company has brought Cloud-Native application development method to expedite development tasks with efficient use of resource, flexibility, and faster response to customers.

## (2) Marketing and Competition

### (A) Marketing Policy of Key Products and Services

The marketing policy aims for development of expertise for consultancy, design, development (including software application development), and implementation in order for gaining trust from customers looking for a single provider capable of providing complete solutions. Additionally, values must be added to products constantly to make differentiation. This Business Group also focuses on selection of high quality equipment and technology from leading product owners with customer safety and environment friendly in consideration. This Business Group emphasizes high standard in IT management and after-sales services to increase competitiveness.

For distribution, most products and services are customized for each customer suitable for each requirement with advanced technology. Distribution, therefore, is modification and customization to match customer requirement for direct selling to target customers via the bidding method competing with others. Moreover, the Business Group emphasizes customer relationship in order to understand requirements and roadmap of customers as much as possible. Solutions and services proposed are in price competition within specified budget. This Business Group has developed knowledge in engineering constantly and select business partners ready to support and respond exactly to customer needs.

**Target customers** are government agencies, state enterprises, and corporate customers. The Business Group also provides consultancy service to other subsidiaries. Customers that need products and service in Cyber Security can also be Critical Information Infrastructure agencies.

**(B) Market Competition**

Competition in the market of turnkey projects regarding ICT and digital solutions is growing, especially projects for government agencies due to digital economy policy driven. In 2022, public investment declined and risk in government payment is low compared to that in private sector. New providers have increasingly entered to compete in government tenders. Several product owners have turned their business model to be technology providers, increasing competition both in price and quality perspective.

For Cyber Security market related to services of SecureInfo Company Limited, the competition is also intense due to continuous growth of cyber threats and organizations' realization for data protection. The competition in the market is based on development of experts in Cyber Security as currently scarce. Competition is also in improvement of technologies and tools used for cyber threat monitoring and protection. The company has provided knowledge training and capability building to its staffs constantly with operations compliant with ISO/IEC 2700:2013 (Surveillance Annually Audit), the international standard for Information Security Management Systems (ISMS) and selection of leading products with high capabilities to serve customers.

**(3) Product and Service Sourcing**

The Business Group sources products in network system, computers, and software application, as parts of products and services proposed to customers, from business partners that are product owners and distributors both domestic and abroad in order to deploy in each project to achieve customers' objectives. Each project normally has different requirements and specification as well as values to deliver. Therefore, the Company selects well-prepared, suitable partners conforming to customer requirements. For advanced and complex system with no domestic manufacturing, the Company has to import them or purchase from authorized distributors. Several projects set specifications and/or qualifications of products and services differently. The purchase orders for products or equipment are thus made only when the project begins.

Furthermore, software application developed for the customers as well as subsidiaries has done by Smarterware Company Limited and Net Service (Thailand) Company Limited, having expertise in land information system development and Content Management System (CMS). Because most important resource in software industry is human resource, the companies concentrate on human resource development in several areas, especially in technology, design, and application development.

For implementation and after-sales services, the Business Group has internal teams to implement, manage projects, and provide services efficiently. These teams' members have been trained extensively and have experiences with expertise in implementation and project management. By qualifying partners and collaborating with them in implementation and providing services, the Company is able to deliver works as planned with quality and satisfying services to customers.

**(4) Projects in progress**

The Enhanced Technology Solution Business Group has projects in progress regarding Advanced Metering Infrastructure, Information System services, digital platform development for centralized services, implementation of CCTV with tracking and monitoring system, cyber threat monitoring and management, including services under contracts such as Maintenance of Meters and accessories for Automatic Meter Reading system, Cyber Security Operation Center Services, and other maintenance services.

### 3) Business Application Business Group

#### (1) Nature of Products and Services, and Innovation Development

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. Subsidiaries in this Business Group provide products and services as follows:

- **Samart Telcoms Public Company Limited** provides solutions and software application to drive and support operations of customers in public and private sectors as well as Core Banking & Financial Solutions
- **Portalnet Company Limited** provides total solutions and services from design to full implementation of Enterprise Resource Planning for large enterprises, especially in utility sector, for public and private customers with partnership and supports from business partners. Moreover, the company provide solutions and services regarding Enterprise Service Bus (ESB), Human Capital Management (HCM), Analytic System, Enterprise Content Management (ECM), and Robotic Process Automation (RPA).
- **Posnet Company Limited**, conducting business regarding electronic payment application development and services, is a distributor and service provider of Electronic Data Capture (EDC) system, both for trading and system rental with network service connecting to banking system. Network services provide secure data transmission in compliance with the standard of Payment Card Industry Data Security Standard (PCI-DSS). Major customers are commercial banks, financial institutes, and large retailers.

For innovation development, in the past year, the company further developed new version of EDC system with more capabilities and new EDC Monitoring system displaying various system status helping services to custome rmore quickly. Additionally, the company has developed Posnet Connecting Platform (PCP) as QR Gateway to connect other QR platforms such as Atome, ShopBack, True Money, enabling EDC system to pay via QR Wallet in various platforms.

- **Thai Trade Net Company Limited** conducts business with expertise in Electronic Data Interchange (EDI) services compliant with international standards in order to increase accuracy and speed in transaction processing between business as Business-to-Business or between business and government agencies as Business-to-Government. EDI services can be classified in two types: 1) EDI/XML service suitable for large enterprises with high volume of transaction transferred through standard data conversion application, 2) Web EDI service suitable for medium and small enterprises not ready to invest the system, by using Website for transferring EDI document data.

The company conentrates on innovation and value added development. Efficiency has been improved for Healthcare EDI and connectivity to e-market places such as Shoppee and Lazada. Additionally, the company has developed system to support service to be a National Single Window (NSW) Service Provider (NSP), expected to begin within second quarter of 2023.

- **Samart ed Tech Company Limited** conducts business in providing technologies regarding information and communication in education such as e-Learning system and Learning Management System applying for distant learning or remote training including supplementary for in-classroom learning via computers and mobile devices. The company also provides e-Testing for electronic examination management. Moreover, the company has expertise in development of electronic courseware (e-Courseware) efficient for learning using Instructional Design, designing for learning fascination and stimulation. The company also develops Digital Content such as e-Books/e-Magazines and Mobile Application.



## (2) Marketing and Competition

- **Enterprise Software Market**

- **Marketing Policy of Key Products and Services**

The marketing policy for Enterprise Resource Planning products emphasizes quality, expertise and experience of staffs, and insights of the system. The company also focuses on people, process, efficient tools for project management, and operations compliant with CMMI, standard for quality software development. Collaboration with business partners and leading technology owner is also a key focused strategy.

- **Target Customers** are large and medium enterprises, in public and private sector, with growth and requiring information system to increase business efficiency, that seek for a single complete provider that actually meets the requirement and is able to deliver work ontime within specified budget.

- **Market Competition** is higher than the previous year and will continue to increase. Competitors are large ICT providers competing in quality of products and services, capabilities in consultancy, and ability in project management, including qualifications of workforce, in order to build trusts from customers in quality and delivery.

- **Electronic Data Capture (EDC) Market**

- **Marketing Policy of Key Products and Services** focuses on analysis and conducts research in market and products to differentiate products and services increasing competitiveness and advantages with competition strategies considering several factors such as quality of products and after-sales services, variety of products and service types, high standard of product safety, customer satisfactions, and value added creation along with innovation.

- **Distribution Channels.** The company offers EDC solutions directly to customers or attends bidding with product presentation and demonstration connecting to customers' existing systems. The company also propose new product development useful for customers in the future.

- **Target Customers** are commercial banks that provide automatic credit card authorization services. The secondary target group is non-bank financial service providers that need EDC, membership card system or loyalty cards systems for approving personal credit limits or using installment payment services or for promotional purposes. Another target groups are large retailers such as department stores.

- **Market Competition.** Many service providers that sell Electronic Data Capture (EDC) has increased in the market, making extreme competition compared with five years ago. E-payment providers have offered various payment chennels such as QR Code payment both for debit and credit type, e-Wallet, mobile banking application, etc, continually increasing competition.

- **EDI Service Market**

- **Marketing Policy of Key Products and Services.** Thai Trade Net Company Limited has a policy concentrating quality of service and after-sales service for highest customer satisfactions. Selling and distribution channels are set as direct selling to target customers.

- **Target Customers** are groups of business requiring exchanges of electronic documents with government agencies such as customs broker, large importers and exporters, vessel agents, vessel owners, and groups of business to exectute electronic transactions with other business such as retailers with manufacturers/distributors, health care providers with manufacturers/drug and medical suppliers, etc.

- **Market Competition.** The market can be classified into two types as B2B (Business-to-Business) market that has four EDI providers, and B2G (Business-to-Government) market that has three Gateway providers consisting of Trade Siam Co., Ltd., National Telecom Public Company Limited, and Netbay Public Company Limited, and 15 Value Added Network (VAN) providers responsible for connecting customers through one of Gateway providers.
- **e-Learning and Digital Content Market**
  - **Marketing Policy of Key Products and Services.** Samart eD Tech Company Limited has a policy to emphasize quality of electronic course (courseware) developed, superior to competitors', efficient for learning using Instructional Design, urging and encouraging users to learn with tricks and fascination. Supported by various devices accessible by enterprises or private companies with more demands for training. The company, with its capabilities, is able to provide complete services from learning design, system infrastructure design, and expertise in courseware development making differentiation.
  - **Target Customers** comprises educational institution in public and private sector, government agencies, state enterprises, independent entities, including private companies that are main customers. Individual users who seek for knowledge improvement are also considered key customers.
  - **Market Competition.** The market of e-Learning and digital content development in fields of education and training are still expanding especially in private sector adopting e-Learning to reduce cost of training and travelling. Organizations increase budget allocation for such system and courseware development. Growth of people joining online social network results in the expansion digital content and related mobile application. Moreover, Covid-19 pandemic has accelerated growth for learning, working and training online. Moreover, technology and tools to develop digital content are available and easier to use, resulting in increasing competition.

### (3) Product and Service Sourcing

- **Enterprise Software.** Portalnet Company Limited collaborate with technology partners such as SAP (Thailand) Company Limited and consulting partners, including other subsidiaries to propose solutions and services to target customers.
- **Electronic Data Capture (EDC).** Posnet Company Limited selects products suitable for the market and demands of customer in each segment based on product appearance, features, price, and competitiveness among other service providers, in order to bring products to the market in Thailand. Furthermore, the company develops EDC application in order to support functionalities and create differentiation.
- **EDI Services.** Thai Trade Net Company Limited invested in the system for the service using main application from OpenText GXS Inc. and IBM Corporation. To provide EDI service to each customer, interfacing application and data conversion application must be developed for that customer. The company has internal development team responsible for development of such application.
- **e-Learning and Digital Content Development.** Samart eD Tech Company Limited has teams of experts comprising Instructional Designers, graphic and animation designer and developers including professional software developers and quality assurance professionals altogether to implement LMS and Courseware that meet customer requirements. Furthermore, support teams can provide consultancy and design ICT infrastructure for the use of e-Learning system for customers.

**(4) Projects in progress**

Business Application Business Group has projects in progress and services during the contracts, for example, SAP system upgrade, data transfer system for banking, maintenance service of Core Business System phase 2, and maintenance of Core Banking System for Government Housing Bank.

**1.2.3 Business Assets**

The Company has business assets consist of main fixed assets, intangible assets and assets lease as details in the topic “Attachment 4 Assets for business undertaking and details of asset appraisal” which is disclosed at the Company’s website under the topic “Investor Relations” and “Financial Information” and “Annual Registration Statement / Annual Report (Form 56-1 One Report)”.

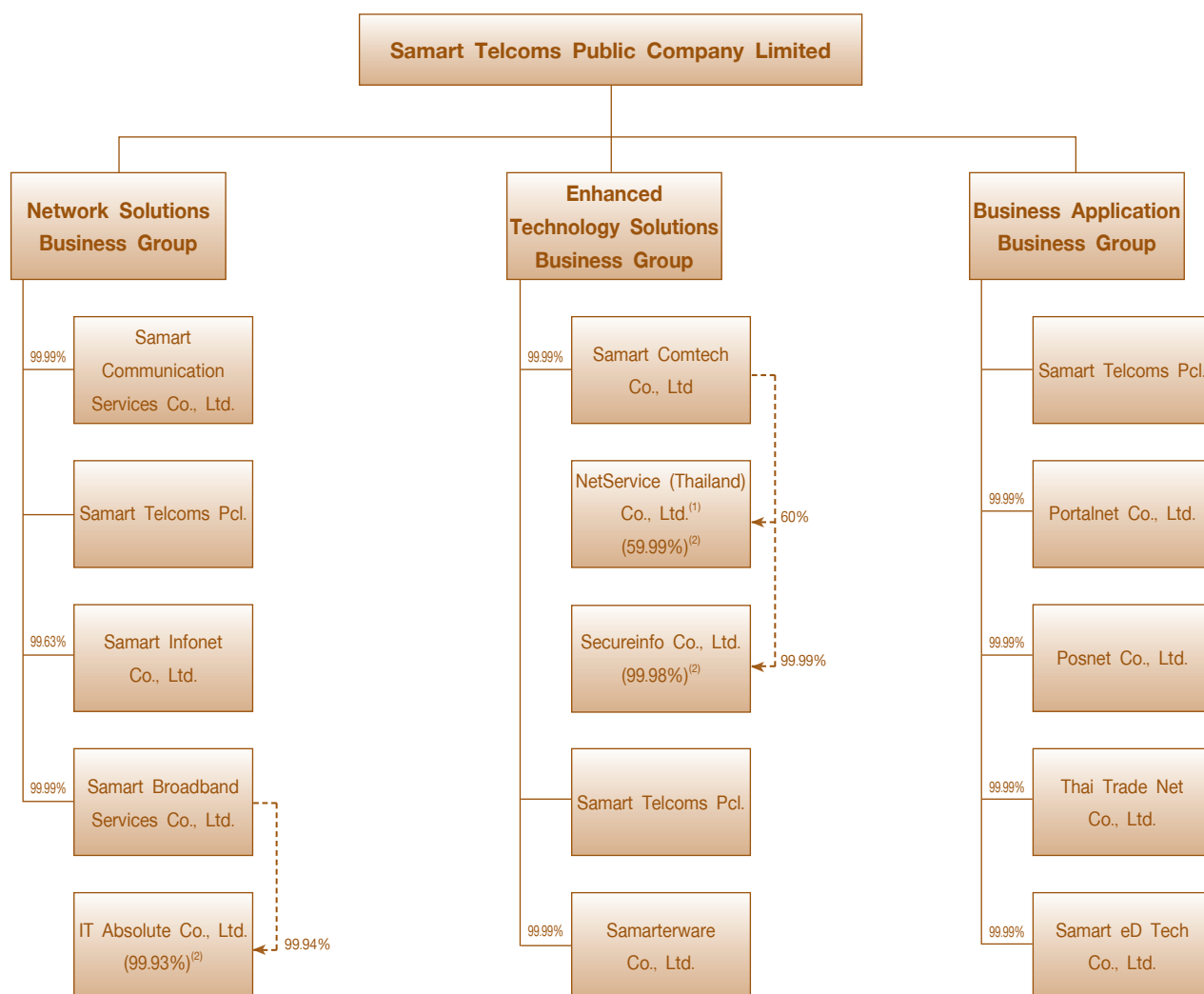
## 1.3 Shareholding Structure

**1.3.1 Shareholding Structure of the Company Group****(1) Division of operations of the Company and its subsidiaries**

The Company deploys the policy and guidelines in categorizing its business operations into three business groups based on types and characteristics of products and services covering all ranges of technologies and advanced digital solutions in order to suitably respond to the needs of customers in all industries, both government, private sector, including state enterprises are:

- 1. Network Solutions Business Group** conducts business in providing total solutions and services regarding telecommunications and advanced communication networks both turnkey solutions and outsourcing services;
- 2. Enhanced Technology Solutions Business Group** conducts business in providing information, communications, and digital solutions and services integrating varieties technologies including advanced, specialized technology solutions to achieve various customer needs;
- 3. Business Application 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 and increase the competitiveness for the private sector and corporate clients.

(2) Shareholding diagram of the Company Group



**Remarks:** Registered Capital of Samart Telcoms PCL. is Baht 721,000,000 and Paid-up Capital as of December 31, 2022 is Bath 618,000,000

<sup>(1)</sup> The remaining 40% of shares, holding by persons who have not conflict of interest.

<sup>(2)</sup> (xx.xx%) Direct & Indirect stakeholding as of December 31, 2022.



**(3) Juristic person in which the Company holds shares of 10 percent or more**

Company	Nature of Business	Registered Capital (Million Baht)	No. of Ordinary Shares	Shares held by the Company	
				No. of shares	%
<b>1. Samart Communication Services Co., Ltd.</b> 99/7 Moo 4, Software Park, 29 <sup>th</sup> 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	99.99
<b>2. Samart Comtech Co., Ltd.</b> 99/2 Moo 4, Software Park, 34 <sup>th</sup> 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	99.99
<b>3. Portalnet Co., Ltd.</b> 99/7 Moo 4, Software Park, 29 <sup>th</sup> Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2583-8696	Providing design, implementation and outsourcing services for Enterprise Resource Planning (ERP) system including analyzing business requirements and offering suitable services as total solution, including Enterprise Asset Management (EAM) System and Robotic Process Automation (RPA) System for customers in government and private sectors.	2,100	21,000,000	20,999,993	99.99
<b>4. Posnet Co., Ltd.</b> 99/4 Moo 4, Software Park, 32 <sup>nd</sup> 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	99.99
<b>5. Thai Trade Net Co., Ltd.</b> 99/7 Moo 4, Software Park, 29 <sup>th</sup> 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	99.99
<b>6. Smarterware Co., Ltd.</b> 99/17 Moo 4, Software Park, 19 <sup>th</sup> 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	99.99

Company	Nature of Business	Registered Capital (Million Baht)	No. of Ordinary Shares	Shares held by the Company	
				No. of shares	%
<b>7. Samart Infonet Co., Ltd.</b> 99/7 Moo 4, Software Park, 29 <sup>th</sup> 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	99.63
<b>8. Samart eD-Tech Co., Ltd.</b> 99/29 Moo 4, Software Park, 6 <sup>th</sup> 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	99.99
<b>9. Samart Broadband Services Co., Ltd.</b> 99/7 Moo 4, Software Park, 29 <sup>th</sup> 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	99.99
<b>10. IT Absolute Co., Ltd.</b> 99/2 Moo 4, Software Park, 34 <sup>th</sup> 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 <sup>(1)</sup>	99.94
<b>11. Net Service (Thailand) Co., Ltd.</b> 99/2 Moo 4, Software Park, 34 <sup>th</sup> 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 <sup>(2)</sup>	60
<b>12. Secureinfo Co., Ltd.</b> 99/17 Moo 4, Software Park, 19 <sup>th</sup> 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 <sup>(2)</sup>	99.99

Remarks: <sup>(1)</sup> Held by Samart Broadband Services Co., Ltd.

<sup>(2)</sup> Held by Samart Comtech Co., Ltd.

### 1.3.2 Parties with Conflict of Interest

-None-

### 1.3.3 Relations with Major Shareholders' Business Group

-None-

### 1.3.4 Shareholders

The top ten major shareholders of the Company are:

No.	Name of Shareholders	No. of shares held (Shares)	% of Total Shares
1.	Vilailuck Group <sup>(1)</sup>	442,286,500	71.57
	- Samart Corporation PCL <sup>(2)</sup>	433,464,590	70.140
	- Vilailuck International Holding Co., Ltd.	3,117,300	0.504
	- Mrs. Sukanya Vanichjakvong <sup>(3)</sup>	1,150,000	0.186
	- Mr. Watchai Vilailuck <sup>(3)</sup>	1,650,010	0.267
	- Mr. Charoenrath Vilailuck <sup>(3)</sup>	2,854,600	0.462
	- Mr. Thananan Vilailuck <sup>(3)</sup>	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

**Remarks:** Information based on Thailand Securities Depository on the latest date of closing registration book, December 30, 2022.

<sup>(1)</sup> 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;

<sup>(2)</sup> A holding company of which Vilailuck International Holding Co., Ltd. and Vilailuck family hold 14.78% and 27.31% of the total shares respectively;

<sup>(3)</sup> Includes holding by spouse and minor child

## 1.4 Registered and Paid-up Capital

As of December 31, 2022, the Company has registered capital Baht 721,000,000, divided into ordinary shares 721,000,000 shares, per value of Baht 1 per share, paid-up capital of Baht 618,000,000, total number of shares sold 618,000,000 shares.

## 1.5 Issuance of Other Securities

### 1.5.1 Warrants to purchase the newly issued ordinary shares of the Company (“SAMTEL-W1”) of the Company by pro rata.

The Company has issued and offered of not exceeding 103,000,000 units to the existing shareholders of the Company by pro rata to their respective shareholdings (Rights Offering) without charge (offering price of THB 0 per unit) in a ratio of 6 ordinary shares to 1 unit of warrant. According to the resolution of the 2021 Annual General Meeting of Shareholders held on April 27, 2021, details of the warrants are as follows:

Type of Securitie	:	Warrants (SAMTEL-W1), In named certificate and transferable
Number of Issued and Offered Warrants	:	103,000,000 units
Number of allocated/ Subscribed Warrants	:	102,998,131 units
Price per Unit	:	THB 0.00 per unit (at no cost)
Exercise Ratio	:	One unit of warrant shall be entitled to purchase one newly issued ordinary share, unless the exercise ratio is adjusted otherwise pursuant to the conditions concerning the rights adjustment.
Exercise Price	:	THB 12.00 per share unless the exercise price is adjusted otherwise pursuant to the conditions concerning the rights adjustment.
Issuance Date	:	May 18, 2021
Expiration Date	:	May 17, 2024
Term of Warrants	:	3 years from the Issuance date and allocation of SAMTEL-W1 Warrants, 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	:	Issue and allocate to the existing shareholders of the Company by pro rata to their respective shareholdings (Rights Offering) at the allocation ratio of every 6 existing ordinary shares to 1 unit of SAMTEL-W1. The Company will issue and allocate SAMTEL-W1 to the shareholders whose names appear in the share register book on the record date for determining the shareholders entitled to receive SAMTEL-W1 on May 7, 2021. (“Existing Shareholders”) Thus, in the calculation of SAMTEL-W1 allocation for each shareholder, if the result is in fractions, such fraction shall be rounded down.
Exercise Period	:	The Warrant Holders will be entitled to exercise their rights under SAMTEL-W1 Warrants to purchase the newly issued ordinary shares of the Company every 6 months from the Issuance Date of SAMTEL-W1 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 SAMTEL-W1 which shall fall on November 30, 2021 and the last Exercise Date is on the 3 <sup>rd</sup> 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.
Trading Date	:	June 15, 2021

As December 31, 2022, the Company has remaining balance of unexercised warrants 102,998,131 units.



### 1.5.2 Debentures

-None-

## 1.6 Dividend Policy

On dividend payment, the Company has policy to pay dividend to the shareholders not less than 50% of its net profit after deduction of all reserves complied with the Company's Articles of Association and related laws. However, the dividend payment is 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.

#### Historical Dividend in 3 consecutive years.

Historical Dividend	2020	2021	2022*
Net profit per share (Baht)	0.23	0.16	0.24
Dividend per share (Baht)	-	0.05	0.21
Dividend payout ratio (%)	-	31.27	87.93

Remark: \* Profit was returned to shareholders as a dividend payment. Dividend for 2022 has been being proposed to the Annual General Meeting of Shareholder at Baht 0.21 per share which has paid interim dividend at Baht 0.06 per share in September 2022 and will pay Baht 0.15 per share of which subject to the approval of the 2023 Annual General Meeting of the Shareholders.

## 2. Risk Management

### 2.1 Risk Management Policy and Plans

Risk Management Committee, comprising the Executive Chairman as the Chairman of the Risk Management Committee and the Company's Directors as the committee members, attach great importance to manage risk systematically using practice and guideline based on internal control and risk management frame work of The Committee of Sponsoring Organizations of the Treadway Commission - Enterprise Risk Management 2017 (COSO-ERM 2017) and monitor various trends in technologies, regulations, financials, outlooks of ICT industry and related industries both internal and external factors addressing environmental, social, and governance (ESG) dimensions.

The Company set up comprehensive Risk Management Policy, focusing on risk factors assessment and potential impact that may affect ability of the Company to achieve its vision, goals, targets, and strategies. The policy includes risk management plan of prevention and mitigation with supervising and monitoring by the Risk Management Committee to ensure that such risk responses have been carried out as planned. Required collaboration and coordination among related departments are as follows:

1. Preparation of risk management plan by each department to follow the Company's master business plan and risks may be happen for business operation in order to the risk management plan consistent with the Company's business goals.
2. Risk management will be carried according to the plan mentioned above. Each responsible department has prioritized the risks by evaluating the overall risk profile and its potential impact to the organization. The appropriate risk mitigation criteria shall be determined and implemented in conjunction with each department whereas Internal Audit Department undertaking role as risk coordinator and reviewer.
3. Risk Management countermeasures shall be implemented and regularly followed up by the Risk Management Committee comprising of each concerning management in a quarterly meeting as outlined in the risk management plan. All countermeasures shall be followed and reviewed by Internal Audit Department to assure that the final outcome is agreeable with the Company's proposed objectives.

In 2022, the Company has specified that each line of business must report its risk management performance 3 times so that the Company could be well-informed about risk issues and in order to evaluate risk factors and impacts affecting achievement of vision, goals, objectives and strategies of the Company. For the propose to make sure that each department can actually and effectively manage risks.

For planning and execution of the plan according to organizational risk management, the Company enhances knowledge of employee and management regarding understanding of risks, risk assessment, impact, and possibility of risks relevant to the Company, subsidiaries, and stakeholders. Identifying current and emerging risks relate to several areas such as market, law, technology, finance, society, environment, and politics for both internal and external factors or domestic and abroad. Risk Management Plan can be delivered into practical and efficient actions.

Furthermore, the Company has encouraged risk cultures by cultivate risk management mindset for employees related to values of the Company measures regarding risk management are part of employees' performance and also are performance indicators of related teams. The Company also allocates resources to support the process and encourages for collaboration to achieve risk management goals.

## 2.2 Risk factors on business operation

Corporate risk factors related to internal and external circumstances are mainly from both short-term and long-term changes in technologies, laws and regulations, politics, economy, financials, customer behaviors and demands, society, environment, various incidents affecting the operations of the Company and subsidiaries. Risk factors can be specified as follows:

### 2.2.1 Current Risks for Business Operations and Emerging Risks

#### 1) Risks from Economic Uncertainty and Market Competition

Thai economy in 2023 is forecast to grow by 3.2 percent compare with growth at 2.6 percent in 2022 mainly supported by recovery of tourism sector and domestic demands. Private and public investment are expected to expand by 2.1 and 2.7 percent respectively. Private consumption will expand by 3.2 percent while government consumption and value of export goods are projected to decline by 1.5 and 1.6 percent respectively. The headline inflation will be in the rage of 2.5 - 3.5 percent<sup>1</sup>.

However, several factors to closely monitor, affecting economy and market growth are global economic and financial turbulence, issues in manufacturing supply chain and international logistics, the increase in oil price and commodities, constraints in trading policies between trading partners, conflicts between countries in Eastern Europe, political changes, and changes in government policies. If overall economy expands lower than anticipation or any factors emerge to affect various sectors such as export contraction, slow recovery of domestic consumption, it may affect key public investment and private sector's spending in ICT and digital technology as well as ability to repay in private sector.

For market competition, Gartner, Inc. (Gartner), the world leading research and consulting company, estimated worldwide IT spending in 2023, which included spending Communications Services, at total \$4.49 trillion, an increase of 2.4 percent from 2022<sup>2</sup>. In Thailand, 2023 ICT spending is expected to reach THB 934,886 million, increasing by 4.2% from 2022. Spending in Devices continues to decline due to the inflation and supply chain issues raising the price. On the contrary, Enterprise Software spending with highest growth continues to rise at high rate as IT Service segment indicates significant expansion due to sustainability management software adoption and Digital Transformation<sup>3</sup>. Key technologies continuing to grow are, for example, Artificial Intelligence, Internet of Things (IoT), Edge Computing, 5G, Robotic Process Automation (RPA), Cyber Security, Datafication, Big Data Analytics, etc<sup>4</sup>. Furthermore, supportive factors are government policies driven in digital economy and society, smart city development, and digital government acceleration.

Despite expected growth of ICT and Digital technology market, several factors to watch closely will affect the economy resulting in more intense market competition. 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, media, etc. Furthers, more providers abroad have entered to the market increasing competition. Collaboration has been established among business partners to create strong ecosystem and players in the market have developed their own digital platform and Super App with various features raising competition both directly and indirectly. All mentioned factors will result in more intense competition in Thailand's ICT market and Digital industry.

To prevent and mitigate risks from economic uncertainty and market competition, the Company proceeds resource management and aligns technology to control cost efficiently. To respond to high competition and the goal of sustainable growth, the Company has laid out strategies of new customer base expansion through collaboration with subsidiaries and business partners to increase efficiency; customer relationship management increasing customers' insight; concentration of long-term recurring revenue as ICT and digital solution Outsourcing and Service Provider; creation of innovation and values added to products and services, and process improvement as well as new business model applied; and quality of services aligned with

standards. All activities mentioned will not only increase great customer experiences with the Company's products and services enhancing satisfactions, but also elevate competitiveness allowing the Company to manage risks from economic uncertainty and market competition better.

## **2) Risk from efficiency of government spending**

Government spending efficiency is still a key factor to stimulate the country's economy. In the first quarter of 2023 fiscal year, the budget has already been disbursed 30.84 percent of total budget Baht 3,185,000 million (1.16 percent lower than spending target), comprising investment disbursement at 18.59 percent (0.41 percent lower than spending target) and regular expenditures at 34.07 percent (0.93 percent lower than spending target). Although the government encourages disbursement expedition efficiently to support economy recovery, several economic and political factors may cause delays in procurement process of government agencies, resulting in failure to achieve the disbursement target and delays in the bids of the Company's key projects.

To mitigate such risk, the Company not only closely work with customers to revise plan coping with bidding delays, but also diversify and expand customer base to other state enterprises, private companies, and other government agencies, preventing over reliance on one or few customers. Emphasizing recurring revenue generation and deploying service business model less dependence on government budget will also alleviate the risk.

## **3) Risks in project delivery and interruption of important services and key systems**

The Company prioritizes and emphasizes project delivery with quality, and on timely manner or earlier than the time plan, as well as services in accordance with Service Level Agreement (SLA) resulting in key strength of the Company. However, uncertainty factors may affect project delivery and services are, for example, issues in manufacturing supply chain and international logistics resulting in delays of transportation of equipment abroad. Moreover, unexpected natural disasters and incidents may cause project delays and interruption of key operation systems and services to customers, resulting in damages to customers, revenue recognition, and customer trusts.

To alleviate the risk, the Company aims at efficient project management with closely working on products and supply sourcing, on-time implementation and system development, and alternative plan coping with obstacles. Moreover, the Company emphasizes sustainable supply chain management to reduce risks from partners. For risks in interruption of key operating systems, the Company and subsidiaries provide redundant system to support the main system and comply with standard operation guidelines as well as regularly maintaining the system with process to track status and quality of the system in order to promptly solve problems. Moreover, the Company carries out Business Continuity Management responding to key incidents such as case of fire, natural disasters, riots, pandemic, etc. Business Continuity Management will efficiently mitigate impacts from such incidents that affect project delivery and services.

## **4) Risks from Cyber Security Threats**

Cyber threat is a key risk, considered one of emerging risks, that can substantially affect the Company's business operations and reputation because the Company operates extensively using system and information including several services provided to customers mainly consisting of information and communication system. Cyber security is therefore considered the key issue to the Company's operations and sustainability development. Cyber security threats have grown constantly every year relating to growth of online business and digital transformation of various organizations.



The Company has assessed possibility and impact to the Company and all stakeholders and provided strategies to lower the risks with actions to prevent and respond to cyber threats from internal and external sources. The central unit in information management was assigned with clear duties and responsibilities. The Company has conducted vulnerability scan on its information system as it has provided training to increase awareness in cyber security and promoted related news and information regularly. The Company strictly enforces and complies with the information security policy. Cyber security system has been updated and cyber threat monitoring services have been served 24x7 by Cyber Security Operation Center (CSOC) of SecureInfo Company Limited certifying ISO 27001.

#### **5) Risk associated with Dependence on Large Customers**

In 2022, majority of the revenue from government sector and state enterprises was 84%. Should the government and state enterprises delay ICT budget spending, it would significantly impact the Company's operating performance and financial conditions. At present, the major customers of the Company are state enterprises contributing 55% of gross revenues. Nevertheless, the Company has expanded customer base to other government agencies, not to focus on few particular agencies in order to mitigate the risk from budget cut of those agencies.

#### **6) Risk associated with Dependence on Large Supplier**

With regard to the Communication Network and System Installation (Turnkey Projects), the Company orders equipment from many suppliers. Generally, in bids, major equipment technically approved could be supplied from more than 1 vendor, so the Company could select equipment from the vendors with best offer in each project the Company would bid. Therefore, there was no risk in dependence on only one vendor. Furthermore, the risk associated with dependence on large supplier in satellite communication service business is low.

### **2.2.2 Financial Risks**

#### **1) Credit Risk**

The Company has constantly processed a policy to resolve the overdue receivable problems. Management has closely followed up on debt collection. In addition, most of debtors currently are the customers with strong financial status such as state enterprises, government agencies and large corporations. Therefore, bad debt is at a low level. At present, the Company has enough cash reserves and banking facilities to support current operations and growth. In addition, working capital from banks used in operations is offset from project revenue. The Company consequently does not have liquidity problem.

As of 31 December 2022, the Company recorded debts overdue over 12 months for Baht 592 million and set aside an allowance for expected credit losses of Baht 77 million. Such allowance is considered sufficient for potential loss because most debts are from government and state enterprise projects of customers who have strong financial status as mentioned above.

#### **2) Foreign Exchange Risk**

From the Company's income structure, most income is derived from short-term projects and long-term leasing and services, which contracts were made in Thai Baht. Since the Company imports telecommunication equipment from overseas, a foreign exchange risk occurs. To reduce such risks, the Company takes into account this risk when setting prices. After winning a bid, the Company will buy forward contracts to minimize foreign currency position at the low level. In addition, the Company also considers exchange rate trend and overall business performance to determine a total position.

As at December 31, 2022 the Company has not foreign currency financial liabilities that were unhedged against foreign exchange risk.

### 2.2.3 Risks affect the rights or investment of securities holders

#### Risk from major shareholders holding over 50% of the shares

Major shareholder of the Company is Samart Corporation (Public) Co., Ltd. Holding 433,464,590 shares or 70.14% of Company's paid-up capital and Vilailuck International Holding Co., Ltd., held by the Vilailuck family who is the shareholders of Samart Corporation (Public) Co., Ltd., holding 8,821,910 shares or 1.43% of Company's paid-up capital, the shareholders' resolutions of major issues can be almost absolutely controlled, such as the appointment of Committees and the voting for any issues requiring the majority in the Shareholders' meeting, except for the issues required by laws or Company's regulations to receive three-fourth of votes in the Shareholders' Meeting. Therefore, other shareholders may not be able to combine votes to balance out the major shareholders. (Information based on Thailand Securities Depository on the latest date of closing registration book, December 30, 2022).

The Company has 4 independent directors and 3 of them as Audit Committee members to be responsible for review, comment and ensure that all connected transactions and any other conflict of interest transactions have been complied to laws and regulations of SET/SEC as well as to ensure that the transactions are reasonable for utmost benefit for the Company and management of the Company is transparent and can be monitored.

### 2.2.4 Social Risks

#### Risks of human rights violation and unfair labor practices in supply chain

Regarded as a significant social risk, if a complaint regarding human rights violation occurs, it may affect the business operations and reputation of the Company. The Company manages such risks by reviewing and improving human rights policy and enforcing it to all subsidiaries. The Company provided knowledge and training to employees and also conducted campaigns on respect for human rights through internal communication channels to increase awareness and lead to strict actions at individual and organizational level. Furthermore, the Company has continually selected and assessed partners in sustainable supply chain by having partners acknowledge the Company's business ethics and sustainable business practices, which address respect for human rights. The Company also encourages partners to conduct sustainability self-evaluation. If any non-compliance issues are discovered, the Company will notify partners to, together, improve and rectify issues according to the Company's criteria, including the exchange of knowledge to improve capabilities and develop operation guidelines for sustainability together.

Moreover, the Company attaches significance to improving the quality of life and prosperity for the community, coupled with preserving the environment by emphasizing building good relationships with the organization both public and private as well as community leaders to coordinate concrete cooperation under the concept of "creating quality people and promoting moral society".

### 2.2.5 Environmental Risks

#### Risks from impact of climate change

Climate change is considered the issues that all sectors realized and emphasize the significance of, and it can cause unexpected natural disasters. Collaborating with the international community, Thailand announced the goals to be carbon neutral by 2050 and reach net-zero greenhouse gas emissions by 2065. Consequently, the government tends to use policies and related regulations to achieve the goals set. Climate change can lead to risks as follows:

- 1) Risks from natural disasters affecting business continuity, resulting in damage to services and important systems as well as possibility of supply chain interruption
- 2) Risks from policies and regulations from the government and regulators to control greenhouse gas emissions, which may affect the Company's operations and increase operation costs

- 3) Risks from changes in social behavior and expectation due to the trend of society and consumers becoming more environmentally conscious, resulting in expectations and demands of environmentally friendly products and services considering challenges and opportunities for the Company

The Company has guideline to manage such risks. For natural disasters, the Company follows the business continuity management policy as well as rehearsing various plans to be prepared for natural disasters and able to handle emergency situations, mitigate damages, and recover the operations.

Additionally, the Company is committed to environment preservation and wisely use of resources and set targets to reduce greenhouse gas emissions of both direct and indirect scopes (scope 1 and 2) by efficiently use of energy and resources; promoting reduce, reuse, and recycle principle; increasing use of alternative energy; and providing knowledge and encouraging employees to be environmentally conscious both at work and in daily life through internal communications and activities regularly. The Company also provided knowledge regarding climate change to customers to realize the benefits from waste reduction from sustainable operations. Collaboration has been established with environmentally conscious partners. The Company selects eco-friendly products and purchase them through sustainable procurement process as well as developing solutions and innovation to increase efficiency of energy consumption and reduce greenhouse gas emissions for customers

References:

1. Office of the National Economic and Social Development, Thai Economic Performance in Q4 and Outlook for 2023, 21 February 2023, Available at: [https://www.nesdc.go.th/ewt\\_dl\\_link.php?nid=13445&filename=QGDP\\_report](https://www.nesdc.go.th/ewt_dl_link.php?nid=13445&filename=QGDP_report)
2. Gartner, Gartner Forecasts Worldwide IT Spending to Grow 2.4% in 2023, 18 January 2023, <https://www.gartner.com/en/newsroom/press-releases/2023-01-18-gartner-forecasts-worldwide-it-spending-to-grow-2-percent-in-2023>
3. Gartner, Gartner Forecasts Worldwide IT Spending to Grow 2.4% in 2023, 18 January 2023, <https://www.gartner.com/en/newsroom/press-releases/2023-01-18-gartner-forecasts-worldwide-it-spending-to-grow-2-percent-in-2023>
4. The Nation Thailand, Worldwide IT spending to Grow 2.4% in 2023, 23 January 2023, Available at: <https://www.nationthailand.com/business/tech/40024264>

## 3. Driving Business for Sustainability

### 3.1 Sustainability Management Policy and Goals

The Company conducts business with social and environmental responsibility constantly. Due to continuous changes of social and environmental driving forces, the Company is committed to sustainability development with efficiency and in accordance with international practice guideline. The Company has reviewed the policy and adopted United Nations Sustainable Development Goals (UN SDGs) as a framework to develop the Company's sustainability covering dimensions of economy, society, and environment under good corporate governance. The Company considers material issues of sustainability having impacts on stakeholders and prioritizes those issues by significance. The Company also review and update the policy in accordance with the vision and missions toward being a leading provider in complete ICT solutions and digital innovation with social and environmental responsibility to enhance competency of customers both in public and private sectors and elevate life quality of people in society in moving toward digital economy and society sustainably.

The Company defines the sustainability management policy as follows:

1. Commit to, on the basis of, developing business under good governance with risk management and response to changes, sustainable value chain management, suitable responses to all stakeholders, value creation and innovation in products and services, and business opportunity seeking for sustainable growth.
2. Commit to conducting business operations with responsibility to consumers, community, and society; respecting human rights; fair treatment to labors; concentration on knowledge and competency development for employees; prioritizing health and safety for people in every segment of business value chain.
3. Prioritize reduction of environment impacts, emphasize on wise use of resources with value appreciation, encourage development and deployment of eco-friendly solutions and technologies, and cultivate consciousness of environmental conservation to employees and all stakeholders.



The Company defines sustainability management goals within a goal-setting framework in accordance with the sustainability management policy as follows:

- To be excellent in good corporate governance with efficient risk management, development of creativity and innovation for sustainable growth
- To be responsible of community and society, increase customer satisfactions, and ensure fair treatment to employees
- To cultivate consciousness of resource conservation, reduce energy and resource consumption, and deliver eco-friendly products and services to consumers
- To bring concept, policies, and strategies into practice guidelines and operations conforming to international standards
- To bring policies and practice guidelines of sustainability development into operations through the entire organization



Targets and performance in 2022 were as follows:

### 1. Economic Dimension and Good Corporate Governance

Operational Targets	2022 Performance	Long-term targets by 2027
To achieve Good Corporate Governance score of “Excellent” (5 Stars)	“Excellent” 	“Excellent” 
Business Ethics Employee to attend training and pass business ethics test no less than 80 percent	96 percent	100 percent
New employee to attend business ethics training and pass the test 100 percent	100 percent	100 percent
Zero case of non-compliance with laws, rules, and regulation	No incident and no case of non-compliance with laws, rules, and regulation	Zero case of non-compliance with laws, rules, and regulation
<b>Supply Chain Management:</b> All critical suppliers pass ESG self-evaluation and acknowledge business ethics of the Company, addressing sustainability in economic, social, and environmental aspects	<ul style="list-style-type: none"> <li>100 percent of the Company’s critical suppliers passed ESG self-evaluation and signed acknowledgement of the Company’s business ethics</li> </ul>	<ul style="list-style-type: none"> <li>100 percent of the Company’s suppliers pass ESG self-evaluation and sign acknowledgement of the Company’s business ethics, which address sustainability in economic, social, and environmental aspects</li> </ul>
<b>Risk and Crisis Management:</b> <ul style="list-style-type: none"> <li>Risk management carried out based on COSO-ERM framework</li> <li>All service systems must have business continuity plan reviewed and updated and must pass rehearsal of crisis management plan</li> </ul>	<ul style="list-style-type: none"> <li>Risk management carried out based on COSO-ERM framework</li> <li>All service systems had continuity plan reviewed and updated and each system passed rehearsal of crisis management plan once</li> </ul>	<ul style="list-style-type: none"> <li>Risk management carried out based on COSO-ERM framework</li> <li>All service systems have continuity plan reviewed and updated and each system must pass rehearsal of crisis management plan at least one time a year</li> </ul>
<b>Cyber Security and Data Privacy:</b> No complaints from customers and relevant parties	No complaints from customers and relevant parties regarding wrongful use of personal data	Zero complaints from customers and relevant parties regarding wrongful use of personal data

### 2. Environmental Dimension

Operational Targets	2022 Performance	Long-term targets by 2027
Limit greenhouse gas emissions, both direct and indirect scopes (Scope 1 and 2) not exceeding 419.77 tons of CO <sub>2</sub> equivalent	414.38 tons of CO <sub>2</sub> equivalent	To reduce greenhouse gas emissions, both direct and indirect scopes (scope 1 and 2) by 5% compared to 2022
Reduce power consumption by 3% from base year 2019	Power consumption at 562,122 kilowatts, a reduction of 3.21% from base year 2019	To reduce power consumption by 5% compared to 2022
Reduce fuel consumption by 3% from base year 2019	Fuel consumption at 288,718 litres, a reduction of 8.49% from base year 2019	To Reduce fuel consumption by 5% compared to 2022
Reduce water consumption by 3% from base year 2019	Water consumption at 3,959 cubic metres, a reduction of 15.80% from base year 2019	To reduce water consumption by 5% compared to 2022
Increase recyclable waste recovery through sorting efforts	Recyclable office waste for recycling of 4,409 kilograms, an increase of 399% from base year 2019	To increase recyclable waste recovery through sorting efforts by 5% compared to 2022

### 3. Social Dimension

Operational Targets	2022 Performance	Long-term targets by 2027
Average score of customer satisfaction on after-sales service: no less than 90 percent	Average score at 98.46 percent Recommendations from customers brought into improvement to elevate quality of customer services	Average score of customer satisfaction on after-sales service no less than 90 percent and all recommendations from customers brought into improvement to elevate quality of customer services
Number of hours for employee in training and competency development to be no less than 9 hours/person/year	Number of hours in training and competency development 12.66 hours/person/year	All employees receive training and competency development exceeding 12 hours/person/year
Employee Engagement Survey (once in two years) • Average score of employee engagement no less than 70 percent	No survey conducted in 2022 (Average score in 2021 at 78.58 percent)	Average score of employee engagement exceeding 70 percent.
Occupational health and safety: Zero lost time accident for employees and contractors	Zero lost time accident for employee	Zero lost time accident for employee
Zero complaint regarding human rights	No complaint	Zero complaint regarding human rights
Zero complaint regarding unfair treatment to labors	No complaint	Zero complaint regarding unfair treatment to labors
Zero complaint regarding occupational safety and health	No complaint	Zero complaint regarding occupational safety and health

## 3.2 Management of impacts on stakeholders in the business value chain

### 3.2.1 Business value chain

The Company is committed to offering solutions and services in information, communication and digital technology with social and environmental responsibility, including innovation and values added to customers. The Company therefore prioritizes management of sustainable business value chain with two categories of activities contributed to the value chain as follows:

#### 1. Primary activities

##### • Customer insight research

The Company, with expertise of employees in both business and technological aspects, has studied constant changes in technology, market demand, goals and mission of customers to gain insight of customer requirements in order to solve their problems, increase efficiency in serving end users, and elevating competitiveness. The Company has also researched behavior and expectation of people using technology to lift quality of life in various aspects in order to respond the needs of customers more efficiently.

##### • Solution design contributing values

The Company, with capabilities of engineers and experts in solution design regarding both hardware and software integration or services to deliver, and innovation has extended collaboration with vendors and competent business partners with social and environmental responsibility to create differentiation, efficiency, and values contributed to really respond customer needs.

- **Marketing and sales**

In public and state enterprise sector, customers will announce their requirements of the project and open the competition in various types of tenders. To win tender, the Company collaborates with partners as assigned to be authorized distributor by the product owners. The Company designs solutions to meet the needs with quality and efficiently manages costs within the customer's budget. By conducting aforementioned process, the Company can be trusted and awarded the tender to be the implementor of the project.

- **Development, implementation, and delivery**

The Company attaches great importance to select quality products from technology owners or partners and also develop solutions under standard of quality control with collaboration from competent partners and supports from financial institutions to proceed the project. Furthermore, the Company has developed employee competencies regarding efficient project management and project implementation together with partners to ensure implementation and delivery of quality solutions within time planned and budget set without negative impact to the community.

- **After-sales services**

For utmost customer satisfaction, the Company prioritizes the quality of services with according to ISO 9001 and ISO 20000 for quality and efficiency in IT service management through 30 service centers nationwide, including Network Operation Center (NOC) to support and analyze incident 24x7. The Company aligns customer support process with Service Tracking System (STS) adopted by service teams for more efficient customer appointment and service tracking. The Company also conducts Business Continuity Plan to ensure service availability and operates under practice guidelines for information security management compliant with ISO/IEC 27001. Moreover, working closely with customers, the Company ensures that solutions and services really meet customer needs and able to analyze customer expectation in order to improve solutions and services resulting in other business opportunities.

## Primary activities



Human Resource Development

Sustainable Supply Chain Management

Development of Technology and Business

## Support activities



## 2. Support activities

To efficiently accomplish business operation in business value chain, the Company conducts activities to support primary activities as follows:

- Human resource development for employees' knowledge, competency, and expertise to efficiently support business operations for entire business value chain toward being human capital of the Company in digital age.
- Sustainable supply chain management by collaboration with key business partners in business value chain and managing vendor risks. In collaboration with key partners, the Company together is able to develop products and innovation, and create business opportunities, including development and exchange of employees' knowledge. The Company also consider material issues of partners regarding society and environment such as human rights, business ethics, compliance with laws, occupational safety, etc.
- Technology development for products and service and business development. The Company emphasizes research and development to add values to products and services in response to several changes. The Company also aligns technology to analyze, plan, monitor operations, and make decision efficiently in order to increase competitiveness.

### 3.2.2 Analysis of stakeholders in the business value chain

To ensure business value driven by business operations under social and environmental responsibility according to practice guidelines in sustainable management policy, the Company, in proper response to expectations of stakeholders in the business value chain, has identified seven key stakeholder groups as internal stakeholder: shareholders and employees; and external stakeholders: customers, business partners, government and regulatory agencies, financial institutions, and community and society.

Stakeholders	Communication channel and participation	Expectations	Responses to stakeholders' expectations in 2022
<b>Internal stakeholders</b>			
Shareholders	<ul style="list-style-type: none"> <li>• Annual General Meeting (AGM) for shareholders</li> <li>• Annual Registration Statement / Annual Report (Form 56-1 One Report)</li> <li>• Press releases</li> <li>• Analyst Meetings</li> <li>• The Company's Website and email</li> <li>• The SET's Website</li> <li>• Investor relation via phone and email</li> </ul>	<ul style="list-style-type: none"> <li>• Good performance and business growth</li> <li>• Consistent dividend payments</li> <li>• Good corporate governance and risk management</li> <li>• Equal treatment to all shareholders</li> <li>• Complete, accurate, and timely disclosure of information through a various, easy-to-access channels</li> </ul>	<ul style="list-style-type: none"> <li>• Conducted strategies toward goals of sustainable returns</li> <li>• Analyzed performance, reviewed strategies and actions on a monthly basis</li> <li>• Conducted operations in accordance with good corporate governance and risk management policy</li> <li>• Executed dividend payments according to the policy</li> <li>• Operated in accordance with guidelines and regulations of SET</li> <li>• Encouraged shareholders to attend AGM and offer meeting agenda including queries and suggestions</li> <li>• Disclosed accurate, complete information transparently and consistently update information through the Company's Website and social media</li> </ul>
Employee	<ul style="list-style-type: none"> <li>• Email, intranet media, digital signage, voice lines station, social media: Line and Facebook</li> <li>• Biennial Employee Engagement Survey</li> </ul>	<ul style="list-style-type: none"> <li>• Reasonable remuneration and welfares</li> <li>• Career stability and advancement</li> <li>• Fair treatment</li> <li>• Skills and knowledge enhanced</li> </ul>	<ul style="list-style-type: none"> <li>• Stipulated structures of reasonable remuneration in accordance with actual performance and goal achievement</li> <li>• Evaluated performance based on knowledge, competency, and actual performance with clear key performance indicator 1-2 time(s) a year</li> </ul>

Stakeholders	Communication channel and participation	Expectations	Responses to stakeholders' expectations in 2022
<b>Internal stakeholders</b> (Continued)			
Employee (Continued)	<ul style="list-style-type: none"> <li>• Management site visit for open opinions three times a year</li> <li>• Employee Voice to receive opinion and suggestion via email and dropbox</li> <li>• Communication with employees and their family through Line Group VR Samart</li> <li>• Employee welfare commit meeting twice a year</li> </ul>	<ul style="list-style-type: none"> <li>• Hygienic and positive work environment and safe workplace</li> </ul>	<ul style="list-style-type: none"> <li>• Provides trainings inside and outside the Company through various channels</li> <li>• Established individual career plan</li> <li>• Encouraged employee participation in managing of welfare and work-life quality</li> <li>• Provided complaint channels</li> <li>• Strictly operated in accordance with occupational safety and health policy</li> <li>• Encouraged development of quality of life and supported Work-Life Balance</li> <li>• Strictly complied with COVID Free Setting and COVID-19 prevention measures</li> </ul>
<b>External stakeholders</b>			
Customers	<ul style="list-style-type: none"> <li>• The Company's email, Phone, and Website</li> <li>• Letters</li> <li>• Online social media: Line and Facebook</li> <li>• Sales personnel</li> <li>• Annual customer satisfaction survey</li> <li>• Seminars</li> <li>• Trainings</li> <li>• Complaint channels</li> </ul>	<ul style="list-style-type: none"> <li>• Received consultancy and accurate information regarding products and services</li> <li>• Quality product and services responding to the needs</li> <li>• Delivery on timely manner</li> <li>• Reasonable prices</li> <li>• Safety products and services</li> <li>• After-sales services in accordance with service level agreement (SLA)</li> <li>• Cyber security and data protection</li> </ul>	<ul style="list-style-type: none"> <li>• Enhanced employees' knowledge and competency</li> <li>• Provided trainings from partners and technology owner</li> <li>• Operated in accordance with standard of quality control and services</li> <li>• Selected safety products containing hazardous substance not exceeding the standard specified and meet electrical safety standards</li> <li>• Selected and prioritized eco-friendly products</li> <li>• Managed and delivered project on time</li> <li>• Delivered good after-sales service with standard compliant with SLA</li> <li>• Conducted corrective actions based on recommendations</li> <li>• Customer satisfaction at 98.46 percent</li> <li>• Complied with the privacy policy</li> <li>• Monitored cyber threats</li> </ul>
Business Partners	<ul style="list-style-type: none"> <li>• Email, Phone, and Letters</li> <li>• Procurement system</li> <li>• Trainings and seminars</li> <li>• Surveys</li> <li>• Business review meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Fair treatment in business operations</li> <li>• Developing and growing together</li> <li>• Payment on timely fashion</li> <li>• Efficient project management plan</li> <li>• Compliance with terms and conditions in agreement</li> <li>• Confidential information protected</li> </ul>	<ul style="list-style-type: none"> <li>• Operated in accordance with partner ethics policy and business ethics</li> <li>• Collaborated in trainings, seminars, and knowledge exchanges</li> <li>• Collaborated in creativity and innovation development</li> <li>• Provided extensive trainings to employees</li> <li>• Delivered products and services as planned</li> <li>• Made payments on terms and conditions</li> <li>• Complied with contract and non-disclosure agreement</li> </ul>
Government and regulatory agencies	<ul style="list-style-type: none"> <li>• Email, Phone, and Letters</li> <li>• Reports and information published</li> <li>• Meetings</li> <li>• Seminar and public hearings</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with laws, regulations and rules related</li> <li>• Collaboration and supports of works</li> <li>• Compliance with corporate governance principle</li> <li>• Full payment of taxes and fees</li> </ul>	<ul style="list-style-type: none"> <li>• Strictly conducted business compliant with law, regulations, and rules related</li> <li>• Provided collaboration and supports to regulators and agencies</li> <li>• Reported information accurately and transparently as stipulated</li> <li>• Operated under corporate governance practice</li> </ul>



Stakeholders	Communication channel and participation	Expectations	Responses to stakeholders' expectations in 2022
<b>Internal stakeholders</b> (Continued)			
Government and regulatory agencies (Continued)		<ul style="list-style-type: none"> <li>• Anti-bribery and anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>• Communicated and enhanced employees' knowledge and understanding to strictly comply with the Company's anti-corruption policy</li> </ul>
Financial institutions	<ul style="list-style-type: none"> <li>• Email, Phone, and Letters</li> <li>• Information published on the Company's Website</li> <li>• Meeting exchanging information</li> </ul>	<ul style="list-style-type: none"> <li>• Good corporate governance</li> <li>• Ability to pay debts</li> <li>• Transparent and up-to-date information</li> <li>• Proper loan limit and suitable financial products</li> </ul>	<ul style="list-style-type: none"> <li>• Operated with risk management and good corporate governance policy</li> <li>• Comply with conditions and agreement</li> </ul>
Community and society	<ul style="list-style-type: none"> <li>• Website, Email, and Phone</li> <li>• Online social media</li> <li>• Annual Registration Statement / Annual report (Form 56-1 One Report)</li> <li>• Press releases</li> <li>• Activities for community and society</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate supports and contribution</li> <li>• Social development activities beneficial to community and society</li> <li>• Operations with safety to lives and properties including hygiene and environment of community</li> <li>• Development of technology increasing life quality of people in society</li> </ul>	<ul style="list-style-type: none"> <li>• Supported volunteering and social development activities in education, healthcare, sports, and Bhudism</li> <li>• Increase online communication channels to response expectation of community and society during COVID-19 pandemic situation</li> <li>• Strictly complied with COVID-19 prevention measures</li> <li>• Operated under occupational safety and health policy for safety of community</li> <li>• Provided customers with solutions elevating quality of life</li> </ul>

### 3.2.3 Sustainability Materiality

The Company has followed the materiality assessment process to be able to identify issues as the essence of the business and factors in maintaining competitiveness and creating values throughout the value chain in the long term, responding to the Company's stakeholders, to be an important part in driving business for sustainability. The materiality covers corporate governance, social, and environmental aspects with stakeholders' participation, assessment, prioritization, verification and validation. Material issues have been approved by the Board of Directors each year. The process for materiality is as follows:

- **A study of the organizational context and identification of material issues**

The Company studies and identifies important issues in accordance with the context, vision, mission, strategy, sustainability management of the Company, including the global and domestic trends in technology, society, environment, economy, law, government policy, important issues in related industries, and information on the expectations and concerns of stakeholders in the value chain. The material issues can be identified as follows.

		
<b>Corporate Governance and Economic Dimension</b>	<b>Environmental Dimension</b>	<b>Social Dimension</b>
1. Good corporate governance 2. Sustainable supply chain management 3. Development of innovation and values added 4. Risk management 5. Business continuity management 6. Cyber security and personal data protection	7. Energy management 8. Water management 9. Waste management 10. Greenhouse gas management 11. Green procurement	12. Human rights and fair labor practices 13. Human resource development 14. Responsibility to customers 15. Responsibility to community and society 16. Occupational health and safety

- Assessment and prioritization**

The Company assessed the impact of material issues on the Company's operations and stakeholders in the value chain and prioritized those material issues as follows:

Materiality Assessment and Prioritization



According to the materiality assessment in 2022, the Company found, out of 16 issues in total, 7 highly significant issues as follows:

1. Good corporate governance
2. Responsibility to customers and consumers
3. Sustainable supply chain management
4. Development of innovation and value added
5. Cyber security and personal data protection
6. Risk management
7. Business continuity management

- **Verification of material issues**

After examining the materiality assessment results together with involving parties, conducting verification and proposing for approval from the Sustainable Development Committee, the Company brought material issues to set management goals as well as important strategies and management approaches. Progress and related actions have been monitored for continuous improvement and development.

**Management approach for sustainability material issues**

The Company manages sustainability material issues by developing policies or plans that have been reviewed for suitability. Furthermore, committees or responsible units, or collaboration of related parties have been established to manage related issues according to objectives, targets, and timeframes specified, and monitor progress of action, as well as evaluating against the set target and reviewing policies and plans regularly.

## 3.3 Economic Sustainability Management

### 3.3.1 Good Corporate Governance

The Company is committed to conducting its business on the basis of good governance, complying with the law, and unwaveringly operating in accordance with the Company's Corporate Governance Policy and business ethics, as well as regularly monitoring and evaluating its performance. The Corporate Governance Policy is outlined in Section 2 of the Annual Registration Statement / Annual Report (Form 56-1 One Report). In addition, the Company is dedicated to ensuring that its directors, managements, and employees adhere to the Company's business ethics handbook, in order to promote integrity and ethical work practices with high standards of quality and comprehensive care for all stakeholders. The Company aims to be transparent and prevent conflicts of interest. The Company's Corporate Governance Policy and its business ethics are reviewed and updated annually, and are published on the Company's Website at [www.samtel.com](http://www.samtel.com) under the subject of "Corporate Governance".

### 3.3.2 Sustainable Supply Chain Management

The Company develops solutions and services in the information, communications, and digital technology requiring various components of hardware and software systems from numerous partners or allies. The Company thus places great importance on the supply chain management, which considers social responsibility, environment, and good corporate governance at every step of the supply chain. This altogether is to create efficiency in cost management and the delivery of products and services, promote collaboration in conducting business, create value added, and achieve sustainable growth together.

#### 1) Strict operations in compliance with the trade partner policy

The Company has the trade partner policy to treat partners with equality, disclose information equally, and consider mutual benefits. Guidelines for these practices are outlined in the Company's business ethics. The process of partner selection is transparent, with established systems and standards. The Company



has also developed and maintained sustainable relationships with trading and contractual parties. Regular visits are made to exchange ideas and establish mutual trust. All employees must refuse to accept any personal benefits from trading partners and contractual parties and must not perform any false advertising and deceiving partners. The Company refrains from purchasing products and/or services from partners who violate human rights or intellectual properties, and monitors news on whether trading partners violate human rights or intellectual property. If such behavior is discovered, the Company avoids purchasing products and/or services from the partners who behave illegally. The trade partner policy is published on the Company's Website at [www.samtel.com](http://www.samtel.com) under subject of "Corporate Governance" in the "Business Ethics" section.

## 2) Managing Supplier Risk

- **Supplier analysis and category.** The Company analyzes the importance of products and services, quality and value of the suppliers, purchase value, level of dependence, significance to strategies, and impact on the Company. Suppliers can be categorized into two groups: Critical Suppliers, which include strategic and key suppliers, and Non-Critical Suppliers, which supply non-essential components for products and services, having lower purchase value, level of dependence, and impact on sustainability compared to Critical Suppliers. Categorizing suppliers can lead to risk assessment and appropriate risk management.
- **Risk assessment.** The Company conducts risk assessment involving economic and governance, social, and environmental aspects (ESG Risk Assessment) by regularly assess existing partners and applying criteria for considering new partners, including:
  - Financial risks and financial policies
  - Conforming to the Company's business strategy and direction
  - Business risks, such as capabilities in operations and delivery, technical support, post-sales services, and business continuity management, and more.
  - Risks in governance regarding, for example, compliance with laws, regulations, intellectual property management, corruption, fair competition, and understanding of the Company's business ethics.
  - Social risks, such as respect for human rights, occupational health and safety management, fair labor practices, responsibility to customers, communities, and society.
  - Environmental risks, such as the use of hazardous materials or equipment, noise pollution, greenhouse gas emissions, wastewater discharge, waste management, and more.
- **Partner selection.** The Company has reviewed information from the partner registration form and other information provided by partners, including ESG self-evaluation, as well as the acknowledgement of the Company's business practices and ethics. The purpose is to select partners who meet the standards, and those who meet the criteria will be approved for registration on the Approved Vendor List in the Company's system.

The Company has also created an ESG self-evaluation form for partners to demonstrate that they have standard quality control processes for their products and services, including occupational health and safety, and good working environment. They must have ethical business practices and social and environmental responsibility. The Company had partners to sign acknowledgement to its business ethics and operational guidelines, which address corporate governance, economy, social, and environmental dimensions.

- **Supplier risk reduction**  
Sustainable supply chain management can help reduce risks in terms of cost, supply shortages, uninterrupted services, standardized service levels, as well as the Company's reputation. The risk reduction process includes communicating the Company's policies and operational guidelines, providing advice on

improving work processes for both parties, evaluating the performance of partners annually to prevent, improve, correct, and reduce risks. This process also involves sustainable procurement practices, building the competency and capabilities of partners, promoting and maintaining relationships with partners, which are social environmental responsible with corporate governance, throughout the supply.

To assess risks, the Company evaluates the annual performance of its critical suppliers using a Vendor Performance Evaluation Form. This assessment covers various issues such as delivering products as required, quality, delivery time, service readiness, technical support, after-sales service, compliance with service agreements, price, financial stability, and performance guarantees, as well as monitoring the partners' sustainability self-evaluation, covering business ethics, social responsibility, and environmental responsibility. Any deficiencies found and suggestions received will be notified to partners for joint improvement and correction according to the Company's criteria.

**Performance results in 2022**, 100 percent of the Company's critical suppliers passed ESG self-evaluation and signed acknowledgement of the Company's business ethics and operation guidelines. Additionally, the Company conducted site visits for key partners at their location as well as monitoring relating news through various channels.

### 3) Sustainable procurement process

The Company has established clear regulations and processes that are systematic and standardized together with fair competition based on equal information and partner selection's evaluation criteria, which includes technical consideration, pricing, and qualifications covering environmental, social, and governance aspects. The Company compares prices and applies criteria using international standards before purchasing. Contracts are made to be fair and the Company strictly adheres to the agreed conditions, with confidentiality maintained for the partners. The Company also monitors to ensure the compliance with fraud prevention at every stage, including following up and evaluating partners.

### 4) Capacity and capability building for partners

The Company collaborates with partners in building capacity and capability for each other through planned and activities, such as setting topics or knowledge to develop; methods and form to use: training, seminars, and demonstrations of knowledge through various channels, both online and offline, at the individual, team, and managerial levels, both in the short and long term, in terms of knowledge and practical guidance that the Company has expertise in, ranging from customer requirement, market trends, solutions and techniques, and standardized installation to post-sales services and maintenance for all types of partners, including service providers, product owners, and subcontractors. Collaboration with partners has been established to develop and improve solutions, products and services, and create value added as well as innovations for the benefit of all parties, including passing on values to customers or end-users, which may contribute to social development and reduce environmental impact.

**Performance results in 2022**, the Company elevated knowledge and build capability of its partners, resulting in ability to compete and success in winning of several important projects of customers. Training programs were arranged to improve the partners' quality and operational practices were communicated to partners, including contractors. This also enabled the Company, together with partners, timely delivery of challenging projects regarding networking solutions, enhanced ICT, and business applications, with standards and efficiency; reduction of potential errors that may require correction and repair during service; and full compliance with service level agreement binding to customers.

Furthermore, Collaboration with partners to create values and innovation for products and services helped subsidiaries, for instance, Postnet Co., Ltd. to develop a QR API Gateway connected to various QR platforms; Thai Trade Net Co., Ltd. to extend its EDI to hospital groups, and Samart Infonet Co., Ltd. to provide new service of Cloud Infrastructure as a Service for small enterprises.

### 3.3.3 Development of innovation and value added

#### Policy and guidelines to promote innovation

The Company has a policy to promote value creation and innovation for products and services as part of its mission and sustainable development policy to drive and enhance the capabilities of customers, both public and private sectors, delivering benefits to end-users in the digital economy and society, as well as increasing competitiveness, creating values in products and services, and developing new businesses to create sustainable business opportunities for sustainable growth of the Company.

The guidelines for promoting innovation and value creation regard solutions, products and services, work processes, and business models. Types of innovation can be improvement of products and services; enhancement of work process and efficiency; and new development of technologies and new business model that significantly impact users, markets, and industries. The Company have policies and guidelines for promoting innovation as follows:

- 1) Promote development of employees' knowledge, attitudes of creativity, applying knowledge from various sources, sharing and exchanging knowledge, and collaboration for creativity at all levels, in order to encourage culture of learning and innovative organization.
- 2) Foster collaboration at all levels, from individuals and departments to subsidiaries, as well as partners in the value chain, to exchange knowledge and develop innovation and creativity.
- 3) Develop and improve knowledge management system and innovation repository management as the Company's centralized knowledge for collaboratively use to drive innovation.
- 4) Support the creation of an atmosphere, motivation, activities in innovation and creativity, including allocating budgets, tools, and necessary collaborations for innovation, creativity, and value creation, to promote innovation culture in the Company.
- 5) Promote the use of innovative and creative ideas in every process of operations to improve efficiency and develop products, services, and business models, to drive and enhance customers' competency and services to end users, delivering benefits to society and environment creating sustainable opportunities.

The Company has reviewed the policy and guidelines to promote innovation at least once a year in order to improve and support changes in various factors.

#### Plan and Results of Innovation Development

The Company has a plan to encourage all units and subsidiaries to develop innovation and create values in solutions, products and services, work processes, and business models, to support changes and competition in the industry. This is achieved through studying with technology owners, product owners, or various business partners to analyze customer needs and problems that occur, in order to analyze and develop features of products and service that better meet the needs with value creation and differentiation. New knowledge can also be used to improve processes for efficiency, resulting in good customer experience. In the past year,

- Samart Communication Services Co., Ltd, developed communications testing equipment with software-defined adjustability to facilitate testing products installed, supporting more models of devices and helping technicians analyze the works, resulting in improving efficiency and reducing time for testing, thus shortening delivery time and faster maintenance.

- Secure Info Co., Ltd extended ISO 27001 from Cyber Security Operation Center (CSOC) services to cover Penetration Testing, Vulnerability Assessment, and Security Consultancy service to improve efficiency, increase security, and elevate customer trusts.
- Smarterware Co., Ltd adopted Cloud-Native application development method to expedite development tasks, increase flexibility, response to customers faster, and improve efficiency in use of resources.
- Posnet Co., Ltd developed Posnet Connecting Platform (PCP) as new business model to be QR API Gateway connecting to various QR platforms such as Atome, ShopBack, and True Money, enabling EDC system to support payment using QR Wallet in various platforms.
- Samart Infonet Co., Ltd began new business providing Cloud Infrastructure-as-a-Service (IaaS) using Hyper Converged Infrastructure technology to deliver cloud services more quickly with standards, price flexibility, and easily reaching by customers.
- Net Service (Thailand) Co., Ltd improved functionalities of its Web-based application and increased security features.

In addition, the Company has conducted new research and development while improving various solutions to meet customer needs with higher expectation in technologies, in order to increase opportunities and competitiveness, for example, advanced metering infrastructure technology, energy management solutions, big data analytics, as well as artificial intelligence in system integrations, immersive technology, etc. Results of study and development can be applied and add values to existing products or services.

#### 3.3.4 Cyber security and personal data protection

The Company has established a central department responsible for supervising, managing, and setting guidelines for information security and cyber security management. Cyber threat monitoring and cyber security management has been also arranged. The Company provides training to employees to create awareness of cyber security and it also disseminate related news to all employees and stakeholders regularly. The Company has conducted vulnerability assessment in its information systems and takes measures to correct and prevent the threats. The Company has arranged cyber threat monitoring and cyber security management through Cyber Security Operations Center services from its subsidiary (SecureInfo Co., Ltd), which certifies the ISO 27001: 2013 standard for information security management.

For the protection of personal data, the Company has a central supervisory department responsible for enforcing the personal data protection policy. It also arranges training, managing risks, evaluating impacts, and reviewing policies according to situations and emerging risks. Personal data protection measures have been put in place, with data access rights allowing only authorized personnel or individuals with delegated authority to access such data only on necessity and for the purposes notified to the owner of the personal data. The Company adheres and strictly comply with its personal data protection measures in accordance with relevant laws and regulations. Moreover, the Company has established data security measures in compliance with internationally standards both in process and technical aspects. The Company regularly reviews its processes and protection techniques to ensure they remain up to date. Furthermore, when personal data is delivered, transferred, or disclosed to a third party, whether to provide services under a contract or serve any agreements, the Company has established appropriate data security measures and confidentiality measures in compliance with the law, confirming that the personal data kept by the company is always secure. In the past year, the Company has revised its personal data protection policy in accordance with the Personal Data Protection Act BE 2562, which came into effect on June 1, 2022. The Company has announced its data privacy policies on its Website.

**Performance results in 2022**, the Company found no complaint from customers or relevant parties regarding data breach and wrongful use of personal data.

### 3.3.5 Risk management

The Company, with its risk management approach, tracks various trends in technology, regulations, economic and financial outlooks, outlooks of ICT industry, and other relevant industries that may impacts, including internal and external factors. The Company, in consideration of environmental, social, and governance (ESG) dimensions, using principles and guidelines based on the framework of internal control and risk management according to the international standard of COSO-ERM 2017 (The Committee of Sponsoring Organizations of the Treadway Commission - Enterprise Risk Management). The Company reported risk factors and approach to manage key risks, emerging risks and ESG risks in “2. Risk Management” section. To ensure efficient actions according to the policy and risk management guidelines, the Company has promoted risk management culture to create awareness of objectives, benefits, and impacts on the Company, roles and responsibilities, common understanding of guidelines, and effective collaboration in risk management.

#### Promotion of risk management culture

To support the implementation of risk management guidelines specified, the company has taken various operations to create and promote a culture of risk management, so that everyone is aware of their roles and responsibilities and can apply them to achieve the Company’s objectives. The Company proceeds as follows:

- **Promotes risk management as part of the Company’s core values** in the areas of Synergy and Standard. In terms of Synergy, the Company emphasizes the importance of collaboration and cooperation between risk owners, related departments, and the risk management working group to assess risks, carefully evaluate their likelihood and impact on operations, and implement appropriate responses to mitigate or reduce risks. In terms of Standard, risk management is considered a key topic to be addressed in all projects, contracts, and agreements. It is also a criterion for product and service development and an important factor in business analysis and development.
- **Assigns risk management as a Key Performance Indicator (KPI)** for the risk management working group, including employees and managers in various units that own risks.
- **Encourages suggestions and evaluations of risks** from all levels of employees in all units to gather and screen them for the risk management process.
- **Promotes knowledge of risk management and stimulating the idea** of prudence and awareness of various risks through internal communication channels. Additionally, online risk management courses are served to all employees through the Company’s V-Learn platform, and management executives are also trained in risk management. In 2022, 98% of employees participated in and passed the risk management course.

### 3.3.6 Business continuity management

Responsibility towards customers and stakeholders is crucial for sustainability. Therefore, the Company has placed importance on preparing for crisis situations from natural disasters and emergency incidents that may affect business operations and services to customers. Consequently, the Company has a business continuity management policy to ensure that all executives and employees are aware of their responsibilities and can respond effectively to crisis situations from disasters and incidents, such as floods, earthquakes, protests, riots, pandemics, etc. without causing interruption or with least effect to business operations. The Company aims to minimize the impact of such crises and quickly recover to normal state to build confidence among stakeholders and comply with good corporate governance.



The Company requires managements and employees to have a stake in business continuity management by conducting Business Impact Analysis (BIA) that affects the Company's work processes and impacts business operations. They are also required to review and revise the Business Continuity Plan and Crisis Management Plan annually to ensure it aligns and can respond to threats that cover potential new threats. Additionally, all systems related to services to customers and critical operations must be rehearsed these plans at least once a year to evaluate accuracy, effectiveness, and identify any shortcomings for improvement, including improvement and review of the Company's business continuity management policy.

**Performance results in 2022**, the Company and its subsidiaries reviewed and improved their business continuity plan and crisis management plans to stay up-to-date in all systems that serves customers and critical operational systems. They also practiced their business continuity and crisis management plans once per system. For Cyber Security Operation Center and the Data Center, the Company conducted two rehearsals of the business continuity plan.

## 3.4 Environmental Sustainability Management

### 3.4.1 Environmental policies and practice guidelines

The Company recognizes that it is important to operate with consideration for preserving the environment and using resources wisely, appreciating its value.

The Company is thus committed to management and business operations with minimized impact on the environment and responsibility to community, society, and stakeholders throughout the business value chain by adhering to sustainable development guidelines in environmental, social, and corporate governance 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 policies and practice guidelines set are published on the Company's website, [www.samtel.com](http://www.samtel.com) under "Corporate Governance."

The Company set long-term targets of environmental management are as follows:

#### Long-term targets by 2027 (5 years)

- To reduce greenhouse gas emission both direct and indirect emissions (scope 1 and 2) by 5% compared to 2022
- To reduce power consumption by 5% compared to 2022
- To reduce fuel consumption by 5% compared to 2022
- To reduce water consumption by 5% compared to 2022
- To increase recyclable waste recovery through sorting efforts by 5% compared to 2022

### 3.4.2 Environment Performance

**The Company's environmental performance in 2022 is summarized below.**

#### Performance of promotion to reduce energy and other resources

##### 1. Energy and Resource Conservation

Attaching great importance to energy efficiency, appreciating its value, the Company, to make optimum use of energy in the business value chain, has set policies and concrete work plans in accordance with the Ministry of Industry's standards and the government's BCG policy (Bio-economy, Circular economy, Green economy). The aim is to reduce energy consumption by 3% compared to 2019. 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 quantitative targets to reduce consumption of energy and other resources are as follows:

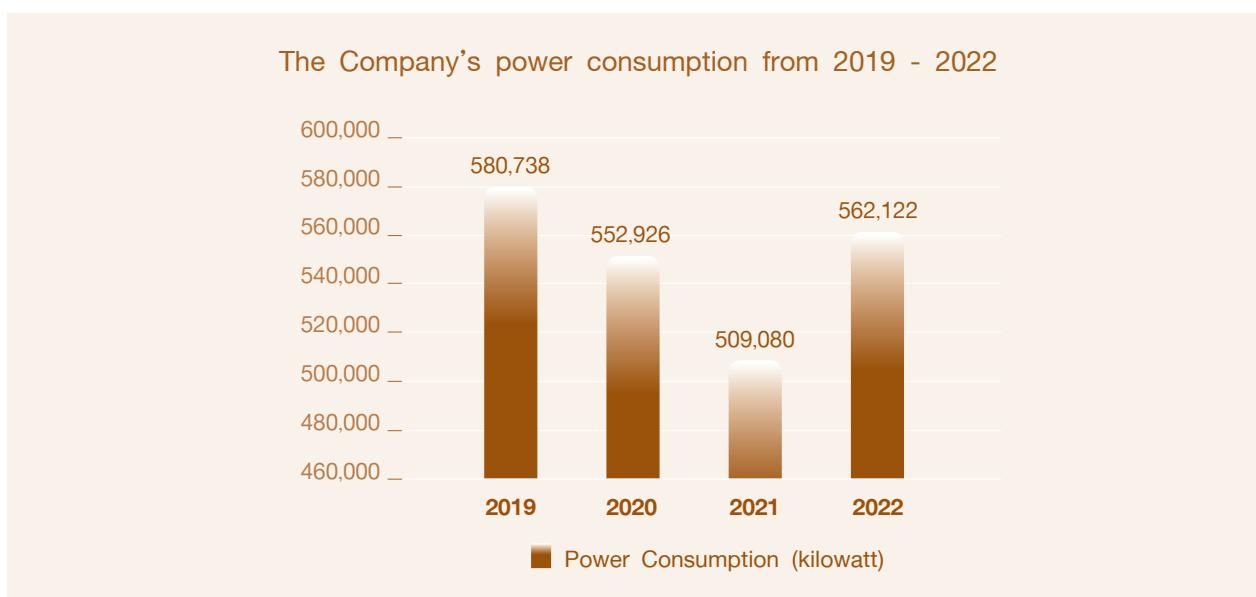
- 3% decrease in power consumption from base year 2019
- 3% decrease in fuel consumption from base year 2019
- 3% decrease in water consumption from base year 2019
- 3% decrease in use of office supplies from base year 2019

Reduction in consumption of energy and other resources are presented below.

### 1.1 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. Light bulbs have also been replaced with energy-saving T5 and LED bulbs.

**Performance results in 2022**, the Company's power consumption stood at 562,122 kilowatt, a reduction of 3.21% from base year 2019, in line with the target set.



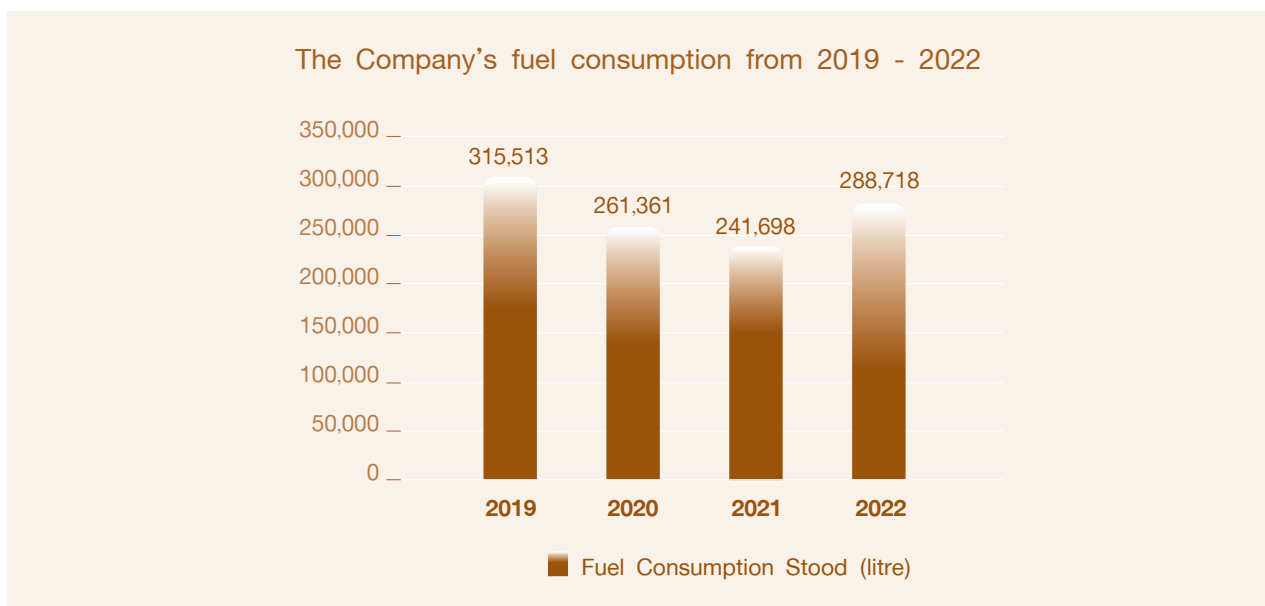
Note: In 2020 and 2021, during the Covid pandemic situations, there was a practice of alternating between working from home and working onsite.

## 1.2 Fuel

The Company 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 scheduling routine vehicle maintenance by mileage and using the fuel-saving B10 diesel for the Company's vehicles. Regular training sessions on driving and vehicle maintenance are also held for employees.

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 (CO<sub>2</sub>).

**Performance results in 2022**, the Company's fuel consumption stood at 288,718 litres, a reduction of 8.49% from base year 2019, in line with the target set.



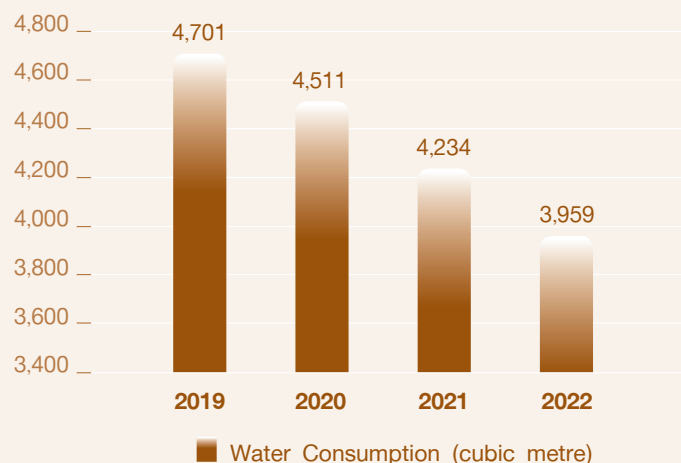
*Note: In 2020 and 2021, during the Covid pandemic situations, there was a practice of alternating between working from home and working onsite.*

## 1.3 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 and guidelines have 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.

**Performance results in 2022**, the Company's water consumption stood at 3,959 cubic metres, a reduction of 15.80% from base year 2019, in line with the target set.

The Company's water consumption from 2019 - 2022



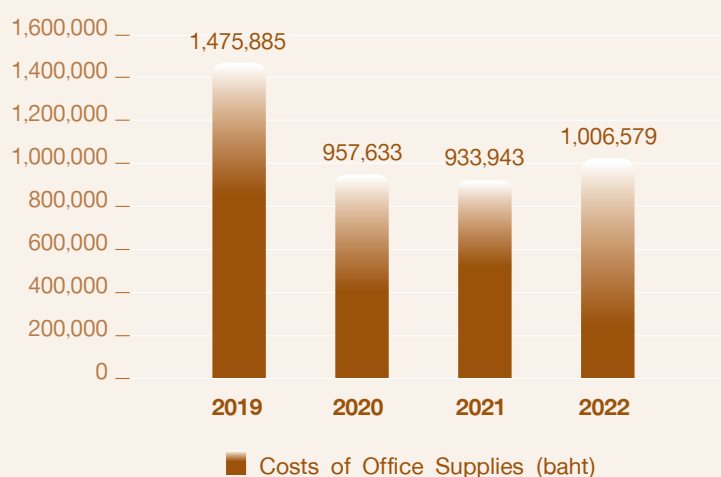
Note: In 2020 and 2021, during the Covid pandemic situations, there was a practice of altering between working from home and working onsite.

#### 1.4 Office supplies

The Company has a policy for management and control of office supplies particularly stationery to reduce wasteful use. Environmental-friendly materials are preferred and technology such as the SAP system has been brought in. There's also a campaign for paperless office and a systematic disbursement of office supplies, where conditions and schedules are set. Reuse of items such as files and paper clips as well as use of both sides of paper are encouraged.

**Performance results in 2022**, the Company's costs of office supplies stood at 1,006,579 baht, a reduction of 469,306 baht or 31.80% from base year 2019, in line with the target set.

The Company's costs of office supplies from 2019 - 2022



Note: In 2020 and 2021, during the Covid pandemic situations, there was a practice of altering between working from home and working onsite.

costs of office supplies

## 2. Creating resource consciousness in employees

### Waste management

The Company 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 32 news articles through public relations channels within the organization, both online through Facebook, E-mail, and Line and offline on bulletin boards regularly throughout the year. The aim is to provide employees with knowledge related to the Company's policy and guideline on environmental management. 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 an 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.

### The quantitative targets of waste management are as follows:

- To increase recycle waste recovery through sorting
- To sort our hazardous waste by 100%

### In 2022, the Company has operated as follows:

#### 2.1 Grease from wastewater

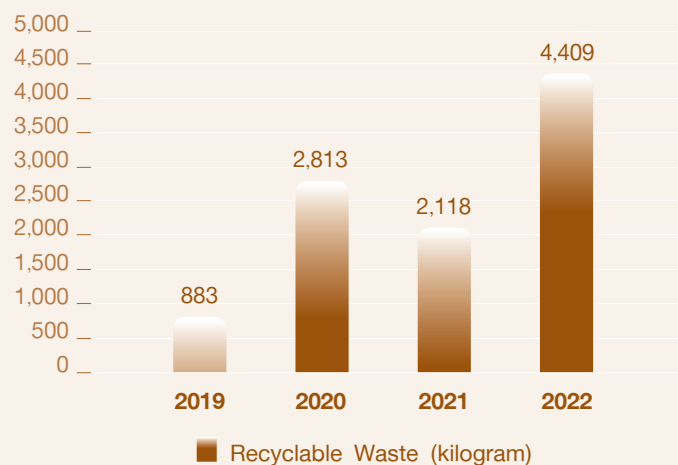
Grease traps are inspected to ensure normal working condition and cleaned weekly, totaling 52 times/year.

#### 2.2 Waste from operations

In dealing with office waste from operations within the organization to reduce the problem of polluting the environment, reuse is encouraged both in the office and in daily life. Recyclable waste is also recovered through sorting and forwarded to recycling facilities.

**Performance results in 2022**, the Company was able to separate 4,409 kilograms of recyclable office waste for recycling, an increase from 883 kilograms recovered in base year 2019, in line with the target set.

The Company's recyclable waste from 2019 - 2022



*Note: In 2020 and 2021, during the Covid pandemic situations, there was a practice of alternating between working from home and working onsite.*



### 2.3 General waste (non-hazardous)

- Paper and Office documents** that are no longer valid or needed are cleared regularly through the 5S methodology (sort, set in order, shine, standardize, and sustain). They are then collected and forwarded for recycling. In 2022, 25,660 kilograms of recyclable paper waste was collected.
- 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. The number of bottles was an equivalent to 245 kilograms of plastic or 98 reams of A4 paper.



- Plastic bottle caps**

Following a 3-month campaign, 400 people helped sort out seven kilograms of plastic water bottle caps 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.



**Performance results of general waste management**, in 2022 waste was reduced by 30,321 kilograms.

## 2.4 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.

**Performance results of hazardous waste management**, in 2022 100% of hazardous waste was sorted out, in line with the target set.



## 3. Climate and greenhouse gas management

Based on the Company's environmental performance 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 in the organization and in supporting client's operations. Concrete campaigns were carried out to provide knowledge for employees and stakeholders to promote understanding, awareness, and an environmental spirit in working towards the quantitative target of becoming a low carbon organization.

In 2022, the Company set the target of greenhouse gas (GHG) emission from both direct (Scope 1: Direct GHG Emissions) and indirect (Scope 2: Energy Indirect GHG Emission) emissions not exceeding 419.77 ton CO<sub>2</sub> equivalent (tCO<sub>2</sub>e) or 3 percent reduction compared to the base year 2019

### 3.1 Internal operations to reduce impact on climate and greenhouse gas management

The Company's plans for appreciative consumption of energy and resources, considering the impact on greenhouse gas emissions include the following:

- **Fuel consumption and travel**

Regarding this, the Company carried out continuous vehicle maintenance as planned. Also, there's a policy to use Thailand's B10 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 CO<sub>2</sub>e per kilometer.

In 2022, fuel consumption of the Company was 288,178 liter equivalent to direct GHG emission of 77,896 kgCO<sub>2</sub>e, decreased by 8.49 percent from the baseline in 2019, reducing GHG emissions by 7,229 kgCO<sub>2</sub>e compared to base year 2019.

- **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.

In 2022, power consumption of the Company was 562,122 kilowatts equivalent to indirect GHG emission of 336,486 kgCO<sub>2</sub>e, decreased by 3.21 percent from the baseline in 2019, reducing GHG emissions from power consumption by 11,143 kgCO<sub>2</sub>e compared to base year 2019.

**Performance results in 2022**, the Company's GHG emissions from both direct and indirect sources (Scope 1 and 2) were 414.38 tCO<sub>2</sub>e, declined by 4.2 percent compared to the baseline in 2019, in line with the target to limit GHG emissions no exceeding 419.77 tCO<sub>2</sub>e.

Moreover, other resource conservation activities of the Company to reduce GHG emissions are:

- **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 kgCO<sub>2</sub>e/unit.

In 2022, water consumption went down by 742 units compared to the baseline in 2019, reducing GHG emissions from water consumption and management by 590 kgCO<sub>2</sub>e, 15 percent decrease from 2019.

Additionally, the Company encouraged activities to reduce impact to environment such as office waste management, paper management, reuse and recycle promotion. These activities helped reduce GHG emissions for total of 41,192 kgCO<sub>2</sub>e. Such activities were:

- **Office waste management**

In dealing with office waste from operations within the organization to reduce the problem of polluting the environment, reuse is encouraged both in the office and in daily life. Recyclable waste is also recovered through sorting and forwarded to recycling facilities. Following the sorting, in 2022, 4,409 kilograms of recyclable office waste was recovered equivalent to GHG emission reduction of 5,990 kgCO<sub>2</sub>e.

- **Paper and office documents management**

Paper and documents those that are no longer valid or needed are cleared through the 5S methodology (sort, set in order, shine, standardize, and sustain). A total of 25,660 kilograms of recyclable paper waste was recovered. In 2022, from paper waste recycled, GHG emissions could be reduced by 34,869 kgCO<sub>2</sub>e.

- **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, an equivalent of 98 reams of A4 paper or 245 kilograms of plastic. Using one plastic bottle less helps reduce greenhouse gas emissions equal to using 14 fewer sheets of A4 paper. This project with waste management resulted in reduction of GHG emissions by 333 kgCO<sub>2</sub>e.

Note: Calculation of GHG emissions is based on comparison data of greenhouse gas reductions from Thailand Greenhouse Gas Management Organization (Public Organization) and the Care the Bear, the Stock Exchange of Thailand (SET)'s project.

### 3.2 Development of products and services benefiting society and people for corporate clients

The Company is committed to developing products and services, taking into account environmental conservation, upgrading and creating environmental safety standards, as well as offering telecommunication services that are environmentally conscious. Meanwhile, consumption of energy appreciating its value is promoted among stakeholders including clients, business allies, government organizations, and state enterprises with similar visions.

#### Operational Performance

The services achieved in 2022 are as follows:

- **In the project to provide remote system service for factory pollution monitoring and warning,** 450 sets of online pollution monitoring and warning boxes were delivered to the Factory Pollution Warning Division, Department of Industrial Works, Ministry of Industry.

##### Benefits for the client

1. A remote pollution monitoring system is in place in every factory.
2. The accurate and precise pollution index value data provided by the remote system cannot be altered during the data transmission. A proper database on factory air/water pollution monitoring results can thus be established and warnings can be issued to reduce complaints and impact on people and the environment.

##### Benefits for the public and surrounding communities

The system helps ease people's concerns about living in the area around factories and industrial estates.

- **In Her Majesty Queen Sirikit's initiative project to increase the efficiency of marine resources management, Koh Mun Nai, Rayong Province, solar energy generating and energy storage systems** have been installed for the Marine and Coastal Resources Research Center, Koh Man Nai, Rayong Province. In this pilot project area, the generating system has a capacity of no less than 300 (kWp) while the storage system features a lithium battery with a total capacity of 1,500 kWh. Demand Side Management has also been provided.

##### Benefits for the client

1. As a solution to the Marine and Coastal Resources Research Center's energy problems, the solar energy generating and energy storage systems installed help reduce the power cost and alleviate the impact of diesel generators on environment.
2. The systems represent a model for the development of a green marine and coastal resources research center with solar power generating systems while also promoting energy conservation awareness with energy management for maximum benefit through smart grid systems.
3. The systems are in line with the government's policy on utilizing natural energy according to the Alternative Energy Development Plan 2018-2037 (AEDP2018).

#### Benefits for the public

The systems induce participation by both Thais and foreigners in promoting and supporting energy conservation and pushing for the use of alternative energy in government agencies to achieve the goals of the Energy Efficiency Plan 2018-2037 (EEP2018) of the Ministry of Energy and government's energy planning policy.

#### **4. Green Procurement**

The Company is committed to conducting business with environmental responsibility covering product selections, process improvement, and cultivating environmental mindsets for employees. In 2022, the Company's activities were:

##### **1. The Company has procurement process for equipment and others working items that encourage environment friendliness.**

- 1) Multifunctional-Copy, Print and Scan
  - 1.1 Rent a copy machine that meets the ENERGY STAR that reassure the machine in certified for 30% save up of production energy usage and avoid the use of hazardous material or use minimally which help to reduce global warming.
  - 1.2 All printer and copy machined in the Company can be used with 70 gram paper to reduce the amount of pulp and weight in transportation.
  - 1.3 All printers and copy machines in the Company can be need with recycled paper.
  - 1.4 Employees are trained to use copy machine properly in order to avoid and reduce paper wastage.
- 2) PC Desktop / Notebook
  - 2.1 Must be certified on quality standard by Thai Industrial Standard Institute or ISO 9000 or ISO 14000 certification otherwise must been certified for environmental friendly labeling.
  - 2.2 Notebook's spare battery has at least 1 year life time warrantee.
- 3) Paper (A4) 70/80 gram
  - 3.1 Must be certified on quality standard by Thai Industrial Standard Institute or ISO 9000 or ISO 14000 certification otherwise must been certified for environmental friendly labeling.
  - 3.2 Paper that has been used must be products that been produced from virgin pulp from sustainable forests or from recycled pulp.
- 4) Air Conditioner
 

The Company use air conditioner system that have energy saving labels ENERGY STAR and use R32 refrigerants thai do not contribute to global warming, do not release greenhouse gases and reduce the destruction of the ozone layer.

##### **2. The Company always selects our supplies and business partner who have been certified on Environment and Social Standard Quality Certification**

###### **Huawei**

- ISO 50001 Certified Energy Management System
- ISO 9000 Quality Management System
- ISO 14001 Certified Environment Management System
- ISO 14064 Greenhouse Gas Verification Statement
- Eco-friendly Certification by CEC for Network Firewalls
- CQC Certification for Energy-Efficient Products



**CISCO**

- ISO 9000 Quality Management System
- ISO 14001 Certified Environment Management System
- ISO 22301 Business Continuity Management
- ISO 14064 Greenhouse Gas Verification Statement

**Oracle**

- ISO 9000 Quality Management System
- ISO 14001 Certified Environment Management System

**Nokia**

- ISO 9000 Quality Management System
- ISO 14001 Certified Environment Management System
- ISO 22301 Business Continuity Management
- ISO 45001 Occupational health and safety management systems

**3. The Company has a working system that is environmental friendly**

- 1) Use the online system to process documents related to purchasing to reduce paper usage.
- 2) Encourage meeting online in order to reduce travel which will help reducing the use of oil resources and air pollution.
- 3) Consolidation the purchase of office supplies, stationary and consumables once a month to reduce working process and reduce the number of shipments.
- 4) Change to use water filtration machine to supply drinking water instead of buying bottled water to save transportation oil and reduce plastic bottles usage.

## 3.5 Social Sustainability Management

### 3.5.1 Social policies and practice guidelines

The Company commits to operate business with high accountabilities toward consumers, communities and society. The Company will also advancing inclusion, diversity and equity for employees within organization to ensure fair treatment and appropriate human rights respect. The Company puts employees and continuous development at high priority. The Company always provides adequate training and know-how to support employees to strengthen their capabilities and gain career advancement including promote safety and healthy working environment for all and using solution and technologies to creating value and to meet the needs of customer and social.

In addition, especially for human rights is the key principles under the good corporate governance and is very important to conducting business. Adhering to and complying with the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights by respecting the human rights of all individuals, treat everyone equally, without discrimination, encourage employees to express their opinions, the elimination of child labor and forced labor, as well as strict compliance with laws related to employment, remuneration and the determination of holidays and working hours, vacation days, leaves and other.

The Company's has determinated policy and Social policies and practice guidelines within the Company's business ethics which is disclosed on the Company's website [www.samtel.com](http://www.samtel.com) under the topic "Corporate Governance".

### 3.5.2 Social operating results

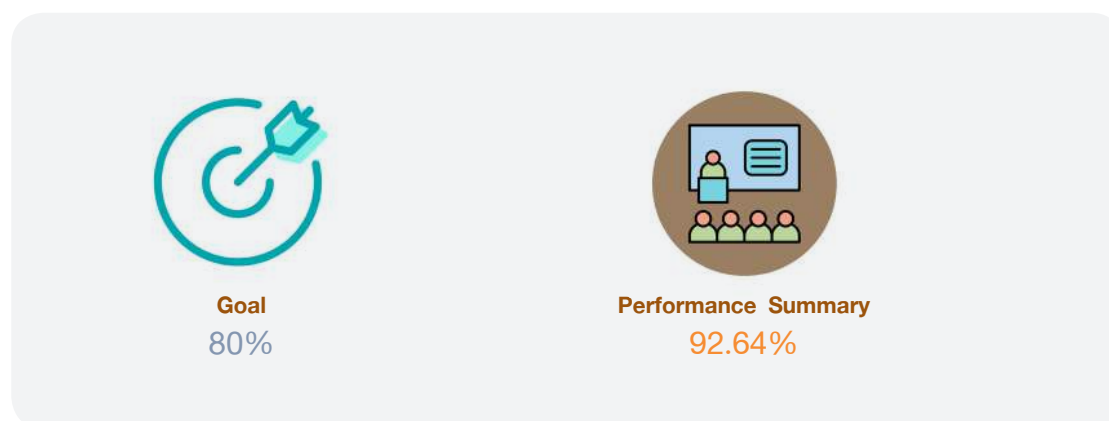
In 2022, the Company has achieved social performance against goals based the follow results:

#### 1. Employees and Labors

##### 1) Respect to Human Rights

Human rights is one of the key principles within good corporate governance and is essential to business operations. SAMTEL Group has thus continuously promoted both employees' and suppliers' understanding in human rights and respective guiding principle. The latter of which is in accordance with Universal Declaration of Human Rights. Promotion of human rights has long served as part of the corporate culture.

**Employees have been trained "Business and Human Rights"**



The Company has also adjusted Human Rights Policy, which is effective in every company in operates and consistent with the Universal Declaration of Human Rights (UDHR) and other requirements. This policy requires respect for human rights of every individual, equitable treatment without discrimination, conduct dialogues to obtain and suggestion from employees, the elimination of child labor and forced labor, as well as strict compliance with laws related to employment, remuneration and the determination of holidays and working hours, vacation days, leaves and other. Details regarding welfare of employees were disclosed in the Company's website [www.samtel.com](http://www.samtel.com) under the topic "Corporate Governance".

The Company has channels for complaints, opinion survey and satisfaction on human rights issues at [www.samtel.com](http://www.samtel.com) under the topic "Contact Us".



#### Human Rights Risk Assessment

The Company is committed to a continuous human rights management effort. A Human Rights Risk Assessment (HRRRA) are conducted every years, while a review of preventive and impact mitigation measures on human rights risks is conducted every year. Regular monitoring and review of human rights performance with relevant units are conducted to track progress and identify opportunities to improve preventive and impact mitigation measures that are appropriate and adequate for the changing circumstances.

In 2022, the Company set goal to conduct human rights risk assessments for 3 main groups which are employees, customer and partners/suppliers.

#### **Human Rights Risk Assessment Result**

**The Company is able to conduct human rights risk assessments for all 3 groups and so not found any risks related to violation of human rights.**

## **2) Human Resource Management**

Employees are the heart of the Company and a key engine towards sustainable business growth. It consequently assures them of equitable and fair treatment. Employees are also encouraged to uphold the Company's norms, values, regulations, as well as legal and regulatory requirements, to unite their forces in leading the organization towards its vision "to become the leading technology possible to support our important clients sustainable growth. Employee stewardship principle and the framework of employee by determination employee policy within the Company's business ethics and human resources management and development policy which are disclosed on the Company's website [www.samtel.com](http://www.samtel.com) under the topic "Corporate Governance" which can be summarized as follows:

### **2.1) Employment, compensation and welfare**

The Company is committed to respecting the labor rights and fair practice of employees, in alignment with various laws and policies under the Thai Labor Protection Act and other international standards. This is achieved through establishing appropriate employment conditions, wages, working hours, holidays, and welfare, in addition to ensuring a good and safe working environment. Specifically, the Company provides the following welfare:

- 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.

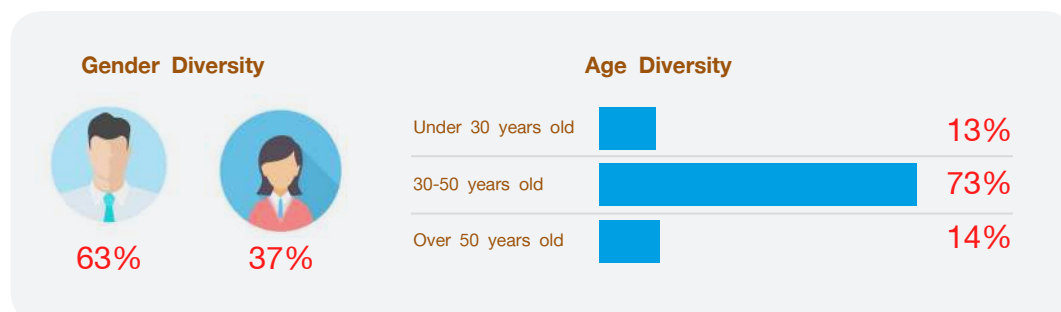


**In 2022, total amount of medical treatment fee 1,448,325 baht**

- The Company also has group health insurance (in case of in-patient) for the Company's employees
- Annual health check up
- Social security fund
- Group health insurance (in case of in-patient) for the Company's employees as well as group life insurance which covers all kinds of death, annual medical check-up and have additional coverage for employees who work in risky area.
- Provident fund to secure their working life security.
- The Company also has provision of loan in case of the accident or sickness to the employees
- Loan for employees

## 2.2) Equal Opportunity and Diversity Promotion

The Company is committed to respecting the diversity of its employees by striving for equal treatment of all employees, irrespective of nationality, citizenship, religion, color, gender, sexual preferences, age, including those of people with disabilities, and the fundamental human rights.



The Company also respects and supports the equality among its women and male employees by creating equal career improvement opportunities, fostering respect, and not discriminating. This has also included hearing diverse viewpoints from various genders to move the business forward.

### Supporting the Rights Role of Female Employees in the Organization

Female Share of Total Employee	37	%
Females in All Management Positions	32	%
Females in Senior Management Positions	33	%
Remuneration Ration of Female Employees to Male Employees	4:6	

### Information about the disabled

The Company hire disabled person as our employee and comply with empowerment of persons with disabilities Act article 33 by employing 1 full-time employee and annually supporting money to the promotion and development for disabled people's quality of life fund. The Company is determined to continuously employ people with disabilities forever.

## 2.3) Freedom of Association

The Company provides for the free expression of opinion and concerns through various channels, including emails, corporate online media and Suggestion Box, among others. Welfare committees in workplace affairs, set up in compliance with the Labor Protection Act of 1998. Committee members have held two regularly scheduled meetings per year.

## 2.4) Safety and Occupational Health Management

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 as well as activities included health promotion for healthy life of the employees.

For safety, the Company has appointment of the occupational safety, health and environment Committee, 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, medical examination, provide basic medical services as well as serving modern medicine.

Lost Time Accidents (Time)	Y 2021	Y 2022
	1	-None-

**Record on accident at work of the Company and its subsidiaries are as follows:**

#### **The Occupational Safety, Health and Environment Committee**

The Company regularly reviews and monitors its performance to ensure compliance with the management's safety policy, allocates both personnel budget and related resources appropriately for the implementation of the Occupational Safety, Health and Environment Act of 2011 for risk assessment and effective risk management by difining the action plan as follows :

#### **1. Establish an Occupational Health Safety Policy and Working Environment**

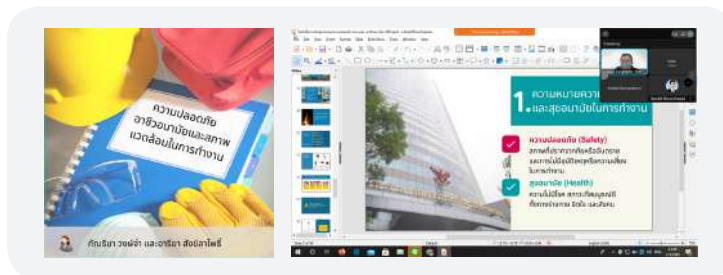
To reduce work-related accidents and ensure that the operations conform to all requirements and laws, including prevention and control of risks arising from work.

#### **2. Appoint Committees and Safety Personnel for Different Levels of the Operations**

Committees and safety personnel are embedded in every level of the organisation, such as in management, supervision and shop floor levels. The personnel at all levels must undergo training to develop capability, according to the corporate standards to monitor, prepare action plans for safety, occupational health and work environment, prepare a fire evacuation plan, and various emergency plans including monthly monitoring of policy compliance.

#### **3. Encourage Employees to Attend Safety Training Courses**

All employees must attend: The Occupational Safety, Health and Environment Training Courses, Basic firefighting and fire evacuation training course



#### **4. Submit Safety Data Sheet as Required by Law:**

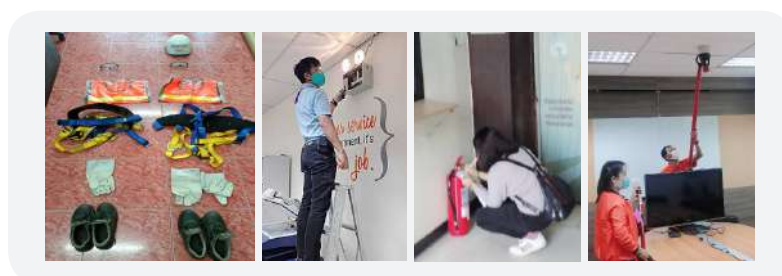
- Report on the performance of safety officers at the professional level



5. **Communicate, Relate and Provide Knowledge on Workplace Safety at to Employees** Prepare a manual on safety, occupational health and work environment.



6. **Implement a Safety Plan and Maintenance of Related Systems Require inspection and testing of system** operation, tools or equipment regularly, especially those involving the safety of the building such as emergency alarm system, firefighting equipment.

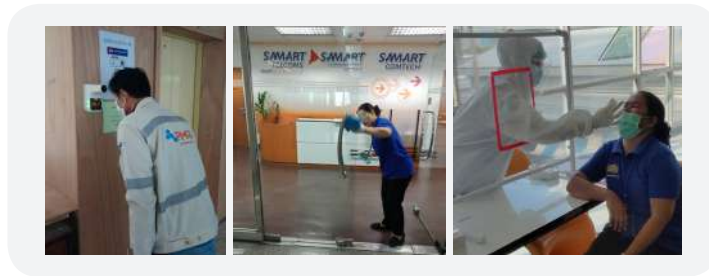


7. **Training to Educate Employees, Drills on Emergency Situations, Preparation for Contingencies and Emergency Response: Fire evacuation once a year as required by law.**



8. **Review Reports and Investigate Incidents** to Find Solution to any Problem Emergency Notification Procedures.
9. **Measures to take care of the health of employees and visitors**, the surveillance and prevention of risk under COVID-19 pandermis situation.
  - 1) Determine the installation point of the temperature scanners at the entrances to buildings, and the provision of gel alcohol distributed throughout the buildings.
  - 2) COVID-19 disinfecting fumigation is mandated in building.
  - 3) Assign the pickup and delivery points.
  - 4) Require hourly disinfection of every touch point and the areas where multiple users regularly congregate.

- 5) Visitors must get approved before access to the office and its facilities.
- 6) Promote social distancing through proper working space and encouraging online/virtual meeting instead of face to face meeting.



## 2.5) Competency Development and Career Advancement for Employees.

The essential resources to drive sustainable business growth, success, and goal achievement, are the personnel within the organization. There is importance in developing equal and non-discriminatory. To prepare the organization for future changes, employees must develop essential skills, and develop new skills. Both development planning and analytical tools are paramount to the Company to assess personnel competency and needs. It enables the organization to analyze personnel data, essential skills, design employee engagement programs, and employee well-being for the Company's sustainable growth and preparedness in the future.

The Company has developed the potential of employees in various dimensions as follows:

### 2.5.1 Competency Based Development

- **Leadership and Managerial Competency (Managerial Competency)**

Managerial Competency is crucial for leaders develop their leadership abilities that enable them to be a role model including lead and build cohesive and high performing team. The Training programs provided are as follows;

Course	Target Group	Objectives
Smart Leader: Lead with impact	<ol style="list-style-type: none"> <li>1. Management of Samart Telcom Group.</li> <li>2. Managers or equivalent who require training in strategic business administration and learning from business case studies.</li> </ol>	<ol style="list-style-type: none"> <li>1. Enhancing high-level leadership skills in order to effectively meet business targets.</li> <li>2. Building knowledge and competency in strategic thinking, business administration, and corporate and resources management, to increase the group's competitive edge.</li> <li>3. Developing communication, presentation, interpersonal, social, and motivational skills.</li> </ol>

- **Functional Competency**

The development of employee's technical skill related to their jobs in order to work efficiently, which have been categorized into 4 courses;

1. Sales Capabilities Development i.e. Selling Skill, e-Bidding etc.
2. Finance, Accounting Capabilities Development i.e Cost management, Financial analysis etc.
3. Information Technology Capabilities Development i.e Big Data, ISMS Awareness for user, Personnel Data Protection Act B.E. 2562, Modern Software Development, CCNA and Network Security etc.
4. Safety and Working efficiency Development to increase knowledges and effective execution toward safety and working efficiency i.e. Safety, Occupational Health and Working Environment, Basic Offshore Safety Induction & Emergency Training with Travel Safety by Boat etc.

- **Generic Competency**

The development for basic skills of employees at all levels in important areas such as communication skills, Computer skills, English skill, ISMS Awareness for user etc.

## 2.5.2 Development for embrance changes

The Company places importance on expanding new skill and continually enhancing existing skill among employees. In 2022, to align business and change with course on capability solutions were developed such as Design Thinking, Big Data, among other.

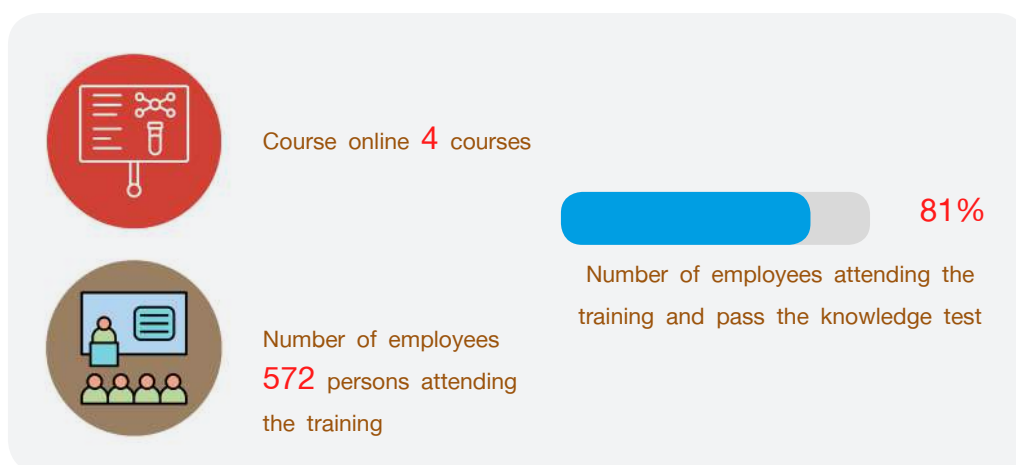
The Company has adapted learning methods for employees by using online learning and Virtual Classroom, which allow employees to continue learning and self-improvement during the Covid-19 pandemic without interruption, while still maintaining excellent learning efficacy.

## Result of employee potential development

The Company has developed the potential of employees in various dimensions as follows:

### 1. Leadership Development

The Company established this program to prepare talented leaders on the necessary knowledge, skills, and competencies needed in the future.



## 2. Personal Data Protection Awareness Project (PDPA Awareness)

The Company encourages employees at all levels in the organization are aware of the protection of personal information, through online training which within the course consists of risk practices related to personal data protection. Understanding of personal data protection practices.



Number of employees attending the training and pass the knowledge test **95.38%**

## 3. Business and Human Rights Training Program

Promoting respect for human rights Equality within the organization is a matter that the organization has continuously focused on. “Business and Human Rights” online format which the content consists of Human rights that must comply with human rights standards for the business sector World Standards and Human Rights Thailand and Human Rights and risks to human rights as well as providing an assessment test after the training.



Number of employees attending the training and pass the knowledge test **92.64%**

## 4. Personnel Development Programs (online) under the Coronavirus Disease (COVID-19) Pandemic

The Company organized personnel development programs through increased online forms to reduce traveling and in-person contact as a suitable option to prevent the spread of COVID-19.



Course online **38** courses



Number of employees training and pass the knowledge test **8,958** persons attending the training (Average **236** persons/course)

The overall development makes the program be various and interesting. We get good feedbacks from employees. In 2022 Samart Telcoms has number of hours of training as follows:



The Company takes career development importance seriously hence in 2022 we has conducted training program **111** courses.

Online Training	Public Training	In house Training	Oversea Training
<b>38</b>	<b>54</b>	<b>19</b>	-
Training Expense <b>2,761,409 Baht</b>		Average number of training per employee <b>3,031.18 Baht</b>	

## 2.6) Type of Performance Appraisal

The Company has a policy to fairly evaluate employee performance by using Key Performance Indicators (KPIs) from the organization's goals down to the departmental and individual levels in accordance with the business plan, including the organization adopts modern and standardized performance management systems to enable control,

monitoring, and management of the performance of managements and employees at all levels. The results are utilized for continuous personnel development to the achievement of the organization's mission sustainably.

In 2022, the Company sets goal for all employee to have KPIs and accomplish 100% performance evaluation.



## 2.7) Development of Employees' Quality of Life

The Company always recognizes employees as most valuable asset and therefore encourages development of quality of life and support Work-Life Balance in order to make employees work happily in Happy Work Place. In 2022, several activities had been conducted with employee participation and the purpose to make happiness at work. Those activities were:



- **Line@ VR Samart**

The Company created Line@ VR Samart for employee learning and development, to employee can learn knowledge at all time and keep up with the situation for learning to occur quickly and to facilitate employees to search for information about work, regulations, welfare, including requests for leave, etc and activities promote participation and good relationship within the Company.

- **Share Kan Aeng** is an activity that management leaders share their knowledge with other management leaders. Moreover, beginning level management will participate in this activity by creating their short introduction vdo clip which help to strengthen their presentation skill and practicing on interesting content building.

- **Happy Workplace**

The Company strives to be an organization that encourages employees to enjoy working. Happy Workplace activities through activities such as

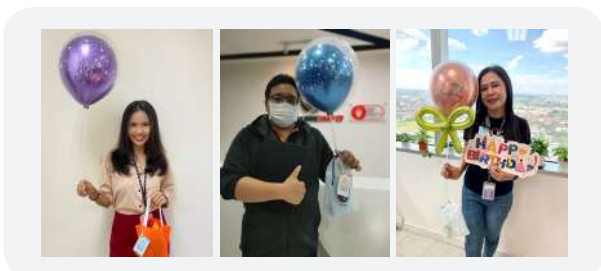
**Move for Fun** Activity that awareness in healthcare and health promotion is advocated. Healthcare and nutrition education have also been offered for employees to be able to take care of themselves sustainably by organized every year to encourage managements and employees to participate in creating happiness together. After the company's activity ends, the total number of steps taken is used as a social contribution to support donations.



**Chuan Chom** is an initiative that encourage the culture of giving and recognition among employees. We believe that this kind of activities will drive positive change on employees' behavior by recognizing each others and taking constructive feedbacks in the workplace for self development to achieve higher career goals in the future.

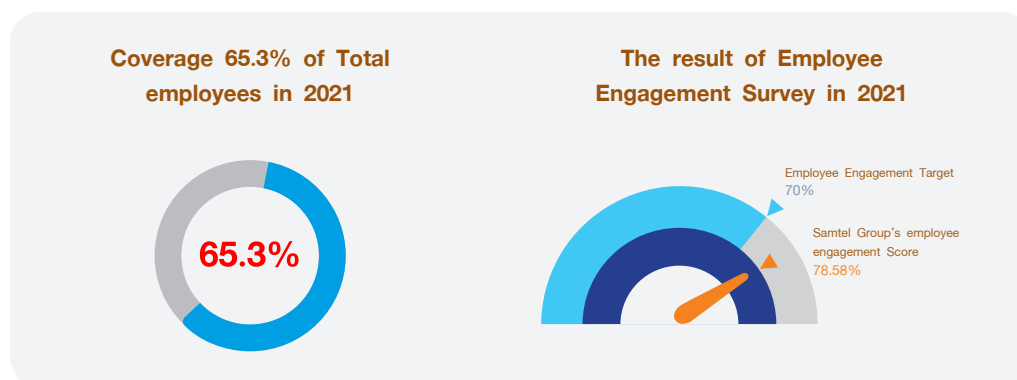


**Happy Birthday for you** event is an activity that aim to build good working relationship in the Company. All Employees will receive birthday souvenir and card from the Company on their birthday.



- **Employee Engagement Survey**

Company recognizes employees are the Company's resource of the highest value who have driven their organization toward sustainable Company, thereby, had surveyed employee's engagement in 2021. The main questions are of employee commitment and the driving factors, i.e., the pride in their organization, opportunity for career advancement, quality of the working life, etc. The survey mainly aims to have feed backs to enhance organization improving development and adjust employee's caring standards up to that of the same business level. This survey has been planned for every 2 years to allow sufficient period for practical implementation prior to the following study.



**In 2021, The result of Employee Engagement Survey 78.58%**, and the feedback, that company needs to focus for continual improvement identify Materials Equipment, Recognition, Growth Progress.

The Company encourages employee engagement within the organization through all activities to be able to create continue to build better engagement.

Total employee turnover rate		
Y 2020	Y 2021	Y 2022
16.73%	10.83%	13.28%

(\*In 2020 was a year affected by the COVID-19 pandemic.)

## 2. Customers

The Company places strong emphasis on its customers, a key stakeholder. The issue regarding customer and consumer responsibility is a significant sustainability issue. The Company therefore strives to ensure that customers receive the highest level of satisfaction and good experience from the company, from consultation to after-sales service. The Company set a customer policy and practices in its business ethics, disclosed on its website at [www.samtel.com](http://www.samtel.com) under the heading "Corporate Governance." The Company aims to source, develop, and deliver quality and up-to-date products and services at fair prices, provide accurate information to customers, and provide channels and processes for reporting problems to be resolved quickly. All employees are required to place great importance on maintaining the confidentiality of customer information, as well as systems and processes helping protect important data, preventing cyber threats, and complying with personal data protection policies to continuously build customer trust. In 2022, the Company undertook the following operations.

**1) Personal data protection**

The Company recognizes the importance of personal data and has updated its policy to comply with the Personal Data Protection Act BE. 2562, effective on June 1, 2022. The Company has announced a privacy policy for customers and comply with personal data protection measures by restricting the rights to access the data allowing only the authorized personnel only on necessity and only for the purposes notified to the owner of the personal data. The Company has established data security measures in compliance with internationally standards both in process and technical aspects. A central supervisory department was established responsible for enforcing the personal data protection policy, arranges training, managing risks, evaluating impacts, improving practices, and reviewing policies according to situations and emerging risks.

**2) Cyber security**

The Company provides training to create awareness on cyber security and communicates related news to all employees and stakeholders regularly. The Company assesses the vulnerabilities of its information system and maintains its Cyber Security system to stay up-to-date. The Company also arranges Cyber Threat Monitoring 24 hours a day from the Cyber Security Operations Center of SecureInfo Co., Ltd, certifying ISO/IEC 27001:2013 (Surveillance Annually Audit) in 2022.

**3) Product development and quality improvement**

With responsibility towards customers, the Company is committed to continuously developing and improving quality of its products and services. In 2022, the Company and subsidiaries undertook activities to enhance efficiency and increase customer confidence, including:

- Samart Communication Services Co., Ltd has been certified ISO 20000, standard for quality management and efficiency in IT service and maintained standard for service quality, ISO 9001, in order to provide quality products and services, resulting in customer satisfactions.
- Samart Comtech Co., Ltd has maintained ISO 9001 and has improved energy management solutions as well as enhancing expertise in big data analysis to apply for value added to products or services.
- Samart Infonet Co., Ltd elevated customer satisfaction by improving network system equipment, network security and cyber security, and offered an alternative to Co-location services with Cloud Infrastructure-as-a-Service (IaaS) with flexibility in various type of services, efficiency, as well as affordable prices.
- Net Service (Thailand) Ltd has improved its website management system to enhance functionality and security.
- Smartware Co., Ltd has increased software development capabilities in Cloud-Native application development to develop systems faster with more flexibility and faster response to customers.
- SecureInfo Co., Ltd, in 2022, has continuously received ISO/IEC 27001:2013 standard for information security management systems for its Cyber Security Operation Center services, Penetration Testing, Vulnerability Assessment, and Security Consulting services, in order to increase customer confidence.
- Posnet Co., Ltd has maintained the Payment Card Industry Data Security Standard (PCI-DSS) for information security and provided auditing and network payment system verification services. The company also developed a new version of the Electronic Data Capture (EDC) system with enhanced features. The company has developed the EDC Monitoring system to help quickly check the status of EDC for better customer service.
- PortalNet Co., Ltd has operated with the software development quality standard of CMMI Level 3 and has expanded the knowledge of its employees with more personnel certified the standards from SAP.

#### **4) Development of safety products and services**

The Company focuses on delivering high-quality products and services that meet the needs of customers, while placing importance on selecting environmentally-friendly products. The Company also prioritizes developing products and services that are safe for the health of customers and users. This is accomplished by ensuring that:

- All equipment installed and delivered to customers must meet electrical safety standards and must be installed safely passing electrical safety test.
- All equipment installed and delivered must be RoHS (Restriction of Hazardous Substances) certified, with hazardous substances not exceeding the specified standards. This is to ensure the safety of users from hazardous substances, and to reduce the impact on the environment from electronic waste.
- All radio communication equipment that uses radio frequency must meet the safety standards for human health from the use of radio communication equipment, according to the regulation specified by the National Broadcasting and Telecommunications Commission.

#### **5) Customer Relationship Management**

The Company has conducted business with customer responsibility. The Company management customer relationship to response to customer expectation and to deliver excellent experience leading to customer satisfactions. Customers expect the Company to deliver quality products and services that meet their requirements, delivered under standards, on timely manner, and with great after-sales services. Additionally, they expect the Company to be capable of providing knowledge and consultancy in technology areas. The Company has planned and conducted customer relationship management by:

- Studying customers' operations, industry of customers, market, technologies, and more to gain insight of customer needs supporting to persistent changes in order to seek solutions and services satisfying the needs efficiently.
- Regularly arranging training, seminar, and demonstration to present new knowledge in technologies and solutions in various ways and channels including online channel facilitating customers access for knowledge.
- Meeting for discussion and providing advices in aligning technologies or solutions to elevate services and improve efficiency of customers' organization.
- Improving, testing, researching and developing to increase quality and values in products and services delivered to customers.
- Maintaining standards in delivery of products and services with efficient project management.
- Visiting customers to see feedback on the usage of the Company's solution to gather recommendations and suggestions for quality improvement.
- Preserving operations and services in compliant with international standards for after-sales service quality.

The Company has managed customer relationship using 3S guideline by synergizing subsidiaries and partners (Synergy) to study requirements and providing training and knowledge beneficial to customers as well as improving products and services, conducting with Standards for all operations from consultancy, design, implementation, delivery, to after-sales services to achieve customer Satisfactions. The Company conducted survey and measured customer satisfactions, and provides channels for customers to send beneficial suggestions and complaints by direct mail or email. All suggestions and complaints will be collected to verify and analyze leading to improving quality of products and services. Additionally, all operations are conducted adhering to data protection policy and privacy policy for customers.

## 6) Results of Customer Satisfaction Survey

Customer satisfaction is one of the key targets by focusing services delivered to customers in compliance with international standards. 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 results and received 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.

### Target and results

Overall customer satisfaction target at 90 percent					
Results	2018	2019	2020	2021	2022
Results of Customer Satisfaction Survey (%)	92.00	92.00	93.00	95.68	98.46

## 3. Community and Society

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

Samart Telcoms 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:

- **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 Mabtapthut Industrial Estate, Rayong Province, namely: Map Ta Phut Municipality Station, Four Regions Market Intersection Station, RIL Industrial Estate Station, Wat Mabtapthut 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.

**2) Community and social activities under the concept of “creating quality people and promoting moral society”**

The Company places importance on improving the quality of life as well as participating in the development of prosperity for the community and society by establishing policies and guidelines under the concept of “creating quality people and promoting moral society”.

**“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, playing a part in developing communities and business-related circles as well as providing support of several kinds through various projects and activities as follows:

**1. Upleveling people’s technological capabilities**

**“Cybersecurity Hackathon by SECUREiNFO” Contest**

Samart Telcoms 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. This is in accordance with the concept of “developing quality people” for community and social development. With its experience and expertise, the Company can share its knowledge as well as real experiences in providing cybersecurity services for various public and private organizations.

Pertaining to this aim, SecureInfo Co., Ltd., a comprehensive cybersecurity service provider, a Samart Telcoms subsidiary, in collaboration with the Computer Engineering Department, Engineering Faculty, Mahidol University, and its business allies, organized the “Cybersecurity Hackathon by SECUREiNFO” contest of tertiary education level. The contest provided opportunities for university students to learn more and enhance their cybersecurity professional skills and capabilities for the benefits of society and the country later on.

Objectives of the contest

1. To promote cybersecurity learning among university students, who are going to form an important part in developing digital technology and cybersecurity business further in the future
2. To increase the number of people with cybersecurity skills to the labor market
3. To create cybersecurity-related communities in promoting continuous knowledge exchange



#### Event plan and contest duration

Announcements were made via the Company's online and mass media, accepting applications from 18 September - 1 October 2022. A total of 130 interested students from various institutions applied. 45 contestants passed the Mini Challenge to enter the final round. These eligible contestants then went through a two-day cybersecurity techniques training program including sessions on Network Hacking, Web Application Hacking, and Incident Response, on 18-19 November 2022. Those having completed the two-day program were awarded a certificate and an opportunity to participate in the "Final Challenge", aiming to find the most promising talent, and compete to win prizes worth 100,000 baht on 20 November 2022 at the Vector Cub, FYI Center Building.

#### Contest results

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](https://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.



**SecureInfo 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

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.



- In the Be Vision - Be Future project, 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.

- 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

The Company 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 the Company.

## 4. Management Discussion and Analysis

### 4.1 Operating Results Overview

In 2022, the Company 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 consolidated revenues of THB 5,267 million and net profit of THB 261 million.

#### **2022 Operating Results Overview**

In 2022, the Company reported the consolidated total revenues of Baht 5,267 million, increased from 2021 by Baht 618.6 million or 13.3 %. Revenue from sales, contract work, services and rental was Baht 4,947 million, increased by Baht 366 million or 8.0% comparing to 2021. Other income was Baht 320 million, increased by Baht 253 million from 2021 mainly due to interest income from legal case.

Cost of sales, contract work, services was Baht 4,315 million, increased from 2021 by Baht 313 million or 7.8%. Gross profit was Baht 632 million, increased by Baht 53 million or 9.2%. Gross profit margin was 12.8% increase from 12.6% in 2021.

Selling expenses, administrative expenses, and other expenses were Baht 561 million, increased from 2021 by Baht 36 million or 6.8%, mainly due to increase in Loss on change in value of short-term investments in trading securities and legal expense.

Finance income was Baht 8 million, increased by Baht 0.5 million or 6.6%. Finance cost was Baht 66 million, increased from 2021 by Baht 17 million or 34.7%.

Corporate income tax expense was Baht 74 million, increased by Baht 56 million.

As a result, the consolidated net profit attributable to equity holders of the Company was Baht 261 million, increased by Baht 199 million or 324.5% from 2021. Net profit was 4.95%, increase from 1.32% in 2021.

#### **Operating Results of the Company and Its Subsidiaries**

The revenue structure breakdown by Business Group as of December 31, 2022 and 2021 are as follows:

Business Group	Revenue (Million Baht)		Growth Rate
	Y 2022	Y 2021	
1. Network Solutions	927.5	1,168.1	-20.6%
2. Enhanced Technology Solutions	3,382.6	2,354.8	43.6%
3. Business Application	956.9	1,125.6	-15.0%
<b>Total</b>	<b>5,267.0</b>	<b>4,648.5</b>	<b>13.3%</b>

*Remark : The above revenues are exclusive of Inter-company transactions.*

### **Network Solutions Business Group**

In 2022, revenue were Baht 927.5 million, decreased by Baht 240.6 million or 20.6% compared to Baht 1,168.1 million in 2021. The decrease was mainly resulted from revenue recognition of contract work.

### **Enhanced Technology Solutions Business Group**

In 2022, revenue were Baht 3,382.6 million, increased by Baht 1,027.8 million or 43.6 compared to Baht 2,354.8 million in 2021. The increase was mainly resulted from revenue recognition of services.

### **Business Application Business Group**

In 2022, revenue were Baht 956.9 million, decreased by Baht 168.7 million or 15.0% compared to Baht 1,125.6 million in 2021. The decrease was mainly resulted from revenue recognition of contract work.

## **Financial Statement**

### **Assets**

As of December 31 2022, total assets were Baht 7,471 million, increased by Baht 327 million or 4.6% from the end of 2021, mainly resulted from an increase of project equipment and account received.

Total assets consist of current assets of Baht 5,246 million, representing 70.2% of total assets, increased by Baht 363 million compared with Baht 4,882 million, representing 68.3% of total assets in 2021. The major current assets were accrued revenue and trade and other receivables, representing 32.9% and 21.3% of total assets respectively.

Non-current assets were Baht 2,225 million, representing 29.8% of total assets, decreased by Baht 37 million compared with Baht 2,262 million, representing 31.7% of total assets in 2021. The major non-current assets were project equipment, representing 17.4% of total assets.

### **Trade Account Receivable and Inventory**

The Company had net trade receivable of Baht 1,208 million, an decrease of Baht 84 million or 6.5%, compared with Baht 1,292 million at the end of 2021. The allowance for expected credit losses is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences, analysis of debt aging and forecast economic condition. As of 31 December 2022, the allowance for expected credit losses was set up by Baht 77 million. The Company believes that such allowance for doubtful debts is adequate, provided that most account receivable are project debtors and have strong financial status.

At the end of 2022, the net inventory was Baht 27 million, an decrease of Baht 104 million or 79% compared with Baht 131 million at the end of 2021.

### **Liquidity**

The current ratio in 2022 was 1.49, which increased from 2021. The Company's policy is to match payment term of major suppliers and repayment of loan from bank with payment from customers by requesting for back to back condition from major suppliers. Using this condition, the Company can guarantee sufficiency liquidity and the Company has been able to repay its debt and interest on time.



As of December 31, 2022, cash and cash equivalents were Baht 491 million, increased by Baht 28 million, or 6.1% from the end of 2021. The detail of sources and uses of fund are as follows:

- Cash flow from operating activities was Baht 1,072 million, mainly resulted from profit from operation.
- Cash flow used in investing activities was Baht 487 million, mainly resulted from capital invested to support project.
- Cash flow used from financing activities was Baht 557 million, mainly resulted from repayment loans from financial institutions.

#### **Sources of Fund**

As of December 31 2022, total liabilities were Baht 3,908 million increased by Baht 135 million or 3.6% from the end of 2021, mainly due to a increase in accrued project cost, trade and other payables.

The shareholders' equity as at 31 December 2022 equals to Baht 3,563 million, increased by Baht 191 million or 5.7% from the end of 2021, mainly from retained earnings.

Regarding the above liabilities and shareholders' equity, the Company's debt to equity ratio as at 31 December 2021 was 1.10 times increased from 1.12 times at the end of 2021.

As of December 31, 2021, debt service coverage ratio was 3.81 times, which higher than condition of issuing short term debenture that the Company must maintain debt service coverage ratio not lower than 1.1 times.

## **4.2 Factors Affecting Financial Status or Performance Significantly in the Future**

The Company plan to bid many large projects in year 2023, 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 of time. However if the Company's debt-to-equity ratio been high over a long period of time, the Company may have to consider a capital increasing as an alternative to reduce risks from having a relatively high D/E ratio.



## 4.3 Financial Ratios

### 4.3.1 Financial Positions and Operating Results of Samart Telcoms Public Co., Ltd. and Its Subsidiaries

Unit: Baht Thousand

Transaction	As of December 31		
	2020	2021	2022
Cash and cash equivalents	625,285	462,498	490,833
Trade Account receivables - net	1,269,972	1,291,728	1,207,994
Inventories	110,867	130,926	26,899
Property, plant and equipment - net	750,595	1,084,610	1,299,568
Intangible asset	99,045	63,611	36,812
Total assets	6,971,752	7,144,396	7,470,910
Overdrafts and short-term loans from banks	1,462,810	1,760,871	1,351,851
Trade Account payables	527,621	450,990	587,912
Current portion of long - term loans from banks	-	-	-
Long-term loans from banks - net of current portion	-	-	-
Debentures	-	-	-
Total liabilities	3,667,851	3,773,097	3,908,233
Paid up capital	618,000	618,000	618,000
Retained earnings	2,168,992	2,238,044	2,431,455
Shareholders' equity	3,303,901	3,371,299	3,562,677
Revenue from sales, contract work, services and rental	5,431,237	4,581,287	4,946,994
Total revenues	5,509,745	4,648,527	5,267,072
Cost of sales, contract work, services and rental	5,071,493	4,002,738	4,315,270
Selling and admin expenses	548,246	492,793	526,460
Finance income	12,200	7,249	7,729
Finance cost	73,951	48,907	65,855
Loss on impairment loss on financial assets (reversal)	(38,254)	(29,333)	(1,718)
Total costs and expenses	5,773,302	4,499,123	4,874,987
Net profit (loss)	(287,504)	61,385	260,561
Net profit (loss) per share (Baht / share)	(0.47)	0.10	0.42
Cash flow from operating activities	2,959,578	211,681	1,072,147
Cash flow from investing activities	(470,161)	(591,525)	(486,864)
Cash flow from financing activities	(2,253,275)	217,057	(556,948)
Par value (Baht / share)	1	1	1
Common shares outstanding (Thousand shares)	618,000	618,000	618,000
Weighted average number of shares (Thousand shares)	618,000	618,000	618,000
Book value (Baht / share)	5.39	5.50	5.81
Dividend per share (Baht / share)	-	0.05	0.21

#### 4.3.2. Financial Ratios of Samart Telcoms Public Co., Ltd. and Its Subsidiaries

Financial Ratio		Samart Telcoms Pcl. and Subsidiaries		
		2020	2021	2022
<b><u>LIQUIDITY RATIO</u></b>				
Current ratio	(Times)	1.54	1.41	1.49
Acid test ratio	(Times)	0.57	0.51	0.48
Cash turnover	(Times)	0.67	0.06	0.31
Receivable turnover ratio	(Times)	2.74	3.43	3.75
Average collection period	(Days)	131	105	96
Inventory turnover ratio	(Times)	24.58	21.14	36.83
Days sales outstanding	(Days)	15	17	10
Payable turnover ratio	(Times)	9.22	8.18	8.31
Payment period	(Days)	39	44	43
Cash cycle	(Days)	107	78	63
<b><u>PROFITABILITY RATIO</u></b>				
Gross profit margin	(%)	6.62	12.63	12.77
Net profit margin	(%)	(5.22)	1.32	4.95
Return on equity	(%)	(8.05)	1.82	7.45
<b><u>EFFICIENCY RATIO</u></b>				
Return on assets	(%)	(3.50)	0.87	3.57
Return on fixed assets <sup>(1)</sup>	(%)	57.50	37.57	48.88
Asset turnover	(Times)	0.67	0.66	0.72
<b><u>FINANCIAL POLICY RATIO</u></b>				
Debt to equity	(Times)	1.11	1.12	1.10
Interest coverage	(Times)	(4.20)	2.49	6.02
Debt serviceability	(Times)	3.92	0.35	1.87
Dividend payout ratio <sup>(2)</sup>	(%)	-	31.27	87.93

Remarks: <sup>(1)</sup> Including the rights to use communications equipment;

<sup>(2)</sup> % of separate company net profit after deduction of all reserves complied with the company's Articles of Association and related laws.

## 5. General Information and Other Important Information

### 5.1 General Information

#### **References**

Registrar	:	Thailand Securities Depository Co., Ltd.
Head Office	:	93 The Stock Exchange of Thailand Building, Ratchadaphisek Road, Dindaeng, Bangkok 10400 Telephone 0-2009-9000 Fax. 0-2009-9991
Auditor	:	Mrs. Siriwan Suratepin Certified Public Accountant (Thailand) No. 4604
Head Office	:	EY Office Limited 193/136-137 33 <sup>rd</sup> Floor, Lake Rajada Office Complex Rajadapisek Road, Klongtoey, Bangkok 10110 Telephone 0-2264-9090 Fax. 0-2264-0789-90

### 5.2 Other Important Information

**5.2.1 Investors can find other information of the Company from the Company's website ([www.samtel.com](http://www.samtel.com))**

**5.2.2 Restrictions of foreign shareholders**

The Company's shares are freely transferable except in the case such transfer causes the non-Thai person to hold more than 49 percent of the Company's total issued share.

### 5.3 Legal Dispute

-None-

### 5.4 Secondary Market

-None-

### 5.5 Regularly Contacted Financial Institutions

1. Krungthai Bank Public Company Limited  
35 Sukhumvit Road, Klong Toei Nuea Subdistrict, Watthana District, Bangkok 10110
2. Kasikornthai Bank Public Company Limited  
400/22 Phahon Yothin Road, Sam Sen Nai Sub-district, Phaya Thai District, Bangkok 10400
3. Bangkok Bank Public Company Limited  
333 Silom Road, Silom Subdistrict, Silom District, Bangkok 10500
4. TMBThanachart Bank Public Company Limited  
3000 Phahonyothin Road, Chomphon, Chatuchak, Bangkok 10900
5. Siam Commercial Bank Public Company Limited  
9 Ratchadaphisek Road, Chatuchak District, Bangkok 10900
6. Land and Houses Bank Public Company Limited  
1 Q.House Lumpini Building G, 1<sup>st</sup>, 5<sup>th</sup>, 6<sup>th</sup> and 32<sup>nd</sup> Floor, South Sathon Rd., Thungmahamek, Sathon, Bangkok 10120
7. Export-Import Bank of Thailand  
1193 Phahonyothin Rd, Samsen Nai, Phaya Thai, Bangkok 10400

## Section 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 is the fundamental factor for improving standard of business operation to create more transparency, competitiveness and strengthen the confidence of all shareholders, investors and other related parties. The Board of Directors emphasized and strived to the Company and its subsidiaries operate their business by strictly adhering to the corporate governance policy and business ethics of the Company. The Board of Directors assigned the Corporate Governance Committee to monitor, supervise and encourage the Company's operations to according with the good corporate governance principles as well as constantly follow-up and performance appraisal. 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 established a written Policy of Corporate Governance and Business Ethics both in Thai and English have been set and approved by the Board since 2005, which have also been posted on the Company's website [www.samtel.com](http://www.samtel.com) under the section "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 shareholder under the law and Business Ethics. The CG Policy will be annually reviewed and revised to comply with new regulations. The latest revision have been reviewed and revised to according with the Principles of Good Corporate Governance for Listed Companies 2017 (CG Code) of The Securities and Exchange Commission (SEC) and the Principles of Corporate Governance Report of Thai Listed Companies (CGR) of the Thai Institute of Directors (IOD), including the survey result of the Annual General Meeting of Shareholder (AGM Checklist) by the Thai Investors Association which has been reviewed by the Board of Directors Meeting held on November 10, 2022.

Corporate Governance Policy of the Company's divided into 5 categories 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

### 6.1 Overview on CG Policy and Guidelines

#### 6.1.1 Policy and Guidelines for the Board

The Board is the key role for corporate governance matter for the highest benefits of the Company, the Company set policies relating to roles and responsibilities of the Board i.e. composition of the Board of Directors, qualifications of director and role and responsibilities of the Board. Details are as follows:



## 1. The Board of Directors

The Board of Directors comprise of directors who have various knowledge, experience, transparent working background, nobility and integrity and have occupational diversification. In addition, they have the skills that advantage to the Company's business, such as accounting & finance, management, strategic planning, laws, corporate governance and other without sexual discrimination to carry on the Company's business and achieve its objective. The Company has 9 directors who complied with the qualification of the Company's directors as described in the topic "7. Governance Structure and Key Data on the Board of Directors, Committee, Management, Employees and Others" under the subject "7.2 Information on the Board of Directors"

## 2. Nomination and appointments 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, other committees and Executive Chairman as well as consider the appropriate remuneration for such directors and management with the following criteria and procedures:

1. The Nominating and Compensation Committee will select and nominate the appropriate candidate with regard to qualifications, experience, knowledge, ability that will be beneficial to the Company and consider the diversification in the board's structure, including gender, age, ethnicity and nationality. The Nominating and Compensation Committee will also consider the necessary skills that are still lacking to achieve the Company's business strategy and using the database of IOD. The appropriate candidates, who have qualifications as specified by the relevant laws, will propose to the Board of Directors' or the Shareholders' Meeting for approval in accordance with the Company's Articles and Association.
2. For election of independent directors, the Nominating and Compensation Committee will nominate any person who is fully complied with the qualifications of Independent Directors under the Company's policy and requirements of the SEC and the SET to propose to the Board of Directors' and/or the Shareholders' Meeting for approval in case of rotation or others.
3. Determining whether to recommend a director for re-election, the Nomination and Compensation Committee will consider relevant factors such as past performance, directors' dedication, history of attendance and participation in meeting, number of listed companies that each director holds tenure in of not exceeding five listed companies, and other contributions to the activities undertaken by the Board of Directors. In the case of independent directors, their respective independent qualifications shall also be considered.
4. The appointment of the Board members shall comply with the Company's Articles of Association and all relevant laws. Selection of the directors shall be transparent and clear through initially consider of the Nomination and 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 sub-committee, the Nominating and Compensation Committee will consider appropriate knowledge and ability, composition of the entire committees, criteria of directorship and independence of director prior to propose to the Board of Directors for approval.

#### **Nomination of Managements**

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

#### **Managements Succession Plan**

The Company is aware of the importance of management succession for top management and senior management positions. In case any position is vacant, apart from the appointment of the Nominating and Compensation Committee to select and nominate appropriate candidates for directors and top management, the Company also provides managements succession plan for top management and senior management positions. The managements succession included the specifying key positions in the Company's business and determining criteria for selecting of the successors by considering knowledge, ability, experience, potential of each position and management vision in order to select the qualified managements as specified in the criteria. In addition, the Company also set up a development plan to prepare them to be able to support their positions in the future. This is to build confidence among investors, shareholders and employees that the Company's operations will be carried out in a timely manner. The Company reviews the succession plan for top management and senior management on an annual basis.

In addition, the Company should encourage the Executive Chairman to invite senior management to attend the Board of Directors' meetings and/or the Executive Board meetings to present details on the agenda items related to matters that they are directly responsible for, and to allow the board to gain familiarity with key management and assist succession planning.

### **3. Remuneration of Directors and Management**

#### **Directors' Remuneration Policy**

Policy of Directors' Remuneration have been clearly and transparently set to be comparable to the general practice in same industry, consistent with the Company's strategies and objectives, and be appealing enough to attract and retain qualified directors. The directors who also be appointed to be the member of any sub 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.

#### **Senior Management's Remuneration Policy**

Remuneration of the senior 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 senior management. In addition, it must be able to motivate and retain the qualified and capable personnel.

Annual remuneration and bonus of the senior managements shall have the fixed consideration criteria by based on performance of the Company, overall economic conditions and performance of each senior 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 each Director in order to be a reference for remuneration consideration.

**The policy of remuneration are as follows:**

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

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

#### **4. The Independent of the Board of Directors**

##### **Separation of Chairman 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 an Independent Directors who has the qualifications of independent director in accordance with SET's notification and has no business relation with any management of the Company.

### **Separate Roles and Responsibilities of the Board of Directors and Executive Chairman**

The Company has clearly set the separate roles and responsibilities of the Board of Directors and Executive Chairman. 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. They have to operate the business with accountability, duty of care, duty of loyalty and also comply with the Company's Ethics to ensure all Company's businesses are run under Company's objectives, Articles of Association, resolutions of the Board of Directors and shareholders' meeting, 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 executive team. Within this half, one third of the directors at least 3 members are independent and have no relations, business or personal, with the Company's executives. 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.

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

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 will provide Directors' Manual and orientation program to new directors. Information on Company's business and directions as well as Corporate Governance Policy of the Company will be advised. The Directors' Manual will comprise of:

- Related Laws and Regulations
- Company's Businesses
- Roles and Responsibilities of Directors of Listed Companies
- Corporate Governance Policy and Business Ethics

In addition to support and increase knowledgeable of directors, the Company also encourages all directors to strengthen their skills and knowledge for performing their duties including knowledge and understanding of relevant law and standards, and other applicable obligations, risk factors, and the Company's business environment. The board should receive accurate, timely and clear information, including timely and regular updates.

## 6. The Performance Evaluation of Directors

### **Board Self-assessment and Directors Self-assessment**

The Corporate Governance Committee is responsible for Self-assessment of the Board of directors and individual Directors once a year to 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.

### **Sub-committee Self-assessment**

The Corporate Governance Committee conducts the self-assessment of sub-committees annually; Executive committee, Corporate Governance Committee, Nominating and Compensation Committee, Risk Management Committee, and Sustainable Development Committee in subject of Structure and Qualification, Meeting, Role & Responsibilities, and Self-Development. For topics for the self-assessment of the Audit Committee are consisted of Structure and Qualification, Meeting, Role & Responsibilities, Development & Training, the activities of the Audit Committee, and the relationship among the head of internal audit, auditors and the management team. 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.

### **Executive Chairman Assessment**

The Corporate Governance Committee conducts Executive Chairman assessment annually in subjects of leadership, strategic formulation, financial planning and performance, board relations, risk management and internal control, human resources management, succession, product and service knowledge including good corporate governance and code of business conduct for consideration of his remuneration.

## 7. Supervision on Operation of the Subsidiary and the Associated Company

The Company has supervised on operations of its subsidiaries and associated 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 Committee shall propose such matter to the meeting of the Board of Directors for consideration and approval before the registration of the new company is arranged. The Board of Directors shall consider on appointment of the managements who shall hold positions of director and management of such subsidiaries and the associated companies including scope of authority and responsibility of the directors and the management who shall be the Company's representatives in such company.
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 to consider the appointment properly and report to the Board of Directors for further acknowledgment.
3. The management of the subsidiaries and associated companies shall report business performance of the Company they are responsible to the Executive Board every month. Any investments or substantial operations as per specified in the delegation of authorities must be performed pursuant to the policies specified and they must be presented to the meeting of the Executive Board as well.
4. The management of the subsidiaries and associated companies must present the annual business plan to the meeting of Executive Board 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 Board. In case business operation encountered a lot of problems, the management is required to clarify to the Executive Board as the watch list so that precaution and corrective measures can be closely monitored and taken.



5. The subsidiaries and associated companies must have the internal control system or measure that the Company's Internal Audit Department can audit and report to the Audit Committee and the Executive Committee. If internal control system of any company is defective which may likely cause risks and damage to the Company, the Executive Committee shall order such company to make good and rectify defects in such internal control system immediately. In addition, if the subsidiary has to conduct any transaction which is required to comply with the regulations of the Company or of the relevant laws and which is required to be approved from the shareholders' meeting of such subsidiary, i.e. capital increase, capital decrease or dissolution of subsidiary and etc., such transaction shall be proposed for the Executive Committee's consideration and approval on voting guideline during the shareholders' meeting of such subsidiary.
6. Establishment of a new company or investing in significant portion in other businesses between 20% and 50% of shares with voting rights, and the amount of investment or may have to more invest significantly, the Board of Directors should ensure that shareholder agreements or other agreements are in place to enable the Company's performance monitoring and participation in management, including for approval of significant transactions and decisions. This is to ensure that the Company has sufficient, accurate, and timely information for the preparation of its financial statements that conform to the relevant standards.
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 Policy and Guidelines 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 2022 Annual General Meeting of Shareholders, the Company allowed 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 and notify the announcement via the website of the Stock Exchange of Thailand since September 30, 2021 onward. For the meeting agenda proposal ended on January 31, 2022 and enquiries proposal ended prior to the meeting date of 2022 Annual General Meeting of the Shareholders. And explain the detailed procedures on proposing the matter for consideration as agenda including an advance submission of the enquiries in the Company's website ([www.samtel.com](http://www.samtel.com)). In the "Investor Relations" under the "Proposal of additional agenda and question prior to the Annual General Meeting of Shareholders". However, no shareholders proposed any matter to be an additional agenda.

- **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.

There was only one meeting in 2022, an Annual General Meeting of Shareholders 2022 which held on April 22, 2022 at Company Meeting Room, 16<sup>th</sup> Floor, Software Park Building, Chaengwattana Rd., Klong Gluar, Pak-Kred, Nonthaburi where is convenience for transportation and capability to cover with number of shareholders. The Company is prior to notify and specify date, time and place that comfort the shareholders to participate in the meeting. The rights of shareholder to participate in the meeting are as follows:

**Before the Meeting Date**

In the 2022 Annual General Meeting of Shareholders, the shareholders have been informed on the date and agenda of the meeting via SET's communication system 57 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.samtel.com](http://www.samtel.com)) in the "Investor Relations" under the topic "Shareholders Meeting" 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, opinions from the Board of Directors for each agenda, conditions and procedures of meeting, annual report, proxy form and any other related document with sufficient information for shareholders' consideration. Moreover, the invitation letter has also been 3 days continually published on the newspaper 23 days prior to the meeting date to be in line with law.

To facilitate the institutional investors to participate in the shareholders' meeting, the Company tries to contact them in advance to assist them in proxy preparation and registration.

**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 equipment are sufficient for registration reviewed on required documents more than one hour prior to commencement of the meeting by arrangement of Barcode system in vote counting for faster voting result.

In the 2022 Annual General Meeting of Shareholders, there were 9 directors participated the meeting, representing 100%. In addition, Chairman, Chairman of the Audit Committee and Chairman of all committees including the Audit Committee and the Company's managements external auditors and investor relations also presented in the meeting. Chairman of the Board of Directors who was Chairman of the meeting introduced all Board members and the managements to the shareholders, declared to the meeting that there were 40 shareholders who attended the meeting either in person 15 shareholders and by proxies 25 shareholders 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 volunteers from shareholders attending the meeting in person to be the vote inspector in the meeting. The Chairman had declared to the shareholders how to exercise their right and vote before commencement conducted the meeting including the results of an invitation to propose agenda of the 2022 AGM and sending question prior to the 2022 AGM. Then, the Chairman proceeded the meeting to be in line with the agenda without any additional topic from what have been expressed in the invitation letter. Voting cards were provided for significant agenda. Voting result in term of approval, disapproval or abstain 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, abstained, and invalid ballots, 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 & 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.samtel.com](http://www.samtel.com) under the section "Investor Relations" in the topic "The 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 not 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 not 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 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 agendas 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.samtel.com](http://www.samtel.com)).

- **Getting profit**

The Company pays back to shareholders in the form of dividends. (Details of dividend payment are shown in the Section 1, Business Operations and Operating Results, in the topic "1.6 Dividend Policy").

In addition, the rights of shareholders aforementioned. The Company does not obstruct or build obstacle to allow shareholders to communicate.

## **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' meetings, 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 ordinary share. 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 in both Thai & English to facilitate the shareholders. In the 2022 Annual General Meeting of Shareholders, which held on April 22, 2022 were 21 proxies 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 agenda without any additional topic from what have been expressed in the invitation letter otherwise rights of the shareholders who could not participate in the meeting by themselves will be deprived. In addition, the Company set criteria about Inside Information Monitoring of which details is shown in the topic "6. Corporate Governance Policy" under the subject "6. Inside Information Control"

## **3. Roles for 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 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. Thus, general rules and practices have been set for directors, management and employees in the Company's Business Ethics to cover rights and equitable benefits to all stakeholders and posted on the Company's website [www.samtel.com](http://www.samtel.com) under the section "Corporate Governance".

### Shareholders

The Company aware of its role to protect and due care for the interests of all major and minor shareholders by granting rights to every shareholders to attend, vote and have comments in the shareholders' meeting, to share in profits, to propose agenda and send a question in advance of the Shareholders' Meeting, regularly and timely obtained adequate information, business performance and management policy. Details of shareholders' rights are described under "6.1.2 Policy and Guidelines Related to Shareholders and Stakeholders" in the topic "1. Rights of Shareholders" and "2. Equitable Treatment of Shareholders".

### Employees

The Company highly regards all of the employees as valuable resources and is a major factor to drive the business performance to achieve its goals. As a result, it is the Company's policy to treat employees fairly in all respects, employment opportunity, reasonable remuneration, promotion and appropriate welfare.

In 2022, the Company has operated as follows:

- 1) Operate in accordance with the policy and guidelines on the Employee policies as indicated in the Company's Business Ethics. Provide appropriate compensation based on the position's responsibilities and aligned with the Company's performances, while giving importance to taking care of employee welfare in the forms of salaries, bonuses, and other benefits (such as overtime, special allowances, and commissions) that are suitable. The Company have also established the provident fund for all employees as disclosed in the section "7. Corporate Governance Structure and Significant Information about the Board of Directors, the Committees, the Management, Employees, and Others" in the topic "7.5 Information on Employees"
- 2) The Company has established a human resources development policy with a focus on continuously developing the knowledge and abilities of all level employees to be suitable for their positions. The Company disclosed the average training hour of the employee in "3. Driving Business for Sustainability" under the topic "3.5.2 Social operating results".

In addition, the Company has provided educational support by awarding scholarship to employees with aims to enhance their knowledge and skills. Furthermore, in 2022, the Company has awarded 2 scholarships at master degree levels to the employee, i.e. on Management Information Systems, King Mongkut's University of Technology North Bangkok.

- 3) Operate in accordance with the policy and guidelines on the safety of life and health of employee policy by promoting knowledge and understanding of workplace safety. The Company disclosed the statistics on workplace accidents in "3. Driving Business for Sustainability" under the topic "3.5.2 Social operating results".
- 4) The Company respect and protect human rights by establishing a human rights policy in its business ethics. For the operation of human rights is disclosed under "3. Driving Business for Sustainability" under the topic "3.5.2 Social operating results".

### Customers

The Company has set policies prioritizing creation of customer satisfaction and confidence on continued basis and has indicated the practices of such policies in the Company's Business Ethics. The Company commits to develop and provide modern and high-quality products and services at reasonable price to satisfy customer needs as well as providing product and equipment from factories, which has been certified by international standard.



In addition to, the Company has conducted customer satisfaction surveys in order to seek the real results. The results were brought into analysis to improve known drawbacks as well as maintaining and elevating positive aspects that customers favored.

For customer operation is disclosed under “3. Driving Business for Sustainability” under the topic “3.5.2 Social operating results”.

#### Counterpart/Competitor

The Company has policy to conducts all business affairs under just rules and competitions, support free trading and disclose such practices in the Company’s Business Ethics. Refuse to search for rivals’ secret information by all means, dishonestly or inappropriately. Refuse to ruin counterparts/Competitors’ reputations. Not intervene or have a secret transaction that give negative impact to competitor and give benefit to the Company and Refuse to violate intellectual property rights of business’ counterparts/competitor.

In 2022, the Company and its subsidiaries had no dispute or lawsuit with their competitors.

#### Trade partners policies

The Company has 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 purchase product and/or services 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 not purchase the product and/or service from such partner who is deemed to have an illegal behavior.

Moreover, the Company has strictly complied with the business partner treatment policy by selecting the qualified business partner to enter into the Approved Vendor List and prices have been compared before the purchase order has been made. The business partner has been evaluated by using the auditable standard criteria pursuant to the international standards. 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.

Furthermore, the Company encouraged partners to conduct initial ESG self-evaluation to identify that partners had standards for quality control of products and services, good occupational health and safety environment, ethics in business conduct, and social and environmental responsibility; and it had partners to sign acknowledgement to the business ethics and operational guidelines, which address corporate governance, economy, social, and environmental dimensions. In 2022, 100 percent of the Company’s critical suppliers passed the ESG self-evaluation and signed acknowledgement of the Company’s business ethics and sustainable operation guidelines. The Company, in addition, conducted site visits for key partners at their location as well as monitoring relating news through online channel and others.

The Company set procurement process, with system, standard, criteria, and clear regulations and procedures specified, for fair competition on the same information given to suppliers. With criteria deployed for partner assessment and selection, the Company also formulates fair agreements and strictly comply with conditions specified in the agreements as well as protecting confidentiality of partners. The Company has guideline for process monitoring to ensure full compliance of the contract and prevent corruptions in all processes.

According to the partners policy, the Company develops sustainable relationship with partners by encouraging partners in value chain to comply with the Company's sustainable operations guidelines and avoid purchasing products and services from suppliers violating human rights or intellectual properties or illegal behaviors. Collaborating with partners to mutually elevate capabilities of other, the Company, in short term and long term, has plans and conducts trainings, seminars, and demonstrations to provide knowledge through various channels both online and offline, to individual, teams, and management. Such knowledge shared to trade partners, providers, product owners, including subcontractors can be expertise of the Company's operations ranging from customer requirements, market trends, solutions and techniques, standardized implementation, to after-sales services and maintenance. Collaboration in improvement and development of solutions, products, and services as well as increasing values added and innovation, is to create benefits for all partners and deliver values to customers and eventually end-users, taking part in social development and impact reduction to environment.

By elevating knowledge and developing capabilities with partners, in 2022, the Company could propose solutions and won several important projects from customers and, together with partners, the Company was able to implement and deliver challenging projects on a timely manner with standard and efficiency. Such projects are in fields of network solutions, enhanced technologies, and business application. Faults can be reduced so that corrective maintenance tasks during service period can be minimized. Collaboration with competent partners help the Company to fully comply with service level agreement adhering to customers. Moreover, collaboration with partners to generate values and innovation for products and services help subsidiaries, for example, Posnet Co., Ltd. to develop QR API Gateway to connect various QR platforms, Thai Trade Net Co., Ltd. to extend its healthcare EDI to hospitals, and Samart Infonet to develop new service of Cloud Infrastructure-as-a-Service for small enterprises.

#### Creditor

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

#### Societies, Communities and Environment

The Company recognizes to the sustainable development of business that it has to develop together with realize to social and environment responsibilities and corporate governance, the Company has established Sustainability Development Policy for the Board of directors, managements, and all employees to adhere as the same practices.

For the operation of Societies, Communities and Environment are disclosed under "3. Driving Business for Sustainability".

#### 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, the Company has been published the Management Discussion and Analysis (MD&A) every quarter on the Company's website and via SET's Communication system.
- Criteria on provision of remuneration to the directors and the managements have been clearly disclosed. For more details, please see in the topic "6. Corporate Governance Policy" under the subject "6.1.1 Policy and Guidelines for the Board".
- Shareholding information of the directors and the managements has been disclosed in the Annual Registration Statement / Annual Report (Form 56-1 One Report). In addition, the Company has a policy requiring the directors and the managements to report a change in their securities holding within 3 business days from the date the securities have been purchased, sold, transferred 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 managements shall be reported to the Board of Directors' meeting every time.

**The 2022 securities holding information of the directors and the managements were as follows:**

Number of ordinary shares held in the Company (Shares)

Director / Management	31/12/2021	Acquisition in 2022 Buy via SET	Disposition in 2022	31/12/2022	Increase (Decrease)
1. General Sumpun Boonyanun Spouse and minor children	100,000 -	- -	- -	100,000 -	- -
2. Mr. Vichai Pokasamrit Spouse and minor children	100,000 -	- -	- -	100,000 -	- -
3. Miss Rapeepan Luangaramrut Spouse and minor children	- -	- -	- -	- -	- -
4. Mr. Sirichai Rasameechan Spouse and minor children	150,000 -	- -	- -	150,000 -	- -
5. Mr. Kajornvut Tayanukorn Spouse and minor children	500,000 -	- -	- -	500,000 -	- -
6. Mr. Charoenrath Vilailuck Spouse and minor children	2,854,600 -	- -	- -	2,854,600 -	- -
7. Mr. Watchai Vilailuck Spouse and minor children	1,650,010 -	- -	- -	1,650,010 -	- -

Director / Management	31/12/2021	Acquisition in 2022 Buy via SET	Disposition in 2022	31/12/2022	Increase (Decrease)
8. Mr. Thananan Vilailuck Spouse and minor children	50,000 -	- -	- -	50,000 -	- -
9. Mr. Jong Diloksombat Spouse and minor children	400,000 -	- -	- -	400,000 -	- -
10. Miss Chotika Kamloonwesaruch Spouse and minor children	140,000 -	- -	- -	140,000 -	- -
11. Mr. Suchart Duangthawee Spouse and minor children	466,000 -	- -	- -	466,000 -	- -
12. Mr. Dhilokpat Nisamaneevong Spouse and minor children	15,000 -	- -	- -	15,000 -	- -
13. Miss Sirichan Phiraprawit Spouse and minor children	- -	- -	- -	- -	- -

- Details on connected transactions have been clearly disclosed to prevent a conflict of interest (see more details in the topic “9. Internal Control and Connection Transactions” under the subject “9.2 Connected Transactions”).

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

- 1) The director and the management 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 management pursuant to the specified report form.
- 2) The Director and the management 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.samtel.com), press release and the Annual Registration Statement / Annual Report (Form 56-1 One Report) as well as participated in the “Opportunity Day” which arranged by SET.

The Board of Directors has supervised to ensure that any person involved in the preparation and disclosure of any information of the Company has relevant knowledge, appropriate skills and experience needed for their responsibilities, and sufficient resources as well as ensure that the Company’s disclosures are transparency and strictly complied by laws, the Company’s and any related regulations. The Board has major concerned on transparency and disclosure in the following area:

- **Information Disclosure Policy**

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

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

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

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

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

• **Provide multi channels for disclosure of information apart from SET's communication system**

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

The Board of Directors has to ensure that Annual Registration Statement / Annual Report (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 ensure the Company not only provide all significant information of the Company in the Company's Annual Registration Statement / Annual Report (Form 56-1 One Report) but also on the Company's website ([www.samtel.com](http://www.samtel.com)) in both languages, Thai and English. The disclosed information comprised of Corporate Governance Policy, Business Ethics, General News, Financial Statement as well as Annual Report and the Annual Registration Statement / Annual Report (Form 56-1 One Report), etc.

- Investors Relation

The Company has also set up an Investors Relation section to provide Company's information and activities for investors, shareholders, analysis and general public via Company's website, Road Shows, analysis meetings and conference calls etc. The Company's Investor Relations could be contacted at phone number 0-2502-6628 or sending your question via the Company's website at [www.samtel.com](http://www.samtel.com) or sending the e-mail to [Dhilokpat.N@samtel.com](mailto:Dhilokpat.N@samtel.com). The Company has specified the investor relation ethics to practice follow:

**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 announcement on the Company's financial performance have been arranged for public, investors and analysis by quarterly basis with participation of the managements.

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

- |  |         |
|--|---------|
| - One on One Meeting with Analysis & Meeting and Road Show | 1 Times |
| - Announcement of Company's Performance and Image          | 4 Times |

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

- Structure, Roles and Responsibilities of the Board as well as performance of the Board and each Committee;
- Directors Remunerations: Policy of Directors' Remuneration have been clearly and transparently set to be comparable to the general practice in same industry, consistent with the Company's strategies and objectives, and be appealing enough to attract and retain qualified directors. The directors who also be appointed to be the member of any sub 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 and the Managements has been disclosed in the Company's Annual Registration Statement / Annual Report (Form 56-1 One Report). See details in the topic "8. Report on the Significant Activities on Corporate Governance" under the subject "8.1.2 Meeting attendance and remuneration payment to each Board member".

- **Accountability to the Financial Statement**

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). They consider financial information consistent with strategies and core 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 (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 (Form 56-1 One Report).

## 5. 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 for securities purchase for personal benefits or to leak Company's information to outsiders for their benefits. Any trading of the Company's securities within 1 month prior to disclosure of either the Company's financial performance or any other information that may affect securities' price is prohibited.
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 the Annual Registration Statement / Annual Report (Form 56-1 One Report) as well as notes to financial statements for consideration of connected transaction. The directors who may have conflict of interest will not participate and attend in any agenda that they have conflict of interest in both board and shareholder meeting.

## 6. Inside Information Control

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 managements of the Company according to the definition of the SEC had been informed on their duties and punishment regarding to report on securities and derivative 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 derivative 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, management and employees. The Corporate Governance Committee will monitor and ensure that Company's regulations, Corporate Governance Policy and Business Ethics have been strictly and continually complied.

#### **7. IT Security Policy**

Samart Corporation PCL which the Company provides information management service 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.

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

The Company 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.

#### **9. 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 managements 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 Executive Committee and Management are responsible for promotion and support the anti-corruption policy and convey such policy to all employees and relevant parties.

**Anti-Corruption Policy**

The Company conducts all business affairs under principles of good corporate governance. Anti-Corruption Policy is set to prevent all corruptions that may arise from operating activities and contacts with stakeholders which the Directors, Managements and employees of the company, its subsidiaries and associated companies must strictly adherence as follows:

**1. Political neutrality and political assistance**

The Company is a politically neutral business entity that supports lawful operations and democratic form of government with the King as Head of State. Directors, Managements, and Employees enjoy their political rights and freedom under the law. However, they must not deprive Company of neutrality and compromise it though their involvement in politics or use its resources to do so.

**2. Donation for charity and support fund**

The Company supports community and social development to upgrade the quality of life, enhance the economy, and strengthen communities and society through business processes or donation for charity used for public charity only. Moreover, the support fund for Company's business must have a clear proof of documents in compliance with the Company's regulations.

**3. Receiving and giving present, property or other benefits policies**

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:

**3.1 Receiving and giving property or other benefits that could improperly influence decision making;**

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

**3.2 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 employees have been assigned or permitted by the superior to assist an outside agency, the employees may receive money, item, or present according to the guidelines or standards that agency has set.

### 3.3 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.

The Company's Anti-Corruption Policies are disclosed on the Company website [www.samtel.com](http://www.samtel.com) under the topic "Corporate Governance" and "Business Ethics".

#### **Guidelines to perform of anti-corruption**

##### 1. The process of risk assessment and risk management.

In the aspect of risk management, the Company has an internal audit unit to check the operation in all company's units following the risks topic of each company including the risk of corruption to ensure that all units must have appropriate internal control systems both preventive control and detective control. In case internal control of any unit is found that it is inadequate or fraud, a report of inspection results will be presented to the Audit Committee and senior management with guidelines for the prevention and the improved internal control system.

##### 2. Protection

To ensure an adequate compensation to employees, aim to make awareness and do not lead to corruption, the Company's Human Resources will collect the results of the compensation survey of the prestigious institutions both in Thailand and abroad in each year to adjust wages, including the exchange of information with the other company's human resources in telecommunications and computers into consideration for employee's compensation.

##### 3. Training and Communication

Supporting best practices for anti-corruption policy by providing a training course to all employees and to promote honesty and guidelines for code of conduct to the company's employees including the company's business ethics through new employees orientation. All employees can access all related information in HR Website ([www.samarthre.com](http://www.samarthre.com)).

##### 4. Reporting Channels

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

##### 5. Regulatory and monitoring of the implementation of the policy.

Internal Audit Department will make an audit report of fraud found in the past year and report to the Audit Committee annually with problems and suggest solutions.



**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.

**10. 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 on the Company's website (www.samtel.com) under "**Contact Us**" with the following details:

Mailing Address: **Internal Audit Department**  
Samart Telcoms Public Company Limited  
99/15 Moo 4, Software Park, 21<sup>st</sup> Fl., Chaengwattana Rd.,  
Klong Gluar, Park-kred, Nontaburi 11120.  
or E-mail address: Somchai.B@samtel.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"

**11. 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.

## 6.2 Business code of conduct

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 covers as detail below:

1. Conflicts of Interest
2. Responsibilities to shareholder
3. Employee policies
4. Policies on the safety of life and health of employees
5. Customer policies
6. Trade partners policies
7. Creditor policies
8. Counterpart/Competitor policies
9. Anti-corruption policy
10. Money Laundering policy
11. Tax policy
12. Sustainability Development Policy
13. Human Rights policy
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 communicate the Corporate Governance Policy and Business Ethics in the Company's intranet including set both topic as part of new employee orientation in order to communicate to the company's management and employee for acknowledgment. In 2022, the Company has provided training through E-learning in the course of business ethics which employees have completed the training and passed the test, representing 96%. Employees are required to take a test after training to pass with a score of no less than 80% of all questions. In addition, the Company are disclosed the Corporate Governance Policy and Business Ethics on the Company's website [www.samtel.com](http://www.samtel.com) under the section "Corporate Governance" and appears in Attachment 5 of the Annual Registration Statement / Annual Report (Form 56-1 One Report)

In the past year, the Company found zero case non-compliant with the Company's business ethics.

## 6.3 Milestone Development on the Corporate Governance Policy, Guidelines and System During the Year

### 6.3.1 The information on material changes and developments related to the review on the policy

The Board of Directors has reviewed the corporate governance policy, business ethics, and the committee's charter, annually, at least 1 time per year. In 2022, the Company used the Corporate Governance Code 2017 (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 the Principles of Corporate Governance Report of Thai Listed Companies (CGR) of Thai Institute of Directors (IOD) and Quality on Arrangement of Annual Meeting of shareholders (AGM Checklist) of Thai Investors Association (TIA), accordingly.

In 2022, the Board of Directors' meeting No. 5/2022, which held on November 10, 2022 has reviewed the compliance with the principles of good corporate governance, Corporate Governance Policy, Business Ethics, and the Board of Director and the Committee Charters. In order to comply with the principles of good corporate governance for listed companies 2017 (CG Code) and criteria according to the corporate governance survey of listed companies. The meeting considered amending the main topics as follows:

1. Amendment to Corporate Governance Policy
  - Section 1: Rights of Shareholders in the topic "Inside Information Monitoring" by setting a policy requiring directors and top management to inform regarding the Company's stock trading at least 1 day in advance before trading.
  - Section 5: Roles and Responsibilities of the Board
    - Topic "5.1 Composition of the Board of Directors" by adding the composition of the Board of Directors regarding business knowledge and experience in accounting and finance.
    - Topic "Roles and Responsibilities of the Chairman of the Board" by adding the Roles of the Chairman of the Board.
2. Amendment to the Board of Director Charter in the topic "Composition" and "Roles and Responsibilities of the Chairman of the Board"
3. Amendment to the Nominating & Compensation Committee Charter 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

In 2022, the Board of Directors' meeting No. 5/2022, which held on November 10, 2022 has considered the application of the 8 practices Corporate Governance Code (CG Code) to apply with the Company's business context, appropriate. However, the practices that are not suitable for the Company's business operations, the Board of Directors has assigned the Corporate Governance Committee to consider annually and propose appropriate replacement measures, respectively.

In 2022, the Company's complied with CG principles, but did not cover the criteria under the CG Code which can be described as follows:

#### **Section II: Equity Treatment of Shareholders**

1. The Company does not entitle the right for minority shareholders to participate in the nomination and appointment of director. However, the Board of Directors has appointed the Nomination Committee and Compensation Committee to recruit, select and nominate candidates for the position of director from IOD's Director Pool and proceed to select the candidate who is qualified as the relevant laws and regulations with regards to qualification, experience, knowledge and ability that is advantage and needed to the Company, then propose to the Board of Director/the shareholder's meeting for further approval;

2. The Company has not yet determined to perform the election of directors by using cumulative vote. However, the Company entitled the shareholders to vote for the election of directors individually. Each shareholder shall have one vote for each share as stipulated by the Company's Articles of Association so that the shareholders have the right to elect director with their need.

### **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 report as part of the Annual Registration Statement / Annual Report (Form 56-1 One Report) in the topic "3. Business Sustainability Development".

### **Section V: Roles and Responsibilities of the Board of Directors**

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. The portion of the Company's Independent Directors who are the members of the Board is 44.44%, which is less than the number of more than 50% as per specified in the Principles of Good Corporate Governance. At the same time, portion of the Non-Executive Directors who are the members of the Board is 55.56% which is less than the number of 66% as per specified in the Principles of Good Corporate Governance;
3. The Company has not yet participated in Thailand's Private Sector Collective Action Coalition Anti-Corruption Scheme (CAC). However, the Company has joined the Partnership Against Corruption for Thailand (PACT) to attend the training courses and gather recommendation on anti-corruption procedures.

### **6.3.3 The compliance with the Principles of Good Corporate Governance in other areas**

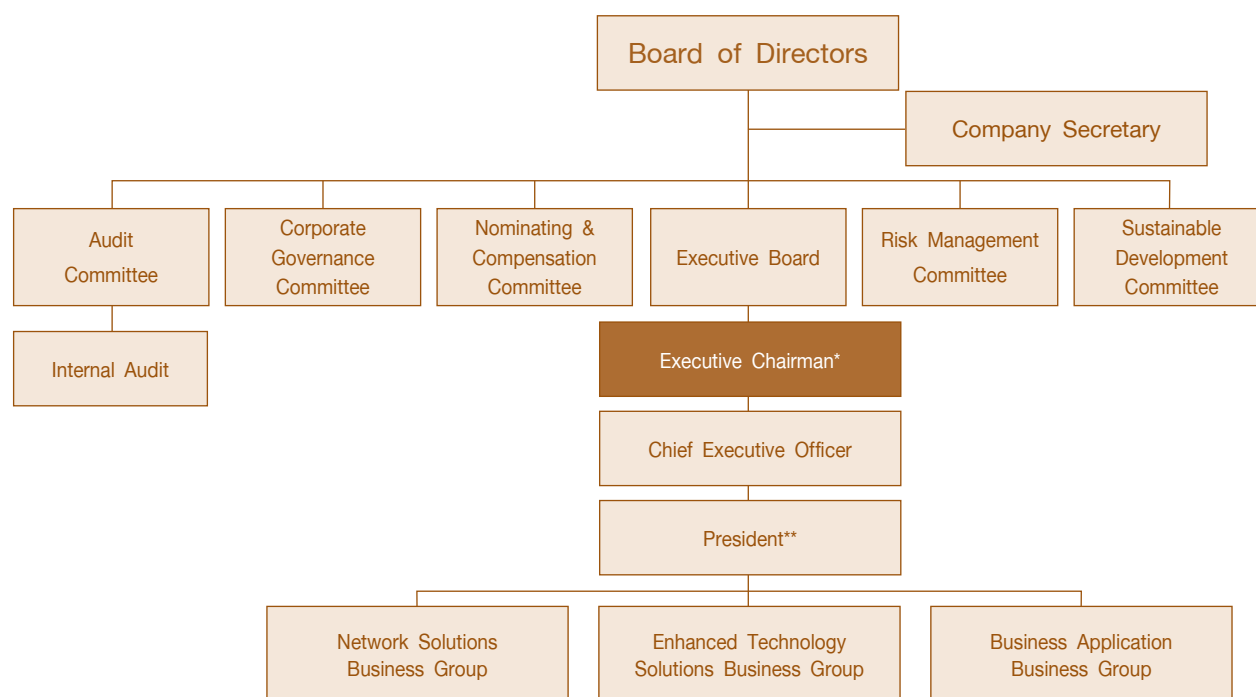
The Company conducts the business in comply with the Corporate Governance Code 2017 (CG Code) of The Securities and Exchange Commission (SEC) including to according with the Principles of Corporate Governance Report of Thai Listed Companies (CGR) of the Thai Institute of Directors (IOD) and the survey result of the Annual General Meeting of Shareholder (AGM Checklist) by the Thai Investors Association.

## 7. Corporate Governance Structure and Significant Information about the Board of Directors, the Committees, the Management, Employees and Others

### 7.1 Corporate Governance Structure

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. The organization chart and management of the Company as at December 31, 2022 are as the follows:

Organization Chart



*Remarks:* \* Executive Chairman is the highest executive of the Company;

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

### 7.2 Information on the Board of Directors

#### 7.2.1 Composition of the Board of Directors

- 1) The Board of Directors shall have the number as specified by the shareholders' meeting not more than 5 persons and 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 current structure of the Board of Directors of the Company consists of:

- 4 Independent Directors (equal to 44.44% of the Board of Directors)
- 4 Executive Directors
- 1 Non-Executive Director

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

Directors	Specialized knowledge and Expertise																		
	Leader	Strategy Management	Organizational Management	Information Technology Management	Brand Management	Budgeting	Human Resource Management	Information Communication Technology	Project Management	Engineering	Finance	Accounting	Risk Management	Internal Audit	Agriculture Business	Sustainability	Social Responsibility	Negotiation	Funds and Securities
1. General Sumpun Boonyanun	x		x			x								x	x		x		
2. Mr. Vichai Pokasamrit						x					x								
3. Miss Rapeepan Luangaramrut			x		x				x				x				x	x	
4. Mr. Sirichai Rasameechan			x			x	x				x	x							
5. Mr. Kajornvut Tayanukorn				x				x	x										
6. Mr. Charoenrath Vilailuck	x	x	x							x								x	x
7. Mr. Watchai Vilailuck	x	x	x					x			x	x						x	
8. Mr. Thananan Vilailuck				x	x			x	x								x		
9. Mr. Jong Diloksombat		x	x	x			x		x							x			

However, the Company also has Non-Executive Director 1 person (Mr. Kajornvut Tayanukorn) who has direct experience with the Company's operating business and one of the Company's Independent Director is a woman (Miss Rapeepan Luangaramrut).

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

## 7.2.2 Board of Directors and the Controlling Person

**Board of Directors** as of December 31, 2022 consists of 9 Directors:

Name	Position	Date of Appointment	Term of Directorship (Year/Month)
1. General Sumpun Boonyanun	Chairman / Independent Director / Audit Committee Member / Chairman of the Nominating & Compensation Committee	April 2008	14-8
2. Mr. Vichai Pokasamrit	Independent Director / Chairman of the Audit Committee / Chairman of the Corporate Governance Committee / Nominating & Compensation Committee Member	April 2011	11-8
3. Miss Rapeepan Luangaramrut	Independent Director/ Audit Committee Member / Nominating & Compensation Committee Member / Corporate Governance Committee Member	April 2008	14-8

Name	Position	Date of Appointment	Term of Directorship (Year/Month)
4. Mr. Sirichai Rasameechan	Independent Director / Corporate Governance Committee Member / Nominating & Compensation Committee Member	July 1998	24-6
5. Mr. Kajornvut Tayanukorn **	Director / Corporate Governance Committee Member	April 2004	18-8
6. Mr. Charoenrath Vilailuck *	Executive Director / Risk Management Committee Member	July 1996	26-5
7. Mr. Watchai Vilailuck *	Executive Director / Executive Chairman / Chief Executive Officer / Chairman of the Risk Management Committee	July 1996	26-5
8. Mr. Thananan Vilailuck *	Executive Director / Risk Management Committee Member	April 2016	6-8
9. Mr. Jong Diloksombat *	Executive Director / President / Risk Management Committee Member / Corporate Governance Committee Member / Chairman of the Sustainable Development Committee	January 2012	10-11

**Remarks:** \* Representative director from Samart Corporation Public Company Limited a major shareholder with 70.14%

\*\* Representative director and employee from Bangkok Bank Public Company Limited a major shareholder holds shares directly and indirectly in the Company with 11.83% and has retired from Bangkok Bank Public Company Limited with effect from January 1, 2022 onwards;

Further details of Directors are shown in “Attachmenet 1 Details of Directors, Managements, Controlling Person, The Person Taking The Highest Responsibility in Accounting and Finance, The Person Supervising Accounting and Company Secretary” which is publish on the Company’s website [www.samtel.com](http://www.samtel.com) under the sections “Investor Relations” and “Financial Information” section “Annual Registration Statement / Annual Report (Form 56-1 One Report).

#### **Restriction of Power of the Directors**

“General Sumpun Boonyanun or Mr. Charoenrath Vilailuck or Mr. Watchai Vilailuck or Mr. Jong Diloksombat, totaling two persons jointly signs and affix the Company’s seal”

#### **Qualifications of Director**

1. Have qualifications and not being under any of the prohibitions under the Public Company Act B.E. 2535 (including amendments) or other relevant laws as well as not lacking trustworthiness in accordance with the announcement of the Securities and Exchange Commission (the SEC), including the Company’s Articles of Association;
2. Not undertaking any business, being a partner or a shareholder of other juristic persons of the same nature and in competition with the Company’s business whether doing it for the benefit of itself or others, except for the notification to the shareholders’ meeting before the appointment;
3. 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. Director must have responsibility, carefulness, and integrity, and operate with business ethic;
6. Having sufficient time for fully participated as a Director of the Company.

### **Terms of positions**

Pursuant to the Public Company Acts B.E. 2535, at 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 the Company's shareholders.

### **7.2.3 Authorities, Duties and Responsibilities of the Board**

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. Therefore, the Company has formulated the Board of Directors Charter to guideline for the performance of the Board of Directors. The Board of Directors Charter consists of the following main topics as follows; 1) Composition 2) Qualification of directors 3) Qualification of Independent Director 4) Authorities, 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. The Company has disclosed the Board of Directors Charter on the Company's website [www.samtel.com](http://www.samtel.com) under the sections "Investor Relations" and "Financial Information" section "Annual Registration Statement / Annual Report (Form 56-1 One Report) in the topic "Attachment 5 Corporate Governance Policy, Business Ethics and Charter of the Board of Directors and Committees".

### **Roles and Responsibilities of Directors**

1. Conduct business with responsibility, due care, and integrity, and ensure the Company's operations in accordance with the law, objectives, Articles of Association of the Company as well as the resolution of the Board of Directors' and shareholders' meeting to protect the rights and interests of the Company and shareholders;
2. Formulate policies and directions for the Company's operations. The Board must also supervise managerial and administrative departments to deliver all policies and strategies with effectiveness and efficiency;
3. Set and review Company's vision, mission, and strategy by prioritize and promote appropriate and safe innovation and technology to increase business opportunities, and ensure effective communication throughout the Company in order to drive the 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 retire by rotation as well as consider the remuneration package for directors and committee members proposed by the Nominating and Compensation Committee for further consideration of the shareholders' meeting. The Board of Directors also consider the appointment of directors in case of vacancy due to any reason other than the expiration of the term unless the remaining term of office of the 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 be in accordance with the specified policy and approve the charters of all committees;

7. Appoint and define its roles and responsibilities as well as ensure that Executive Chairman perform its duties as assigned;
8. Appoint and define its roles and responsibilities as well as ensure that Company Secretary perform its duties as assigned;
9. Approve policy, structure, criteria of remuneration for directors, committees, Executive Chairman, top management, management and employees as well as propose remuneration for directors and committees for further approval from the shareholders' meeting;
10. Prepare quarterly and annual financial statements to disclose or propose to the shareholders' meeting for approval, as the case may be, as well as supervise to disclose the important information accurately, sufficiently and on time to comply with the relevant rules and regulations;
11. Nominate appropriated persons with remuneration, which are proposed by Audit Committee, prior to propose for further consideration and approval of shareholders for the appointment of the Company's auditors;
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 should 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. Encourage and promote innovation and meet social and environmental responsibilities.
17. Approve interim dividend payment to the Company's shareholders and report the interim dividend payment in the next shareholders' meeting.
18. Approve the acquisition or disposal of the Company's assets according to the rules of the Capital Market Supervisory Board.
19. Approve the connected transactions of the Company according to the rules of the Capital Market Supervisory Board.
20. Organize an annual general meeting of shareholders within 4 months from the end of the Company's fiscal year.
21. Continuously monitor performance of the Company and subsidiaries to comply with the operation plans and budgets of the Company.
22. Supervise subsidiary and affiliate to comply with the Company's policy.

The Company conducted business and manage the Company's operation ethically and transparently with honesty and due care for the benefit of shareholders and all stakeholders. The Board of Directors has provided the Ethics manual for the Company's directors and executives to adhere as their practical guidelines and posted on the Company's website [www.samtel.com](http://www.samtel.com) under the section "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 authority between the Board of Directors and 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 September 1, 2020 onwards.

### **Roles and Responsibilities of the Chairman of the Board**

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 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 and/or President which important matters should be included;
4. Allocate sufficient time for management to propose topics, and for directors to debate important matters thoroughly. Encourage directors to exercise independent judgement 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 and management.

### **Roles and Responsibilities of the 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 bidding the Company conforming with 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 Securities Exchange Commission'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 shareholders' meeting to be complied to regulations of SET/SEC or any related laws and regulations.



## 7.3 Information on Committees

The Company's committee consist 6 committees; Audit Committee, Executive Board, Corporate Governance Committee, Nominating & Compensation Committee, Risk Management Committee and Sustainable Development Committee are as the follows:

**1) Audit Committee** as of December 31, 2022 consists of 3 members:

- |    |                |              |  |
|----|----------------|--------------|--|
| 1. | Mr. Vichai     | Pokasamrit   | Chairman of the Audit Committee (Independent Director) |
| 2. | General Sumpun | Boonyanun    | Member (Independent Director)                          |
| 3. | Miss Rapeepan  | Luangaramrut | Member (Independent Director)                          |
|    | Mr. Somchai    | Bunsupaporn  | Secretary of the Audit Committee                       |

Audit Committee comprise of no less than 3 members, and the Audit Committee member number 1. has knowledge and experience to review creditability of the financial reports. Details of Audit Committee are shown in "Attachmenet 1 Details of Directors, Managements, Controlling Person, The Person Taking The Highest Responsibility in Accounting and Finance, The Person Supervising Accounting and Company Secretary" which is publish on the Company's website [www.samtel.com](http://www.samtel.com) under the sections "Investor Relations" and "Financial Information" section "Annual Registration Statement / Annual Report (Form 56-1 One Report)".

### **Qualifications of the Audit Committee**

1. The Audit Committee members shall be appointed by the Board of Directors and/or the Company's shareholders;
2. All members of the Audit Committee should be Independent Directors with the qualifications as specified in the announcement of the Securities and Exchange Commission Capital Market Supervisory Board and the Stock Exchange of Thailand (the SET);
3. Not being a director assigned by the Board of Directors to take part in the business decision of the Company, parent company, subsidiaries, associate company, same-level subsidiaries, major shareholder or controlling person of the Company;
4. Not being a director of parent company, subsidiaries, and same-level subsidiaries which is a listed Company;
5. Having sufficient knowledge, experience, and time to perform duties as the Audit Committee members;
6. At least 1 member of the Audit Committee shall have sufficient knowledge and experience in accounting and finance to review the reliability of financial statement, the Company has to define in the Annual Registration Report / Annual Report (Form 56-1 One Report) for name of the Audit Committee member who has that qualification, and has to define his/her qualification in the certification of the Audit Committee profile that should be sent to the SET.

### **Terms of positions**

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

### **Roles and Responsibilities of the Audit Committee**

1. Review the Company's financial statement to ensure its accuracy with adequate, reliable and timely disclosure;
2. Review the Company's internal control, and internal audit systems to ensure that they are suitable and efficient, and consider the independence of internal audit unit, as well as to propose the appointment, transfer and dismissal of the head of internal audit or any other unit in charge of internal audit;
3. Consider and approve the manpower and necessary resources for working process of the internal audit unit, approve the annual audit plan including significant changes in the audit plan;

4. Ensure that the Company has complied to the Securities and Exchange Act, regulations of SEC/SET and any other related regulations;
5. Propose for consideration and approval of the Board of Directors and Shareholders' meeting on the appointment, termination of the external auditor and also propose its remuneration for further consideration;
6. Arrange 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 conflicts of interests to comply with the Securities and Exchange Act, and the regulations of the SET and the SEC, including the related laws which are effectively with the Company and/or the Company's business to ensure that the transactions are reasonable with the highest benefit of the Company;
8. Provide the Audit Committee report for disclosure in the annual report of the Company with minimum contents as required by regulations of SET;
9. Review the scope of authorities, 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 as assigned by the Board of Directors.

**2) Executive Board** as of December 31, 2022 consists of 7 members:

1.	Mr. Watchai	Vilailuck	Executive Chairman / Chief Executive Officer
2.	Mr. Charoenrath	Vilailuck	Member
3.	Mr. Thananan	Vilailuck	Member
4.	Mr. Jong	Diloksombat	Member
5.	Miss Chotika	Kamloonwesaruch	Member
6.	Mr. Suchart	Duangthawee	Member
7.	Mr. Dhilokpat	Nisamaneevong	Member
	Mr. Somchai	Bunsupaporn	Secretary

**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 Management 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 Executive Board**

1. Set and review Company's vision, mission, strategies and business plan as well as the Company's management structure and delegation of authorities for further approval of the Board of Directors;
2. Supervise the subsidiary and associated companies to be in accordance with the Company policy 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 annual budget and investment of the Company for further approval of the Board of Directors;
5. Determine policy, structure, criteria for remuneration of employees and management together with the Executive Chairman and propose to the Nominating and Compensation Committee for consideration prior to further approval from the Board of Directors;

6. Consider and appoint qualified persons as senior management and report to the Board of Directors for 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 on a regular basis;
9. Review the roles and responsibilities of the Executive Board in accordance with the situation;
10. Perform any other activities as 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 Securities Exchange Commission'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 the 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 bidding 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 Securities Exchange Commission'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 shareholders' meeting to be complied to regulations of SET/ SEC or any related laws and regulations.

#### **3) Corporate Governance Committee** as of December 31, 2022 consists of 5 members:

1.	Mr. Vichai	Pokasamrit	Chairman of the Corporate Governance Committee (Independent Director)
2.	Miss Rapeepan	Luangaramrut	Member (Independent Director)
3.	Mr. Sirichai	Rasameechan	Member (Independent Director)
4.	Mr. Kajornvut	Tayanukorn	Member (Non-Executive Director)
5.	Mr. Jong	Diloksombat	Member (Executive Director)
	Mr. Somchai	Bunsupaporn	Secretary

#### **Terms of positions**

Term of members of the Corporate Government 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. The Chairman of the Committee has to be nominated from the Company's Independent Director. 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 management and employees of the Company to strictly comply with law and related regulations;
2. Establish corporate governance policy including social responsibility and anti-corruption;
3. Establish and review the Company's significant procedures and practices to comply with the good corporate governance policy;
4. Formulate and review the Company's rules concerning good corporate governance;
5. Provide suggestions relevant to ethical practices to the Board, management and employees of the Company;
6. Yield continuity and appropriate regulations in carry out good corporate governance;
7. Review the 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 as assigned by the Board of Directors.

### **4) Nominating & Compensation Committee** as of December 31, 2022 consists of 4 members:

1.	General Sumpun	Boonyanun	Chairman of the Nominating & Compensation Committee (Independent Director)
2.	Mr. Vichai	Pokasamrit	Member (Independent Director)
3.	Miss Rapeepan	Luangaramrut	Member (Independent Director)
4.	Mr. Sirichai	Rasameechan	Member (Independent Director)
	Mr. Somchai	Bunsupaporn	Secretary

### **Terms of positions**

One-third of the Nominating & Compensation Committee, who have been longest in office, shall retire by rotation every year. The retired directors 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 from the members of the Board of Directors and/or any qualified candidates propose to the Board of Directors for appointment.

### **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** as of December 31, 2022 consists of 4 members:

1.	Mr. Watchai Vilailuck	Chairman of the Risk Management Committee
2.	Mr. Charoenrath Vilailuck	Member
3.	Mr. Thananan Vilailuck	Member
4.	Mr. Jong Diloksombat	Member
	Mr. Somchai Bunsupaporn	Secretary

**Risk Management Working Group**

1.	Mr. Jong Diloksombat	Head of the Risk Management Working Group
2.	Miss Chotika Kamloonwesaruch	Member
3.	Mr. Suchart Duangthawee	Member
4.	Mr. Apichart Sirisalipochana	Member
5.	Mr. Dhilokpat Nisamaneevong	Member
6.	Mr. Senee Somma	Member
7.	Mrs. Nisachol Udomwongwiwat	Member
8.	Korn Vajanapoom, Ph.D.	Member
9.	Mr. Danaisak Khonsue	Member
10.	Miss Sirichan Phiraprawit	Member

*Remark: The scope of working group's authority to be as the Risk Management Committee assignment.*

**Terms of positions**

Term of member of the Risk Management Committee is one year. The Nominating and Compensation Committee will annually consider and select appropriate persons from the members of the Board of Directors for further consideration and appointment from the Board of Directors in the first board meeting after 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 management and all employees to continually aware of risk management as well as to ensure the Company's Risk Management Policy is complied to 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 as assigned by the Board of Directors.



6) **Sustainable Development Committee** as of December 31, 2022 consists of 6 members:

1.	Mr. Jong	Diloksombat	Chairman of the Sustainable Development Committee
2.	Miss Chotika	Kamloonwesaruch	Member
3.	Mr. Suchart	Duangthawee	Member
4.	Mr. Dhilokpat	Nisamaneevong	Member
5.	Mrs. Nisachol	Udomwongwiwat	Member
6.	Miss Kanokwan	Chanswangpuvana	Member
	Mr. Somchai	Bunsupaporn	Secretary

#### **Terms of positions**

Term of each member is 1 year. The Nominating and Compensation Committee will annually consider and select appropriate persons from the members of the Board of Directors and management and/or any qualified candidates propose for further consideration and appointment from the Board of Directors in the first board 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. Set policy, strategy and framework for sustainable development to conform to the Company's operating in economy, social and environment for further approval from the Board of Directors;
2. Encourage and support the Company's activities to achieve the SD policy such as labor and employee management, Employee welfare, employee development, training and promotion, and development of communities and society around the Company's area;
3. Monitor progress of sustainable development activities and evaluate the effectiveness of the implementation of the Company's sustainable development activities;
4. Review the roles and responsibilities of the Sustainable Development Committee in accordance with the situation;
5. Perform any other activities as 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 section "8.1.2.1 Meeting Attendance" in the topic "Committee".

The Company has disclosed the Committees' Charters on the Company's website [www.samtel.com](http://www.samtel.com) under the sections "Investor Relations" and "Financial Information" section "Annual Registration Statement / Annual Report (Form 56-1 One Report) in the topic "Attachment 5 Corporate Governance Policy, Business Ethics and Charter of the Board of Directors and Committees".

## 7.4 Management

**7.4.1 Management** as of December 31, 2022 consists:

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

Further details of management of the Company are shown in “Attachmenet 1 Details of Directors, Managements, Controlling Person, The Person Taking The Highest Responsibility in Accounting and Finance, The Person Supervising Accounting and Company Secretary” which is publish on the Company’s website [www.samtel.com](http://www.samtel.com) under the sections “Investor Relations” and “Financial Information” section “Annual Registration Statement / Annual Report (Form 56-1 One Report).

#### 7.4.2 Remuneration of the Top 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. Details of Remuneration of Directors and Management Policy are disclosed under topic “6 Corporate Governance Policy” under the subject “6.1.1 Policy and Guidelines for the Board”.

In 2022, the Board of Directors’ meeting to be in line with the Nominating & Compensation Committee has agreed that the criteria on salary increase for 2023, bonus allocation for 2022 and bonus payment policy for 2023. The policy and criteria for paying shall be in appropriate rate.

#### 7.4.3 Cash & Non-Cash Remuneration of the Executive Board and Management of 2022

Remuneration	Number of Persons <sup>(1)</sup>	Cash Remuneration (Baht)		
		Company	Subsidiaries	Grand Total
Salary	4	13,789,110	4,594,410	18,383,520
Bonus	4	2,824,138	1,573,220	4,397,358
Provident Fund <sup>(2)</sup>	4	1,108,983	459,441	1,568,424

*Remarks:* <sup>(1)</sup> The figures presented Salary, Bonus and Provident Fund for executives board and management paid by the Company and subsidiaries;

<sup>(2)</sup> Provident fund to executive director and management have been provided by the Company at the rate of 3 - 10 percent of salary related to year of services;

### 7.5 Information on Employees

Number of employees of the Company and subsidiaries for the pass 3 years.

Company	Number of Employees (Person)		
	2020	2021	2022
1. Samart Telcoms PCL	123	104	96
2. Samart Communication Services Co., Ltd.	266	253	247
3. Samart Comtech Co., Ltd.	254	230	211
4. Portalnet Co., Ltd.	115	113	117
5. Posnet Co., Ltd.	87	80	71
6. Thai Trade Net Co., Ltd.	20	19	19
7. Smartherware Co., Ltd.	63	60	57
8. Samart Infonet Co., Ltd.	23	22	22
9. Samart eD Tech Co., Ltd.	12	12	10
10. NetService (Thailand) Co., Ltd.	23	22	22
11. Secureinfo Co., Ltd.	19	32	35
<b>Total</b>	<b>1,005</b>	<b>947</b>	<b>907</b>

Expenses related to the employees of the Company and subsidiaries for the pass 3 years of which comprised salary, bonus, provident fund and other remuneration were:

Remuneration	Total Amount (Million Baht)		
	2020	2021	2022
Salary <sup>(1)</sup>	612.33	557.76	542.35
Bonus <sup>(1)</sup>	68.60	63.66	69.03
Provident Fund <sup>(1)</sup>	34.90	32.46	32.00
Other remuneration (Over time, special subsidy and commission)	11.94	5.22	7.41
<b>Total remuneration</b>	<b>727.77</b>	<b>659.10</b>	<b>650.79</b>

*Remark: <sup>(1)</sup> The remuneration were excluded the managements of the Company.*

### Provident Fund

Employees' provident fund which has been registered (the "Fund"), there are 775 employees joining the provident fund out of the total 911 employees who are eligible to participate, representing 85%. 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.

For more details on human resources management and training information for employees and managements in 2022 has been disclosed in the section "3. Driving Business for Sustainability" under the topic "3.4.2 Social operating results".

## 7.6 Other Significant Information

### 7.6.1 The Person Taking The Highest Responsibility in Accounting and Finance, The Person Supervising Accounting, Company Secretary and Head of Compliance of the Company

#### **The Person Taking The Highest Responsibility in Accounting and Finance**

Mr. Dhillokpat Nisamaneevong, Chief Financial Officer (CFO) is a person assigned to the highest responsibility in accounting and finance, which is the qualified person and suitable to be appointed as the person taking the highest responsibility in accounting and finance.

#### **The Person Supervising Accounting**

Miss Sirichan Phiraprawit, Assistant Vice President - Accounting is a person assigned to the person supervising accounting, which 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.

#### **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. The Board of Directors has appointed Mr. Somchai Bunsupaporn as the Company Secretary since October 28, 2003.

In addition, Mr. Somchai Bunsupaporn has been appointed as secretary to sub-committees such as the Audit Committee, the Executive Committee, the Corporate Governance Committee, the Nominating & Compensation Committee, the Risk Management Committee and the Sustainable Development Committee.

Further details of The Person Taking The Highest Responsibility in Accounting and Finance, The Person Supervising Accounting and Company Secretary of the Company are shown in “Attachmenet 1 Details of Directors, Managements, Controlling Person, The Person Taking The Highest Responsibility in Accounting and Finance, The Person Supervising Accounting and Company Secretary” which is publish on the Company’s website [www.samtel.com](http://www.samtel.com) under the section “Investor Relations” and “Financial Information” section “Annual Registration Statement / Annual Report (Form 56-1 One Report).

#### **Head of Internal Audit**

Mr. Somchai Bunsupaporn, Vice President - Internal Audit is a person assigned to the person head of internal audit of the Company.

Further details are shown in section 2 under the topic “9. Internal Audit and Connect Transactions” and details of Head of Internal Audit is shown in the topic “Attachmenet 3 Details of the Heads of the Internal Audit and Compliance Units” which is publish on the Company’s website [www.samtel.com](http://www.samtel.com) under the section “Investor Relations” and “Financial Information” section “Annual Registration Statement / Annual Report (Form 56-1 One Report).

#### **Head of Compliance of the Company**

The Company’s Compliance Unit is the responsibility of Company Secretary to ensure that the Company correctly complied with rules and regulations of the SEC, the SET and the Public Company Limited Act. and other relevant laws under supervision of the Company Secretary.

Further details of Company Secretary is shown in “Attachmenet 1 Details of Directors, Managements, Controlling Person, The Person Taking The Highest Responsibility in Accounting and Finance, The Person Supervising Accounting and Company Secretary” which is publish on the Company’s website [www.samtel.com](http://www.samtel.com) under the section “Investor Relations” and “Financial Information” section “Annual Registration Statement / Annual Report (Form 56-1 One Report).

### 7.6.2 Head of Investor Relations and Contact Information

Mr. Dhilokpat Nisamaneevong, Chief Financial Officer (CFO) is a person assigned to the Head of Investor Relations, and can be contacted at Investor Relations, Tel. 0-2502-6628 or send inquiries through the company's website at [www.samtel.com](http://www.samtel.com) or email [Dhilokpat.N@samtel.com](mailto:Dhilokpat.N@samtel.com).

### 7.6.3 Remuneration of the Auditors

#### 1. Audit Fee

In 2022, the Company and subsidiaries companies paid audit fee to the Company's auditor, EY Office Limited comprised of following details:

- Audit Fee for accounting period ended December 31, 2022 of the Company was Baht 2,800,000 of which excluded other miscellaneous payment of Baht 27,390 (i.e. auditors' traveling expenses, photo copy expenses etc.).
- Audit Fee for accounting period ended December 31, 2022 of the subsidiaries companies pay to audit firm or other persons of firms that related to the audit firm were Baht 5,120,000 of which excluded other miscellaneous payment of Baht 68,149 (i.e. auditors' traveling expenses, photo expenses etc.).

#### 2. Non-Audit Fee

In 2022, the Company and subsidiaries paid non-audit fee comprised of following details:

- The Company, paid professional fee to EY Office Limited for the review of compliance conditions stipulated in the Universal Service Obligation (USO) fee 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., a 99.63% stake hold by the Company, paid professional fee to EY Office Limited for the review of compliance conditions stipulated in the Universal Service Obligation (USO) fee 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

### 8.1 Summary of Duty Performance of the Board of Directors in the Past Year

#### **Set Policy and Business Direction**

The Board of Directors has determined and reviewed the Company's vision, mission, strategies, business plan and budget as well as to govern the management to follow such business plan and budget. The Board of Directors reviews, revises and approve the Company's vision, mission, Corporate Governance Policy, Business Ethics annually and co-considers in strategies, goal, direction, business plan, budget, internal control and internal audit systems, and risk management. The Audit Committee will follow up progress of such matters regularly reports to the Board of Directors. The Board of Directors also governs the management to follow such business plan and budget with efficiency and profitability for the highest economic value to the Company and the best stability to the shareholders. 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 competition with the Company and its subsidiaries. The Board of Directors also conduct the business with great awareness in ethical, moral and compliance to the Company's Articles of Associations, laws and regulations of the SET and the SEC. The Board of Directors has provided effective internal control system, internal auditing and risk management measures for the Company, and assigned the Audit Committee to monitor and regularly report to the Board of Directors.

The Company's vision, mission, business direction, Corporate Governance Policy, Risk Management Policy and Business Ethics have been posted on the Company's website at [www.samtel.com](http://www.samtel.com) under the section "Corporate Governance" and disclosed in the Annual Registration Statement / Annual Report (Form 56-1 One Report) under the governance of the Corporate Governance Committee to have all employees to strictly conform and practice.

In addition, the Company has communicated vision, mission, objective and business goals throughout the Company in order to drive the business in the same direction. The Company has organized management meeting for manager level up twice a year and communicated the matters to all employees in the organization through various media such as e-mail, computer screen saver, message on public relations board and company's elevator and other online media in the Company.

In 2022, the Board of Directors Meeting No. 5/2022 held on November 10, 2022 has reviewed the vision, mission, Corporate Governance Policy and Business Ethics to be consistent with the goals and Company's business strategy.

#### **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 the section of “6. Corporate Government” under the subject “6.1.2 Policy and Guidelines Related to Shareholders and Stakeholders”.

According to regulation of the adequacy evaluation of internal control and comply with Corporate Governance of the Company. The Company provided Business Ethics assessment for management to evaluate their practice of business ethics and report to Audit Committee. From the assessment, evaluated in the above areas, has an excellent average score of 100%.

### **8.1.1 Selection, Development and Evaluation of Duty Performance of the Board of Directors**

#### **8.1.1.1 Selection and Appointment of Directors and Management**

##### **Qualifications of independent directors**

1. Holding not more than 0.5 percent of the total number of voting rights of the Company, parent company, subsidiaries, affiliates, major shareholder or controlling person of the Company, including the shares held by related persons of the independent director;
2. Neither being nor used to be an Executive director, employee, staff or advisor who receives a salary; or controlling person of the Company, parent company, subsidiaries, affiliates, same-level subsidiaries, major shareholder or controlling person of the Company unless the foregoing status has ended not less than two years prior to the date of appointment;
3. Not being a person related by blood or legal registration such as father, mother, spouse, sibling and child, including spouse of child of other director, executive, major shareholder, controlling persons, or persons to be nominated as a director, executive or controlling person of the Company or subsidiaries;
4. Neither having nor used to have a business relationship with the Company, parent company, subsidiaries, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, parent company, subsidiaries, affiliates, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of appointment.

The aforementioned business relationship is inclusive of any normal business transaction, rental or lease of property, transaction relating to assets or services, or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions. These result in the Company or counterparty being liable to indebtedness payable to the other party in the amount from 3% of net tangible assets of the Company or from Baht 20 million, whichever is lower. The amount of indebtedness, included the obligation incurred during 1 year prior to the date of having a business relationship with the same person, is determined by the calculation method for value of connected transactions under the Notification of the Capital Market Supervisory Board concerning regulations in respect of an entering into connected transaction mutatis mutandis.

5. Neither being nor used to be an auditor of the Company, parent company, subsidiaries, affiliates, 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, parent company, subsidiaries, 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, parent company, subsidiaries, associate companies, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of appointment;
7. Not being a director appointed as a representative of directors of the Company, 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 significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding 1 percent of the total number of shares with voting rights of other company which undertakes business in the same nature and in significant competition to the business of the Company or subsidiaries;
9. Not having any characteristic which cause the inability to express independent opinions with regard to the Company's business operations.

The Company has policies and guidelines regarding the nomination and appointment of directors, management, and management succession plans. Details are shown in the section "6. Corporate Governance Policy" under the subject "6.1.1 Policy and Guidelines for the Board".

In 2022, the Board of Directors has considered and approved the re-appointment of directors and sub-committees of the Company, as follows:

1. Considered and approved the re-appointment of directors as list below to be the Directors of the Company for another term;
  1. Mr. Sirichai Rasameechan Independent Director
  2. Mr. Charoenrath Vilailuck Executive Director
  3. Mr. Thananan Vilailuck Executive Director
2. Considered and approved the appointment of the member of committees who has been retired by rotation as follows;
  - Approved the re-appointment of Miss Rapeepan Luangaramrut as Nominating and Compensation Committee Member;
  - Approved the re-appointment of all members of the Executive Board;
  - Approved the re-appointment of all members of the Corporate Governance Committee;
  - Approved the re-appointment of all members of the Risk Management Committee;
  - Approved the re-appointment of all members of the Sustainable Development Committee.

In order that, the directors and sub-committees that have been recruited and appointed are knowledgeable, capable, experienced, and have satisfactory performance throughout their tenure, and consistent with the Company's business strategy. Also, useful for setting directions and action plans of the Company's business groups.

### 8.1.1.2 Development of Directors and Management

#### Development of Directors

The Company provides orientation for new directors every time on the Board of director positions additional.

In addition to support and increase knowledgeable of directors, the Company also encourages all directors to strengthen their skills and knowledge for performing their duties including knowledge and understanding of relevant law and standards, and other applicable obligations, risk factors, and the Company's business environment. The board should receive accurate, timely and clear information, including timely and regular updates and also encouraged directors to attend the seminar in various courses Related to directors which is organized by the Thai Institute of Directors Association (IOD), especially the Director Certification Program (DCP), Director Accreditation Program (DAP) arranged by the Thai Institute of Directors (IOD). Five of the existing directors had joined DCP program and 6 directors joined 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 as follows:

Directors	Courses
1. General Sumpun Boonyanun	<ul style="list-style-type: none"> <li>- The accounting tips that AC shouldn't miss by the Securities and Exchange Commission, Thailand (SEC);</li> <li>- Online seminar on "Amidst the global economic crisis caused by pandemics, wars, energy, and inflation, what strategies should businesses adopt to stay competitive, survive the crisis, and grow sustainably?" by EY Office Limited.</li> </ul>
2. Mr. Vichai Pokasamrit	<ul style="list-style-type: none"> <li>- The accounting tips that AC shouldn't miss by the Securities and Exchange Commission, Thailand (SEC);</li> <li>- Online seminar on "Amidst the global economic crisis caused by pandemics, wars, energy, and inflation, what strategies should businesses adopt to stay competitive, survive the crisis, and grow sustainably?" by EY Office Limited.</li> </ul>
3. Miss Rapeepan Luangaramrut	<ul style="list-style-type: none"> <li>- The accounting tips that AC shouldn't miss by the Securities and Exchange Commission, Thailand (SEC);</li> <li>- Online seminar on "Amidst the global economic crisis caused by pandemics, wars, energy, and inflation, what strategies should businesses adopt to stay competitive, survive the crisis, and grow sustainably?" by EY Office Limited.</li> </ul>
4. Mr. Sirichai Rasameechan	Online cours on Personal Data Protection Act.
5. Mr. Kajornvut Tayanukorn	<ul style="list-style-type: none"> <li>- Online course on Business Ethic;</li> <li>- Online course on Personal Data Protection Act;</li> <li>- Online course on Improving Operatinal Efficiency with Big Data.</li> </ul>
6. Mr. Charoenrath Vilailuck	Online cours on Personal Data Protection Act.

Directors		Courses
7. Mr. Watchai	Vilailuck	- Online course on Business Ethic; - Online course on Personal Data Protection Act.
8. Mr. Thananan	Vilailuck	Online cours on Personal Data Protection Act.
9. Mr. Jong	Diloksombat	- Online course on Business Ethic; - Online course on Personal Data Protection Act; - Online course on Knowledge of Business and Human Rights.

#### Development of Managements

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 the Company to become business leader in the industry existed.

Detail of the Development of Management in 2022 are reported under Section "3.Driving Business for Sustainability under the subject "3.4.2 Social operating results".

#### 8.1.1.3 Evaluation of Duty Performance of the Boad of Directors, Executive Chairman and Company Secretary

##### 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:

- Structure and Qualification
- Role & Responsibilities
- 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 (9) agreed that for the above area, the Board of Directors of the Company has an **excellent** evaluation at the average score of 98.69%.

##### 2) Directors Self-Assessment

The Corporate Governance Committee has initiated the Self Assessment form for directors to evaluate their performance of director for 2022 and the assessment results were used to develop the performance of director individually. 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:

- Structure and Qualification
- Meeting
- Role & Responsibilities
- Self-Development

From the assessment which been completed by the Board members individually, total number of directors (9) agreed that for the above area, the Board of Directors of the Company has an **excellent** evaluation at the average score of 99.07%.

### 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:

- Structure and Qualification
- Meeting
- Role & Responsibilities
- Development & Training
- The activities of the Audit Committee
- The relationship among the head of internal audit, auditors and the management team

From the assessment which been completed by 3 Audit Committee Members, the members agreed that the Audit Committee has an **excellent** evaluation at the average score of 99.12%.

### 4) Committee Self-Assessment

The Corporate Governance Committee has initiated the self-assessment form of committees for 2022 as Executive Board, Corporate Governance Committee, Nominating & Compensation Committee, Risk Management Committee and Sustainable Development Committee. Results of the self-assessment of each 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 assessment form, which has been approved by the Board of Directors in its meeting No. 5/2022 on November 10, 2022 was sent to each committee for assessment. The questionnaire covers the following area:

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

The results from committee's performance self-assessment for 2022 in all of 4 topics were shown below:

1. The Executive Board has an **excellent** evaluation at the average score of 96.99%.
2. The Corporate Governance Committee has an **excellent** evaluation at the average score of 99.21%.
3. The Nominating & Compensation Committee has an **excellent** evaluation at the average score of 99.38%.
4. The Risk Management Committee has an **excellent** evaluation at the average score of 99.55%.
5. The Sustainable Development Committee has an **excellent** evaluation at the average score of 95.49%.



## 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
- Strategic formulation
- Financial planning and performance
- Board relations
- Risk management and internal control
- Human resources management
- Succession
- Product and service knowledge
- Good corporate governance and code of business conduct

From the assessment which been completed by 8 directors, the directors agreed that the Executive Chairman has an **excellent** evaluation at the average score of 98.68%.

## 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 from 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. Assessment result will be considered for remuneration adjustment. The questionnaire covers the following area:

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

From the assessment which been completed by 9 directors, the directors agreed that the Company Secretary has an **excellent** evaluation at the average score of 98.25%.

## 8.1.2 Meeting Attendance and Remuneration Payment to Each Board Member

### 8.1.2.1 Meeting Attendance

#### The Board of Directors Meeting

At a meeting of the Board of Directors, the presence of not less than one-half of the total number of directors is required to constitute a quorum. In the event the Chairman is not present or is unable to discharge his duties, the Vice-Chairman, if any, shall serve as a Chairman. If there is no Vice-Chairman or such Vice-Chairman is unable to discharge his duties, the directors present shall elect one of their members as the Chairman of the said meeting.

The Company set a minimum quorum at the time of voting to be at least two-thirds of all directors attending the meeting.

All resolutions of the Board of Directors' meeting shall be passed by the majority vote of the directors presented at the meeting. Each director shall have one vote, however, the director who has interest in any matter cannot exercise the right of such voting. In case of equality votes, the Chairman shall have a 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, arrangement and 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 notice of the Board of Directors' meeting with the meeting materials will be delivered by Company Secretary to all directors at least 5 working days prior to the meeting date for consideration. While the Company's Articles of Association stipulate that the notice should be sent to directors no less than 7 days before the meeting date except in urgent cases. In addition, if directors would like to propose the agenda, they will inform prior to the meeting date or propose as other matters in the meeting.

The average length of the meeting is approximately 2 hours. In 2022, the Board of Directors' meeting, total 5 meetings and the 2022 Annual General Meeting of Shareholder, were as follow:

Directors		The Board of Directors' Meeting (Number of Attendance / Total Number of Meeting)	The 2022 Annual General Meeting of Shareholder (Number of Attendance / Total Number of Meeting)
1. General Sumpun	Boonyanun	5/5	1/1
2. Mr. Vichai	Pokasamrit	5/5	1/1
3. Miss Rapeepan	Luangaramrut	5/5	1/1
4. Mr. Sirichai	Rasameechan	5/5	1/1
5. Mr. Kajornvut	Tayanukorn	5/5	1/1
6. Mr. Charoenrath	Vilailuck	5/5	1/1
7. Mr. Watchai	Vilailuck	5/5	1/1
8. Mr. Thananan	Vilailuck	5/5	1/1
9. Mr. Jong	Diloksombat	5/5	1/1

In 2022, the Board of Directors considered the following agendas:

- Considered to allow the minority shareholders to propose matter in the agenda and enquiries prior to the meeting date of 2022 AGM;
- Acknowledged the 2021 Committees' activities;
- Acknowledged assessment result on quality on arrangement of AGM of Shareholder for 2022;
- Acknowledged result on Corporate Governance of Thai Listed Companies for 2022;
- Acknowledged the self-assessment results of the Board and Committees for 2021 and the performance of the Executive Chairman and Company Secretary for 2021 and consider the criteria for self-assessment of the Board and Committees for 2022 and the evaluation of the Executive Chairman and Company Secretary Form for 2022;
- Acknowledged the report a change of such securities holding of the directors and the managements from the previous meeting;
- Acknowledged the report of the audit committee;
- Acknowledged the credit line status and borrowing of Samart Telcoms Public Company Limited Group;
- Considered the Company Operating Performance and Financial Statements for 2021 as well as quarterly performance of 2022;
- Considered the payment of performance bonus to the the directors of the Company;
- Considered the requesting a credit limit from a financial institution;

- Considered the sufficiency of the Company's Internal Control System;
- Considered the related party transactions;
- Considered vision, mission and the Company's 2023 business plan;
- Considered matters concerning to 2022 AGM agenda and provide opinions to shareholders for consideration;
- Considered the dividend payment for year 2021;
- Considered the interim dividend payment for six months of 2022;
- Considered the appointment of the Committees' members to replace of those who retire by rotation;
- Considered the salary increase for 2023, 2022 bonus and bonus policy for 2023;
- Considered the meeting schedule of the Board of Directors for 2023;
- Considered the Directors & Officer Liabilities and Corporate Reimbursement Insurance;
- Considered and reviewed the compliance with the principles of good corporate governance, Corporate Governance Policy, Business Ethics, and the Board of Director and the Committee Charters.

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

### Committee

In 2022, numbers of each meeting and time attendance of each member were summarized

Name	Number of Attendance / Total Number of Meeting					
	Audit Committee	Executive Board Committee	Corporate Governance Committee	Nominating & Compensation Committee	Risk Management Committee	Sustainable Development Committee
1. General Sumpun Boonyanun	4/4			3/3		
2. Mr. Vichai Pokasamrit	4/4		2/2	3/3		
3. Miss Rapeepan Luangaramrut	4/4		2/2	3/3		
4. Mr. Sirichai Rasameechan			2/2	3/3		
5. Mr. Kajornvut Tayanukorn			2/2			
6. Mr. Charoenrath Vilailuck		12/12			3/3	
7. Mr. Watchai Vilailuck		12/12			3/3	
8. Mr. Thananan Vilailuck		12/12			3/3	
9. Mr. Jong Diloksombat		12/12	2/2		3/3	4/4
10. Miss Chotika Kamloonwesaruch		12/12				4/4
11. Mr. Suchart Duangthawee		10/12 <sup>(1)</sup>				4/4
12. Mr. Dhilokpat Nisamaneevong		12/12				4/4
13. Mrs. Nisachol Udomwongwiwat						4/4
14. Miss Kanokwan Chanswangpuvana						4/4

*Remark: <sup>(1)</sup> Due to important.*

Details of agenda of each committee meetings in 2022 has been disclosed in the Company's Annual Registration Report / Annual Report (Form 56-1 One Report) under report of the each committee.

### Meeting among members of the Non-Executive Directors

In 2022, the non-executive directors has arranged the meeting among only members without any participation of the management team on 1 time, on November 10, 2022, to discuss various issues of interest regarding management. The results of the meeting were reported to the Board of Directors for acknowledgment.

### 8.1.2.2 Remuneration of Directors

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

The Shareholders in the 2022 Annual General Meeting held on April 22, 2022, approved remuneration for Directors of the Company and Committees' members at the amount of not exceeding Baht 6.5 million the same as previous year which consists of meeting allowance and bonus. The meeting allowance for each meeting participated of the Board of Directors and Committees are as follows:

#### Board of Directors

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

#### Audit Committee

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

#### Corporate Governance Committee

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

#### Nominating & Compensation Committee

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

Cash & Non-Cash Remuneration of Directors and Committees' members of 2022

Directors	Cash Remuneration (Baht)								
	Company							Subsidiaries	Grand Total
	Meeting Allowance <sup>(1)</sup>					Performance Bonus	Total Cash Remuneration from the Company		
	Board of Directors	Audit Committee	Corporate Governance Committee	Nominating & Compensation Committee	Total Meeting Allowance				
1. General Sumpun Boonyanun Chairman / Independent Director Chairman of the Nominating & Compensation Committee	150,000	60,000	-	60,000	270,000	80,000	350,000	-	350,000
2. Mr. Vichai Pokasamrit Director / Independent Director Chairman of the Audit Committee / Chairman of the Corporate Governance Committee	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:** <sup>(1)</sup> 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.

### 8.1.3 Supervision of the Subsidiary and the Associated Company

The Board of Directors has defined policy and principle of Supervision of the Subsidiary and the Associated Company to oversee the management and take charge in the operation of subsidiaries and associated companies as well as to protect the benefits of the Company's investment. Detail is shown in the topic "6. Corporate Governance Policy" under the subject "6.1.1 Policy and Guidelines for the Board".

For the past year, the subsidiary and associated company had no case of non-compliance with the supervision of the subsidiary and the associated company policy.

### 8.1.4 Corporate Governance Policy and Guideline Compliance Control

#### (1) Prevention of Conflicts of Interest

The Company has defined a conflict of interest policy, in order that the directors, managements and employees have to perform their duties to prevention of conflicts of interest in the Company's Business Ethics. Including, the Company disclosed in the topic "6. Corporate Governance Policy" under the subject "6.1.2 Policy and Guidelines Related to Shareholders and Stakeholders". The Company has informed the guidelines for everyone in the organization to adhere to. The Corporate Governance Committee is responsible for monitoring compliance with the rules, regulations, corporate governance policies and the Company's business ethics regularly and strictly.

In 2022, the Company has provided online a training on prevention of conflicts of interest as part of its business ethics course via online in the V-Learn system for all levels of employees. The employees have completed the training and passed the test, representing 96%. Employees are required to take a test after training to pass with a score of no less than 80% of all questions.

For the past year, the directors, managements, employees and other related parties had no conflicts of interest with the Company.

## **(2) Use of inside information for exploitation**

The Company sets as policy that all employees shall acknowledge and sign the agreement of non-disclosure confidential information, non-offence of computer related and non-infringement of intellectual property. New employee shall sign this agreement together with employment contract. It was also set forth in the Company's Corporate Governance Policy to refuse directors, management and employees of the Company to use Company's inside information for personal benefits. Any trading of Samart Group's securities within 1 month prior to disclosure of either Company's financial performance or any other information that may affect securities' price and derivatives is prohibited. To ensure that the policy is acknowledged and complied, the Company will notify the all-year schedule of such periods in advance to all directors and management. Every quarter, the Company has also delivered such notice to directors and management to acknowledge.

In 2022, the Company has arranged the following activities:

1. The Company has provided online a training on Inside Information Monitoring as part of its business ethics course via online in the V-Learn system for all levels of employees. The employees have completed the training and passed the test, representing 96%. Employees are required to take a test after training to pass with a score of no less than 80% of all questions.
2. The Company Secretary Department has notified via e-mail to related persons to inform the period of time prohibited trading securities in advance and did not find any directors or executives of the Company trading securities by using inside information.

## **(3) Anti-Corruption**

The Company conducts all business affairs under principles of good corporate governance. Anti-Corruption Policy is set to prevent all corruptions that may arise from operating activities and contacts with stakeholders which the directors, executives and employees of the Company, its subsidiaries and associated companies must strictly adhere. The Company has declared in the Company's Code of Business Ethics manual for all employees to adhere. Details of Anti-Corruption policy, Guidelines to perform of anti-corruption, penalty and the result of the implementation of such policies were disclosed in the topic "6 Corporate Governance Policy" under the subject "6.1.2 Policy and Guidelines Related to Shareholders and Stakeholders".

In 2022, the Company has provided online a training on anti-corruption as part of its business ethics course via online in the V-Learn system for all levels of employees. The employees have completed the training and passed the test, representing 96%. Employees are required to take a test after training to pass with a score of no less than 80% of all questions.

In the past year, no employees fraud, just found deflect of non-compliance of the Company's regulations, which have been amended and clarified the correct procedures for employees to acknowledge. Furthermore, no Director or Executive was found to break the rules or was forced to resign on the ground of violation of corporate governance principles as well as any case which may damage the Company from performing duty within the Company.



**(4) Whistleblowing**

The Company 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.

Details of Procedures and methods on "Notifying the information on misconduct and the protection of the informant" has disclosed in the topic "6 Corporate Governance Policy" under the subject "6.1.2 Policy and Guidelines Related to Shareholders and Stakeholders".

In 2022, no notifying information on misconduct behavior was sent to the Company.

## 8.2 Report on the Results of Duty Performance of the Audit Committee in the Past Year

See details in the topic Report of the Audit Committee on page 12.

## 8.3 Summary of the Results of Duty Performance of committees

### 8.3.1 Report of the Executive Board

See details in the topic Report of the Executive Board on page 6.

### 8.3.2 Report of the Corporate Governance Committee

See details in the topic Report of the Corporate Governance Committee on page 15.

### 8.3.3 Report of the Nominating & Compensation Committee

See details in the topic Report of the Nominating & Compensation Committee on page 17.

### 8.3.4 Report of the Risk Management Committee

See details in the topic Report of the Risk Management Committee on page 14.

### 8.3.5 Report of the Sustainable Development Committee

See details in the topic Report of the Sustainable Development Committee on page 19.

## 9. Internal Control and Connected Transactions

### 9.1 Internal Control

#### **Opinions of the Board of Directors and the Audit Committee about the Company's internal control system**

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

The Company has efficient internal control system and risk management by using the principles and guidelines complying with the internal control and risk management framework which are referred to the international standard of the Committee of Sponsoring Organization of the Treadway Commission (COSO) concept, which relate to business operations and management processes within the Company. In 2022, the Board of Directors evaluated the Company's internal control system as guideline from the Securities and Exchange Commission and found no significant error on the Company's internal control system. The 5 enterprise risk management components are as follows:

#### **1) Control Environment**

The Company has set its annual Business Plan (BP) by carefully reviewing and considering the possibility of the goal setting and set Key Performance Indicator (KPI) as a tool to reward to employees. For business clearer and more efficiency, business structure has been classified into 3 Business Groups. Moreover, the Company has reviewed the implementation of good Corporate Governance Principle and issued the Corporate Governance Policy, the Code of Conduct Manual for Directors and Staff as the guidance to strictly adhere with integrity and transparency.

#### **2) Risk Assessment**

The Company has set up the Risk Management Committee and applying Enterprise Risk Management (ERM) to assess business risks and introduce preventive/corrective control measures to cope with such risks to comply with new standard of risk management of COSO (The Committee of Sponsoring Organizations of the Treadway Commission) The Company has systematic tools and methods on risk assessment and has prescribed the appropriated criteria in each level, i.e. at organizational and operational level. Qualitative and quantitative assessments have also been conducted by considering from the acceptable risk levels of the organization and from 2 aspects, i.e. impact or damages caused by the incident and risk likelihood to consider risk levels, such as high, middle or low and the methods have been sought to manage those risks. The Company specified that the meeting 3 times a year to evaluate business risks must be arranged on continued basis.

### 3) Control Activities

The Company's policies and working procedures were clearly put in place and timely adjusted to corporate changes. The Executive Board, Audit Committee, and the Board of Directors involved as deem appropriate in all-important decisions concerning SET/SEC's regulations. Financial Unit, Debt Management Units Legal Unit as well as Internal and External Audit Units were put in place to supervise corporate activities to be performed in accordance with applicable rules and laws.

### 4) Information and Communication

The Company places importance on information security management. There is a security control by setting permissions to access information in various systems according to the principle of separation of duties and uses. The Data Center was established to be the information center for the operations of the organization. The Company uses ERP Software (SAP) system to support Accounting unit, Inventory work and equipment stock control systems to support the Company's business. Under information security management and control with international standards, the Company has received the International Standard ISO 27001 including having a back up site of all information systems as well as implementing the Human Resources Information System (HRIS).

The Company provided the intranet, internet, line group and e-mail systems for internal and external communication regarding the policies, procedures, manuals, announcements and news. And also there are the channels for stakeholders' complaint or suggestion through mail and Company's website.

### 5) Monitoring Activities

The Company has appropriated procedures to monitor and supervise work performances by comparing them with the targets or Key Performance Indicator (KPI) in each level regularly. In addition, it also has good assessment, analysis and monitoring system, for instance, it specified that the employees at supervisor level must monitor work performances and reports of their subordinates closely and then report to higher supervisor level to ensure that internal control system and measures are efficiently and can respond to risk factors and changes appropriately and in time.

In addition, the Company arranges for the Executive Board Committee meeting every month, to monitor the performance of the Company and its subsidiaries in order to comply with the annual strategy and plan.

### 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 an effective internal control that suitable for the Company's business and has enough personnel to operate the internal control system effectively. Furthermore, the Company's auditor, Ms. Siriwan Suratepin, an auditor license no. 4604, audited the Company's financial statement for the year ended December 31, 2022 without any comment on the Company's internal control system as significant error.

### **Internal Audit**

The Internal Audit unit has independence and righteousness and it shall directly report to the Audit Committee, has its Audit Charter which clearly defines scope and responsibility. The audit manual has been prepared and updated continually to be used as referenced criteria for equal operational guidelines and to ensure that the operations of Internal Audit unit are qualified and complied with the international standard on internal audit professions to promote and improve the organization so that it shall have good corporate governance, increase values to the stakeholders and can lead to sustainable development.

The Internal Audit unit must audit and assess efficiency of the internal control system, risk management system, compliance of the Company in accordance with the annual audit plan by considering from objectives, strategies, overall missions, risk based audit approach including key control point and additional comments from the management. Such audit plan has been approved by the Audit Committee and it also included recommendations in various aspects, i.e. the preparation of internal control measures and risk management. This method can help the Company be confident that the operations shall be achieved as per the set strategies and objectives. The results were also monitored and assessed regularly to ensure that the planned system can be performed continually and it has been revised and updated regularly.

With regard to the assessment of efficiency of risk management system, the Internal Audit unit has reviewed the incident indicators or risk factors which impacted objectives and risk management guidelines of the operators. The objectives were to ensure that risks have been identified and assessed correctly and risk management was systematically implemented so that it can manage risks to be in acceptable level. There must be a complete and prompt report and risks must be regularly monitored and reviewed.

With regard to the risk assessment on corruption from outside and inside the organization, the Internal Audit unit has assessed by identifying indication and possibility of corruption from outside and inside the organization and then considered the preventive and control measures for maximum efficiency to ensure that the Company can prevent and control this matter, so that it can achieve the objectives planned.

The Head of Internal Audit acts as the secretary to the Audit Committee to enhance the effective achievement of its responsibilities and ensure accountability as assigned by the Board of Directors and also provide recommendations and suggestions in various aspects which are beneficial to the organization. Moreover, the Audit Committee also emphasized quality and development of internal audit task and also encouraged the internal audit personnel to develop themselves on continued and regular basis.

#### **Head of Internal Audit of the Company**

In 2003, the Board of Directors by through the approval of the Audit Committee has appointed Mr. Somchai Bunsupaporn to be the Company's head of Internal Audit.

The Audit Committee deemed that the Head of Internal Audit Unit has suitable qualifications and can effectively perform duties. During 2022, the Head of Internal Audit Unit has performed the following duties:

1. Propose annual audit plan to the Audit Committee to approve the plan and supervise to have a check Examination of operations in accordance with the plans approved by the audit committee.
2. To control the audit work to ascertain that the Company's performance meet legal requirements, of the Stock Exchange of Thailand or regulations of the relevant government agencies.
3. To give suggestion to the Company's executives and employees on efficient performance.
4. To report important issues concerning internal control systems of the Company which have been found upon audit process.
5. To coordinate, supervise and control on various aspects, such as risk management, code of conducts, etc.
6. Perform other works which are relevant to internal audit as per assigned by the Audit Committee.

Head of Internal Audit Unit can provide useful information and recommendation to various departments in the Company with regards to how to operate the works to make them consistent with the laws, rules and regulations required as completely.

The consideration of the appointment, removal and relocation of the Head of Internal Audit are required to have an approval from the Audit Committee.

## 9.2 Connected Transactions

### 9.2.1 Details of the connected transactions which might have conflicts of interest.

The connected transactions disclosed in this section are transactions of the Company and its subsidiaries with those who may have a conflict of interest as at December 31, 2021 and 2022:

Connected Companies	Relationship	List of Joint Committees
Samart Corporation Pcl.	The major shareholder of the Company and holds a 70.14% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Thananan Vilailuck Mr. Sirichai Rasameechan
Samart U-Trans Co., Ltd.	Samart Corporation Pcl. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck
Vision and Security System Co., Ltd.	Samart Corporation Pcl. holds a 73% stake.	Mr. Watchai Vilailuck Mr. Thananan Vilailuck
Samart Engineering Co., Ltd.	Samart Corporation Pcl. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Thananan Vilailuck
Teda Co., Ltd.	Samart U-Trans Co., Ltd. holds a 94.35% stake.	Mr. Thananan Vilailuck
Samart Aviation Solutions Pcl. <sup>(1)</sup>	Samart U-Trans Co., Ltd. holds a 66.67% stake and Samart Inter Holding Co., Ltd. holds a 33.33% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Sirichai Rasameechan
Samart Digital Pcl.	Samart Corporation Pcl. holds a 65.31% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck
Samart Digital Media Co., Ltd.	Samart Digital Pcl. holds a 99.99% stake.	Mr. Watchai Vilailuck
Lucky Heng Heng Co., Ltd. (Formerly known as SIM 2 Asset Co., Ltd.)	Samart Digital Pcl. holds a 99.99% stake	Mr. Watchai Vilailuck
Thai Base Station Co., Ltd.	Samart Digital Pcl. holds a 99.99% stake.	Mr. Watchai Vilailuck
Vilailuck International Holding Co., Ltd.	Vilailuck International Holding Co., Ltd. holds a 14.78% stake in Samart Corporation Pcl.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Thananan Vilailuck
Samart Communication Services Co., Ltd.	Samart Telcoms Pcl. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Jong Diloksombat
Samart Comtech Co., Ltd.	Samart Telcoms Pcl. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Jong Diloksombat
Posnet Co., Ltd.	Samart Telcoms Pcl. holds a 99.99% stake.	-
Thai Trade Net Co., Ltd.	Samart Telcoms Pcl. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Jong Diloksombat
Smarterware Co., Ltd.	Samart Telcoms Pcl. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Jong Diloksombat
Samart Infonet Co., Ltd.	Samart Telcoms Pcl. holds a 99.63% stake.	Mr. Watchai Vilailuck Mr. Jong Diloksombat

*Remark:* <sup>(1)</sup> On process of being listed in SET.

Connected Companies	Relationship	List of Joint Committees
Samart Ed Tech Co., Ltd.	Samart Telcoms Pcl. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Jong Diloksombat
Portalnet Co., Ltd.	Samart Telcoms Pcl. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Jong Diloksombat
NetService (Thailand) Co., Ltd.	Samart Comtech Co., Ltd. holds a 60% stake.	Mr. Charoenrath Vilailuck Mr. Jong Diloksombat
Secureinfo Co., Ltd.	Samart Comtech Co., Ltd. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Jong Diloksombat
Phuphatara Co., Ltd.	Vilailuck International Holding Co., Ltd. indirectly holds a 42.38% stake. (VIH is the major shareholder of Samart Corporation Pcl.)	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Thananan Vilailuck
Vilailuck Development Co., Ltd.	Vilailuck International Holding Co., Ltd. holds a 42.38% stake. (VIH is the major shareholder of Samart Corporation Pcl.)	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Thananan Vilailuck
I.Q Wine Co., Ltd.	Related Director is Mr. Thananan Vilailuck	Mr. Thananan Vilailuck
CSV Asset Co., Ltd.	Vilailuck International Holding Co., Ltd. holds a 99.99% stake. (VIH is the major shareholder of Samart Corporation Pcl.)	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck
Le Votel Khaoyai Co., Ltd.	Vilailuck International Holding Co., Ltd. indirectly holds a 21.19% stake. (VIH is the major shareholder of Samart Corporation Pcl.)	Mr. Watchai Vilailuck
S 39 Fish Market Co., Ltd.	Has Executive Director of the Company as a related person is Mr. Watchai Vilaluck.	-
Lim Fun Co., Ltd.	Vilailuck International Holding Co., Ltd. holds a 99.99% stake. (VIH is the major shareholder of Samart Corporation Pcl.)	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck



## Connected Transactions

### 1) Rental and Services Fee

Nature of major transactions	Value (Million Baht)		Justification of Transactions
	For the year ended 31 December 2022	For the year ended 31 December 2021	
1. Samart Telcoms Pcl. rent the office at Software Park Building and used the public utilities services for the year 2021 with area 1,477.92 sq. meter. and for the year 2022 with area 1,047.92 sq. meter. from Samart Corporation Pcl.	9.11	10.01	The building is rented to be used as office space. The rental and service charges for public utilities are reasonable when compared to market price within the same area.
2. Samart Telcoms Pcl. rent the office at Software Park Building and used the public utilities services for the year 2021 with area 770.38 sq. meter. and for the year 2022 with area 683.95 sq. meter. from Vilailuck International Holding Co., Ltd.	5.53	5.70	The building is rented to be used as office space. The rental and service charges for public utilities are reasonable when compared to market price within the same area.
3. Samart Communication Services Co., Ltd. rent the office at Software Park Building and used the public utilities services for the year 2021 with area 245.50 sq. meter. and for the year 2022 with area 495.50 sq. meter. from Samart Corporation Pcl.	2.79	2.10	The building is rented to be used as office space. The rental and service charges for public utilities are reasonable when compared to market price within the same area.
4. Samart Communication Services Co., Ltd. rent a warehouse located at 59 Moo 2, Phaholyothin Rd. Klong 1, Klongluang, Pathumthanee for the year 2021 with area 1,020 sq. meter. and for the year 2022 with area 1,200 and 600 sq. meter. from Samart Engineering Co., Ltd.	1.90	0.98	The building is rented to be used as a storage for the product and equipment. The rental and service charges for public utilities are reasonable when compared to market price within the same area.
5. Samart Communication Services Co., Ltd. rent the office at Software Park Building and used the public utilities services for the year 2021 and 2022 with area 19.83, 54.67 and 546.93 sq. meter. from Vilailuck International Holding Co., Ltd.	4.68	4.60	The building is rented to be used as office space. The rental and service charges for public utilities are reasonable when compared to market price within the same area.
6. Samart Communication Services Co., Ltd. rent the office at Smart One Building, and used the public utilities services for the year 2021 and 2022 with area 288 sq. meter. from CSV Asset Co., Ltd.	1.63	1.56	The building is rented to be used as office space. The rental and service charges for public utilities are reasonable when compared to market price within the same area.
7. Posnet Co., Ltd. rent a warehouse located at 101/4 Moo 20 Phaholyothin Rd. Klong 1, Klongluang, Pathumthanee and used the public utilities services for the year 2021 with area . 199.40 sq. meter. and for the year 2022 with area 106.90 sq. meter. from Samart Corporation Pcl.	0.19	0.21	The building is rented to be used as a storage for the product and equipment. The rental and service charges for public utilities are reasonable when compared to market price within the same area.
8. Posnet Co., Ltd. rent the office at Software Park Building and used the public utilities services for the year 2021 and 2022 with area 841.35 sq. meter. from Samart Corporation Pcl.	6.33	6.23	The building is rented to be used as office space. The rental and service charges for public utilities are reasonable when compared to market price within the same area.

Nature of major transactions	Value (Million Baht)		Justification of Transactions
	For the year ended 31 December 2022	For the year ended 31 December 2021	
9. Posnet Co., Ltd. rent the office at Software Park Building and used the public utilities services for the year 2021 with area 119.85 sq. meter. from Vilailuck International Holding Co., Ltd.	-	0.85	The building is rented to be used as office space. The rental and service charges for public utilities are reasonable when compared to market price within the same area.
10. Posnet Co., Ltd. rent the office at Smart One Building, and used the public utilities services for the year 2022 with area 185.40 sq. meter. from CSV Asset Co., Ltd.	0.67	-	The building is rented to be used as office space. The rental and service charges for public utilities are reasonable when compared to market price within the same area.
11. Samart Comtech Co., Ltd. rent the office at Software Park Building and used the public utilities services for the year 2021 with area 462.71 sq. meter. and for the year 2022 with area 436.26 sq. meter. from Samart Corporation Pcl.	3.28	3.87	The building is rented to be used as office space. The rental and service charges for public utilities are reasonable when compared to market price within the same area.
12. Samart Comtech Co., Ltd. rent a warehouse located at 37/1 Moo 2 Phaholyothin Rd. Klong 1, Klongluang, Pathumthanee and used the public utilities services for the year 2021 and 2022 with area 830 sq. meter. from Samart Corporation Pcl.	0.90	0.86	The building is rented to be used as a storage for the product and equipment. The rental and service charges for public utilities are reasonable when compared to market price within the same area.
13. Samart Comtech Co., Ltd. rent the office at Software Park Building and used the public utilities services for the year 2021 and 2022 with area 1,476.41 sq. meter. from Vilailuck International Holding Co., Ltd.	11.11	10.93	The building is rented to be used as office space. The rental and service charges for public utilities are reasonable when compared to market price within the same area.
14. Secureinfo Co., Ltd. rent the office at Software Park Building and used the public utilities services for the year 2021 and 2022 with area 1,286.86 sq. meter. from Vilailuck International Holding Co., Ltd.	9.68	9.77	The building is rented to be used as office space. The rental and service charges for public utilities are reasonable when compared to market price within the same area.
15. Samart Infonet Co., Ltd. rent the office at Software Park Building and used the public utilities services for the year 2021 and 2022 with area 48 sq. meter. from Samart Corporation Pcl.	0.36	0.36	The building is rented to be used as office space. The rental and service charges for public utilities are reasonable when compared to market price within the same area.
16. Portalnet Co., Ltd. rent the office at Software Park Building and used the public utilities services for the year 2021 and 2022 with area 116.44 sq.meter. from Samart Corporation Pcl.	0.88	0.86	The building is rented to be used as office space. The rental and service charges for public utilities are reasonable when compared to market price within the same area.
17. Smarterware Co., Ltd rent the office at Software Park Building and used the public utilities services for the year 2021 with area 80 sq. meter. and for the year 2022 with area 166.43 sq.meter. from Vilailuck International Holding Co., Ltd.	0.87	0.35	The building is rented to be used as office space. The rental and service charges for public utilities are reasonable when compared to market price within the same area.

Nature of major transactions	Value (Million Baht)		Justification of Transactions
	For the year ended 31 December 2022	For the year ended 31 December 2021	
18. Thai Trade Net Co., Ltd rent the office at Software Park Building and used the public utilities services for the year 2022 with area 180 sq. meter. from Samart Corporation Pcl.	1.07	-	The building is rented to be used as office space. The rental and service charges for public utilities are reasonable when compared to market price within the same area.

## 2) Interest income on Finance lease receivables

Lessor Company	Lessee Company	Interest Rate (%)	Value (Million Baht)	
			For the year ended 31 December 2022	For the year ended 31 December 2021
1. Samart Comtech Co., Ltd.	For the hire purchase agreement to lease Outside Broadcasting Van equipped with media production system and television broadcast to Siam Sport Television Co., Ltd.,	7.5%	Finance lease receivables	Finance lease receivables
			90.18	128.36
			Interest income	Interest income
			5.86	6.59

## 3) Transactions of Sales of Goods and Services as a Normal Business

Sellers of Goods / Services	Buyers of Goods / Services	Value (Million Baht)	
		For the year ended 31 December 2022	For the year ended 31 December 2021
1. Samart Telcoms Pcl.	Samart Corporation Pcl.	0.06	-
	Samart Digital Media Co., Ltd.	-	0.02
2. Samart Communication Services Co., Ltd.	Samart Corporation Pcl.	0.01	-
	Samart Digital Pcl.	6.37	2.15
	Vision and Security System Co., Ltd.	0.58	1.40
3. Thai Trade Net Co., Ltd.	Samart Corporation Pcl.	0.01	0.01
4. Samart Comtech Co., Ltd.	Samart Corporation Pcl.	16.24	14.16
	Samart U-Trans Co., Ltd.	0.01	0.30
	Samart Digital Pcl.	424.02	295.75
5. Secureinfo Co., Ltd.	Samart Corporation Pcl.	3.88	1.65
6. Smarterware Co., Ltd.	Samart Corporation Pcl.	0.59	0.73
7. Samart Infonet Co., Ltd.	Samart Corporation Pcl.	3.42	2.08
	Samart Digital Pcl.	1.37	1.45
	Samart Engineering Co., Ltd.	0.17	0.17
	I.Q Wine Co., Ltd.	0.26	0.26
	Le Votel Khaoyai Co., Ltd.	0.54	0.54

Sellers of Goods / Services	Buyers of Goods / Services	Value (Million Baht)	
		For the year ended 31 December 2022	For the year ended 31 December 2021
8. Samart Corporation Pcl. (IT Data Center services)	Samart Telcoms Pcl.	10.80	4.32
	Samart Communication Services Co., Ltd.	8.04	19.44
	Posnet Co., Ltd.	2.78	2.78
	Thai Trade Net Co., Ltd.	1.32	1.39
	Samart Comtech Co., Ltd.	3.49	3.49
	NetService (Thailand) Co., Ltd.	0.56	0.60
	Samart Infonet Co., Ltd.	0.85	1.07
	Portalnet Co., Ltd.	4.02	3.87
	Smarterware Co., Ltd.	0.81	0.81
	Samart Ed Tech Co., Ltd.	0.56	0.61
9. Samart Corporation Pcl. (Management Fee)	Samart Telcoms Pcl.	36.84	34.56
10. Samart Corporation Pcl.	Samart Telcoms Pcl.	0.03	-
	Samart Communication Services Co., Ltd.	0.01	-
	Samart Infonet Co., Ltd.	0.47	1.42
	Thai Trade Net Co., Ltd.	1.51	1.27
	Samart Comtech Co., Ltd.	0.24	-
	Secureinfo Co., Ltd.	0.35	0.58
	Samart Ed Tech Co., Ltd.	0.01	-
	Posnet Co., Ltd.	0.20	0.20
11. Samart Digital Pcl.	Samart Telcoms Pcl.	-	2.12
	Samart Communication Services Co., Ltd.	58.42	180.06
	Samart Comtech Co., Ltd.	0.75	0.36
12. Samart Engineering Co., Ltd.	Samart Telcoms Pcl.	0.07	0.32
	Samart Communication Services Co., Ltd	38.03	3.45
	Samart Comtech Co., Ltd.	55.53	60.58
13. Vision and Security System Co., Ltd.	Samart Telcoms Pcl.	0.04	0.01
	Samart Communication Services Co., Ltd	1.87	4.16
	Samart Comtech Co., Ltd.	54.22	256.59
	Portalnet Co., Ltd.	-	0.01
14. Vilailuck International Holding Co., Ltd.	Portalnet Co., Ltd.	0.01	-
	Samart Communication Services Co., Ltd	-	0.01
15. CSV Asset Co., Ltd.	Samart Telcoms Pcl.	-	0.05
	Samart Comtech Co., Ltd.	-	0.05
	Samart Communication Services Co., Ltd	-	0.05
16. I.Q Wine Co., Ltd.	Samart Telcoms Pcl.	0.18	0.32
	Samart Comtech Co., Ltd.	0.68	0.05
	Samart Communication Services Co., Ltd.	-	0.04
17. Portalnet Co., Ltd.	Samart Corporation Pcl.	1.85	1.80
18. Teda Co., Ltd.	Samart Comtech Co., Ltd.	0.04	-

Sellers of Goods / Services	Buyers of Goods / Services	Value (Million Baht)	
		For the year ended 31 December 2022	For the year ended 31 December 2021
19. Lucky Heng Heng Co., Ltd.	Samart Communication Services Co., Ltd.	0.02	-
	Samart Comtech Co., Ltd.	0.02	-
20. Lim Fun Co., Ltd.	Samart Communication Services Co., Ltd.	0.01	-
	Samart Comtech Co., Ltd.	0.06	-
	Portalnet Co., Ltd.	0.02	-
21. S 39 Fish Market Co., Ltd.	Samart Telcoms Pcl.	0.06	0.22
	Portalnet Co., Ltd.	0.03	0.03

#### 4) Miscellaneous Normal Business Transactions

Nature of Major Transactions	Value (Million Baht)		Justification
	For the year ended 31 December 2022	For the year ended 31 December 2021	
1. Samart Telcoms Pcl. paid for the equipment rental, services charges, and miscellaneous expenses to Samart Corporation Pcl.	0.01	0.01	The equipment rentals, services charges, and miscellaneous expenses are normal business transactions at market or actual price in advance.
2. Samart Telcoms Pcl. paid for the water, electricity, and car park rental to Vilailuck International Holding Co., Ltd.	0.11	0.16	Normal business transaction at market price.
3. Samart Telcoms Pcl. paid for miscellaneous expenses to Le Votel Khaoyai Co., Ltd.	-	0.16	Normal business transaction at market price.
4. Samart Telcoms Pcl. paid for miscellaneous expenses to Phuphatara Co., Ltd.	-	0.01	Normal business transaction at market price.
5. Samart Telcoms Pcl. paid for miscellaneous expenses to Lucky Heng Heng Co., Ltd.	0.04	-	Normal business transaction at market price.
6. Samart Telcoms Pcl. paid for miscellaneous expenses to Lim Fun Co., Ltd.	0.17	-	Normal business transaction at market price.
7. Samart Communication Services Co., Ltd. paid for the water, electricity, and car park rental to Vilailuck International Holding Co., Ltd.	0.66	0.57	Normal business transaction at market price.
8. Samart Communication Services Co., Ltd. paid for the miscellaneous expenses to CSV Asset Co., Ltd.	0.43	0.37	Normal business transaction at market price.
9. Samart Communication Services Co., Ltd. paid for the miscellaneous goods and service expenses to Phuphatara Co., Ltd.	0.01	-	Normal business transaction at market price.
10. Samart Communication Services Co., Ltd. paid for miscellaneous expenses to I.Q Wine Co., Ltd.	0.13	-	Normal business transaction at market price.
11. Posnet Co., Ltd. paid for miscellaneous expenses to CSV Asset Co., Ltd.	0.02	-	Normal business transaction at market price.
12. Posnet Co., Ltd. paid for miscellaneous expenses to Vilailuck International Holding Co., Ltd.	0.05	0.13	Normal business transaction at market price.

Nature of Major Transactions	Value (Million Baht)		Justification
	For the year ended 31 December 2022	For the year ended 31 December 2021	
13. Thai Trade Net Co., Ltd. paid for miscellaneous expenses to Vilailuck International Holding Co., Ltd.	0.10	0.06	Normal business transaction at market price.
14. Samart Comtech Co., Ltd. paid for the office supplies and the miscellaneous services to Samart Corporation Pcl.	0.01	-	Normal business transaction at market price.
15. Samart Comtech Co., Ltd. paid for the water, electricity, and car park rental to Vilailuck International Holding Co., Ltd.	0.63	0.55	Normal business transaction at market price.
16. Samart Comtech Co., Ltd. paid for miscellaneous expenses to Samart Engineering Co., Ltd.	2.13	0.06	Normal business transaction at market price.
17. Samart Comtech Co., Ltd. paid for miscellaneous expenses to Vilailuck Development Co., Ltd.	0.16	-	Normal business transaction at market price.
18. Samart Infonet Co., Ltd. paid for miscellaneous expenses to Vilailuck International Holding Co., Ltd.	0.05	0.05	Normal business transaction at market price.
19. Smarterware Co., Ltd. paid for car park rental to Vilailuck International Holding Co., Ltd.	0.02	0.03	Normal business transaction at market price.
20. Samart Ed Tech Co., Ltd. paid for car park rental to Vilailuck International Holding Co., Ltd.	0.01	0.01	Normal business transaction at market price.
21. Secureinfo Co., Ltd. paid for miscellaneous expenses to Samart Corporation Pcl.	1.08	1.44	Normal business transaction at market price.
22. Secureinfo Co., Ltd. paid for the water, electricity, and car park rental to Vilailuck International Holding Co., Ltd.	0.38	0.31	Normal business transaction at market price.

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

### Necessity and Rationale for Transactions

The Company's Audit Committee is of the opinion that the inter-company transactions above were reasonable and necessary for the Company's operations. Before entering such transactions, the Board of Directors evaluates them on the basis of providing maximum value to the Company. The terms and conditions of connected transactions were set according to standard business terms and conditions, and at market rates.

### 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.

### 9.2.3 Policies and Trend in Future Connected Transactions

In the future, the Company may engage in connected transactions as it deems appropriate based on normal business terms and conditions. It will comply with the laws on securities and the stock market, as well as the relevant regulations, announcements, orders or requirements of the Stock Exchange of Thailand. It will also strictly follow the requirements and practices regarding disclosure of connected transactions, and the acquisition or sale of important assets of the listed company, according to the accounting standards set by the Association of Accountants. The Company will disclose connected transactions in the Notes to Financial Statements audited by the Company's external auditor.

*Remark: The shareholders can find the information about connected transactions for the past 3 years on the Company's website [www.samtel.com](http://www.samtel.com) under the sections "Investor Relations" and "Financial Information"*

# Section 3

## Financial Statements

Report and Consolidated Financial Statements  
Report of the Board of Directors' Responsibility  
on the Company's Financial Statements

# Independent Auditor's Report

To the Shareholders of Samart Telcoms Public Company Limited

## Opinion

I have audited the accompanying consolidated financial statements of Samart Telcoms 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 Telcoms 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 Telcoms Public Company Limited and its subsidiaries and of Samart Telcoms 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.

## 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 for each matter are described below.

### Revenue recognition and estimation of provisions 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, provisions for delay penalties and possible loss on projects under long-term contracts in Note 4.1, 5.1 and 28 to the financial statements. I identified revenue recognition and estimation of provisions for delay penalties and possible losses on projects 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 percent of the Group's total revenue. In addition, the process of measurement, the determination of appropriate timing of recognition and the estimation of provisions for 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, provisions for delay penalties, and possible losses on projects from long-term contracts, therefore I focused on the revenue recognition and estimation of provisions for delay penalties and possible losses from 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 delay penalties and possible losses. 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 subsidiaries relating to dispute of the projects delay as described in Note 28.6 to the financial statements, reviewed the subsidiaries' 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 delay penalties and possible losses.

#### **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 Telcoms Public Company Limited and its subsidiaries

As at 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	As at 31 December 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	490,832,826	462,497,538	191,309,909	134,206,317
Trade and other receivables	8	1,587,797,573	1,382,850,998	372,421,123	259,411,493
Accrued income		2,461,061,850	2,345,967,950	939,441,181	323,817,465
Current portion of finance lease receivables	9	37,998,614	32,320,217	-	-
Short-term loans to related parties	6	-	-	2,287,000,000	1,747,000,000
Inventories	10	26,898,696	130,925,701	15,655,673	36,537,534
Withholding tax deducted at source	11	244,297,788	175,338,462	28,004,238	29,014,153
Other current financial assets	12	18,925,598	56,109,951	18,925,598	56,109,951
Other current assets	13	377,916,429	296,307,789	324,907,362	111,764,457
<b>Total current assets</b>		<b>5,245,729,374</b>	<b>4,882,318,606</b>	<b>4,177,665,084</b>	<b>2,697,861,370</b>
<b>Non-current assets</b>					
Other non-current financial assets	12	80,668,830	86,825,646	4,129,741	7,534,043
Investments in subsidiaries	14	-	-	1,780,511,068	1,780,511,068
Finance lease receivable - net of current portion	9	42,194,646	78,695,030	-	-
Property, plant and equipment	15	1,299,567,717	1,084,610,160	689,176,562	508,986,906
Right-of-use assets	20.1	213,985,183	155,303,073	126,536,269	71,735,637
Intangible assets	16	36,811,609	63,611,323	1,199,289	1,713,296
Goodwill	17	108,095,942	108,095,942	-	-
Deferred tax assets	33	310,986,334	380,341,019	39,198,649	50,155,706
Other non-current assets		132,870,170	304,595,119	86,649,157	132,101,159
<b>Total non-current assets</b>		<b>2,225,180,431</b>	<b>2,262,077,312</b>	<b>2,727,400,735</b>	<b>2,552,737,815</b>
<b>Total assets</b>		<b>7,470,909,805</b>	<b>7,144,395,918</b>	<b>6,905,065,819</b>	<b>5,250,599,185</b>

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

# Statement of financial position (continued)

Samart Telcoms Public Company Limited and its subsidiaries

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from banks	18	1,351,850,865	1,760,871,004	565,450,865	227,176,780
Trade and other payables	19	727,225,080	597,738,072	423,020,845	144,775,125
Current portion of liabilities under lease agreements	20	50,749,751	61,574,070	29,968,901	34,522,290
Short-term loans from related parties	6	-	-	2,921,500,000	2,086,500,000
Unearned revenue	28.2	15,667,619	6,562,659	-	4,001,617
Income tax payable		54,196	-	-	-
Accrued project cost		1,226,256,060	896,952,325	368,705,084	290,038,612
Short-term provision	21	52,346,373	60,370,550	13,888,397	20,200,244
Other current finance liabilities		3,392,828	-	2,176,217	-
Other current liabilities	22	90,700,300	67,075,600	24,238,762	24,584,501
<b>Total current liabilities</b>		<b>3,518,243,072</b>	<b>3,451,144,280</b>	<b>4,348,949,071</b>	<b>2,831,799,169</b>
<b>Non-current liabilities</b>					
Liabilities under lease agreements - net of current portion	20	176,390,305	105,833,169	102,733,865	40,480,715
Long-term provision	21	35,600,658	42,656,911	6,033,987	5,953,823
Provision for long-term employee benefits	23	175,317,777	170,781,273	43,334,002	48,111,588
Other non-current liabilities		2,681,403	2,681,403	-	-
<b>Total non-current liabilities</b>		<b>389,990,143</b>	<b>321,952,756</b>	<b>152,101,854</b>	<b>94,546,126</b>
<b>Total liabilities</b>		<b>3,908,233,215</b>	<b>3,773,097,036</b>	<b>4,501,050,925</b>	<b>2,926,345,295</b>

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

# Statement of financial position (continued)

Samart Telcoms Public Company Limited and its subsidiaries

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021
<b>Liabilities and shareholders' equity (continued)</b>					
<b>Shareholders' equity</b>					
Share capital					
Registered					
721,000,000 ordinary shares of Baht 1 each	25	721,000,000	721,000,000	721,000,000	721,000,000
Issued and fully paid up					
618,000,000 ordinary shares of Baht 1 each		618,000,000	618,000,000	618,000,000	618,000,000
Share premium		1,238,860,501	1,238,860,501	1,238,860,501	1,238,860,501
Deficit on changes in percentage of shareholding in subsidiary		(737,577,642)	(737,577,642)	-	-
Retained earnings					
Appropriated - statutory reserve	27	73,800,000	73,800,000	73,800,000	73,800,000
Unappropriated		2,357,655,260	2,164,244,005	434,523,210	354,762,206
Other components of shareholders' equity	24	41,792,383	41,792,383	38,831,183	38,831,183
Equity attributable to owners of the Company		3,592,530,502	3,399,119,247	2,404,014,894	2,324,253,890
Non-controlling interests of the subsidiaries		(29,853,912)	(27,820,365)	-	-
<b>Total shareholders' equity</b>		<b>3,562,676,590</b>	<b>3,371,298,882</b>	<b>2,404,014,894</b>	<b>2,324,253,890</b>
<b>Total liabilities and shareholders' equity</b>		<b>7,470,909,805</b>	<b>7,144,395,918</b>	<b>6,905,065,819</b>	<b>5,250,599,185</b>

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

# Income statement

Samart Telcoms 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
<b>Revenues</b>					
Revenues from sales		104,609,679	251,047,389	104,332,379	44,038,891
Revenues from contract work		2,985,606,806	2,663,079,233	960,915,118	189,936,225
Service and rental income	28.1	1,856,777,367	1,667,160,184	688,347,681	661,397,532
Other income	29	320,078,390	67,240,374	198,549,391	178,383,164
<b>Total revenues</b>		<b>5,267,072,242</b>	<b>4,648,527,180</b>	<b>1,952,144,569</b>	<b>1,073,755,812</b>
<b>Expenses</b>	32				
Cost of sales		82,767,917	195,665,711	88,675,394	17,221,001
Cost of contract work		2,599,814,135	2,249,807,771	909,316,630	155,810,753
Cost of services and rental		1,632,688,347	1,557,264,684	591,561,370	554,787,745
Selling and distribution expenses		163,113,061	139,332,263	37,376,718	50,805,614
Administrative expenses		363,346,912	353,460,975	156,597,906	161,218,148
Other expenses		33,257,006	3,591,546	32,664,185	-
<b>Total expenses</b>		<b>4,874,987,378</b>	<b>4,499,122,950</b>	<b>1,816,192,203</b>	<b>939,843,261</b>
<b>Profit from operating activities</b>		<b>392,084,864</b>	<b>149,404,230</b>	<b>135,952,366</b>	<b>133,912,551</b>
Finance income	30	7,729,447	7,248,884	57,604,098	42,840,675
Finance cost	31	(65,855,272)	(48,906,690)	(38,219,907)	(41,952,440)
Loss on impairment loss on financial assets (reversal)		(1,717,573)	(29,333,077)	5,623,633	(26,374,981)
<b>Profit before income tax expenses</b>		<b>332,241,466</b>	<b>78,413,347</b>	<b>160,960,190</b>	<b>108,425,805</b>
Income tax expense	33	(73,763,843)	(18,089,337)	(13,357,409)	(9,623,474)
<b>Profit for the year</b>		<b>258,477,623</b>	<b>60,324,010</b>	<b>147,602,781</b>	<b>98,802,331</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		260,561,474	61,384,993	147,602,781	98,802,331
Non-controlling interests of the subsidiaries		(2,083,851)	(1,060,983)		
		258,477,623	60,324,010		
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company	35	0.42	0.10	0.24	0.16
Weighted average number of ordinary shares (shares)		618,000,000	618,000,000	618,000,000	618,000,000

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

# Statement of comprehensive income

Samart Telcoms 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
<b>Profit for the year</b>		258,477,623	60,324,010	147,602,781	98,802,331
<b>Other comprehensive income:</b>					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial gain (loss) on defined benefit plan	23	1,071,684	9,588,492	161,144	(1,214,551)
Income tax effect	33	(200,874)	(1,804,559)	(32,229)	242,910
		870,810	7,783,933	128,915	(971,641)
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax</b>		870,810	7,783,933	128,915	(971,641)
<b>Other comprehensive income for the year, net of tax</b>		870,810	7,783,933	128,915	(971,641)
<b>Total comprehensive income for the year</b>		259,348,433	68,107,943	147,731,696	97,830,690
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		261,381,947	69,051,736	147,731,696	97,830,690
Non-controlling interests of the subsidiaries		(2,033,514)	(943,793)		
		259,348,433	68,107,943		

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

# Statement of changes in shareholders' equity

Samart Telcoms Public Company Limited and its subsidiaries

For the year ended 31 December 2022

(Unit: Baht)

Consolidated financial statements										
Equity attributable to owners of the Company										
	Deficit on changes in percentage of shareholding in subsidiary			Retained earnings		Other components of shareholders' equity			Non-controlling interests of the subsidiaries	Total shareholders' equity
	Issued and paid-up share capital	Share premium	Shareholding in subsidiary	Appropriated - statutory reserve	Unappropriated	Other comprehensive income (loss)	Total other components of shareholders' equity	Total equity attributable to owners of the Company		
<b>Balance as at 31 December 2020</b>	618,000,000	1,238,860,501	(737,577,642)	73,800,000	2,095,192,269	41,792,383	41,792,383	3,330,067,511	(26,166,603)	3,303,900,908
Profit for the year	-	-	-	-	61,384,993	-	-	61,384,993	(1,060,983)	60,324,010
Other comprehensive income for the year	-	-	-	-	7,666,743	-	-	7,666,743	117,190	7,783,933
Total comprehensive income for the year	-	-	-	-	69,051,736	-	-	69,051,736	(943,793)	68,107,943
Decrease in non-controlling interest of the subsidiary from decrease in share capital	-	-	-	-	-	-	-	-	(709,948)	(709,948)
Decrease in non-controlling interest of the subsidiaries from dividend payment	-	-	-	-	-	-	-	-	(21)	(21)
<b>Balance as at 31 December 2021</b>	618,000,000	1,238,860,501	(737,577,642)	73,800,000	2,164,244,005	41,792,383	41,792,383	3,399,119,247	(27,820,365)	3,371,298,882
<b>Balance as at 31 December 2021</b>	618,000,000	1,238,860,501	(737,577,642)	73,800,000	2,164,244,005	41,792,383	41,792,383	3,399,119,247	(27,820,365)	3,371,298,882
Profit for the year	-	-	-	-	260,561,474	-	-	260,561,474	(2,083,851)	258,477,623
Other comprehensive income for the year	-	-	-	-	820,473	-	-	820,473	50,337	870,810
Total comprehensive income for the year	-	-	-	-	261,381,947	-	-	261,381,947	(2,033,514)	259,348,433
Dividend paid (Note 38)	-	-	-	-	(67,970,692)	-	-	(67,970,692)	-	(67,970,692)
Decrease in non-controlling interest of the subsidiary from dividend payment	-	-	-	-	-	-	-	-	(33)	(33)
<b>Balance as at 31 December 2022</b>	618,000,000	1,238,860,501	(737,577,642)	73,800,000	2,357,655,260	41,792,383	41,792,383	3,592,530,502	(29,853,912)	3,562,676,590

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



# Statement of changes in shareholders' equity (continued)

Samart Telcoms Public Company Limited and its subsidiaries

For the year ended 31 December 2021

(Unit: Baht)

	Separate financial statements					
	Issued and paid-up share capital	Share premium	Retained earnings		Other Components of shareholders' equity	Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated		
					Other comprehensive income	
			Revaluation surplus on land			
<b>Balance as at 31 December 2020</b>	618,000,000	1,238,860,501	73,800,000	256,931,516	38,831,183	2,226,423,200
Profit for the year	-	-	-	98,802,331	-	98,802,331
Other comprehensive income for the year	-	-	-	(971,641)	-	(971,641)
Total comprehensive income for the year	-	-	-	-	-	-
<b>Balance as at 31 December 2021</b>	618,000,000	1,238,860,501	73,800,000	97,830,690	-	97,830,690
			73,800,000	354,762,206	38,831,183	2,324,253,890
<b>Balance as at 31 December 2021</b>	618,000,000	1,238,860,501	73,800,000	354,762,206	38,831,183	2,324,253,890
Profit for the year	-	-	-	147,602,781	-	147,602,781
Other comprehensive income for the year	-	-	-	128,915	-	128,915
Total comprehensive income for the year	-	-	-	147,731,696	-	147,731,696
Dividend paid (Note 38)	-	-	-	(67,970,692)	-	(67,970,692)
<b>Balance as at 31 December 2022</b>	618,000,000	1,238,860,501	73,800,000	434,523,210	38,831,183	2,404,014,894

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

# Cash flows statement

Samart Telcoms Public Company Limited and its subsidiaries

For the year ended 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Cash flows from operating activities					
Profit before tax		332,241,466	78,413,347	160,960,190	108,425,805
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:					
Depreciation and amortisation	15, 16, 20	417,117,014	385,571,805	160,715,253	151,217,726
Unrealised (gain) losses on exchange rate		(3,184,878)	84,801	(3,036,910)	104,235
Loss on change in value of foreign currency forward contracts		3,392,828	-	2,176,217	-
Gains on listed equity investments		(2,560,698)	-	(2,560,698)	-
(Gain) loss on change in value of listed equity investments at fair value through profit or loss	12.1	32,664,185	(21,132,413)	32,664,185	(21,132,413)
Income from pursuing a legal case	29	(247,568,007)	-	-	-
Increase (decrease) in allowance for expected credit losses of trade receivables and finance lease receivables	8, 9	6,589,802	15,849,817	(2,575,639)	12,004,460
(Reversal) of allowance for expected credit losses of accrued income		(2,001,375)	14,554,980	(3,122,870)	14,554,980
Write-off of bad debts		541,656	10,000	-	-
Reversal of provision for penalty from project delay		(25,470,280)	-	-	-
Write-off of withholding tax deducted at source		51,165	22,478	-	-
Decrease in allowance for expected credit losses of other non-current financial assets		(492,571)	(990,484)	(74,876)	(93,222)
Reversal of accrued project cost		(8,078,188)	(22,790,676)	-	-
Reversal of reduce cost of inventory to net realisable value	10	(2,545,942)	(22,207,693)	(2,386,238)	(16,683,665)
Gains on compensation receipt from insurance		(10,004)	(55,554)	(10,004)	
Gains on disposals of equipments and intangible assets		(563,337)	(5,741,859)	(80,117)	(1,043,279)
Gain on change of lease agreement		(8,330,475)	-	(4,466,640)	-
Reversal of allowance for impairment loss on assets	15	(32,917,930)	-	-	-
Amortisation of deferred interest under lease agreements	31	18,241,382	8,787,026	13,675,835	4,378,873
Amortisation of unearned interest income under finance lease agreements	30	(5,855,498)	(6,585,312)	-	-
Provision for warranties (reversal)		(15,080,430)	18,583,096	(6,231,683)	3,694,298
Provision for long-term employee benefits (reversal)	23	10,142,604	12,813,258	(1,368,693)	4,914,522
Dividend received		(328,000)	(253,400)	(100,077,967)	(63,253,379)
Interest income	30	(1,873,949)	(663,573)	(57,604,098)	(42,840,675)
Interest expense	31	46,555,481	39,442,534	24,207,189	37,313,076
Profit before changes in operating assets and liabilities		510,676,021	493,712,178	210,802,436	191,561,342

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

# Cash flows statement (continued)

Samart Telcoms 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
<b>Cash flows from operating activities (continued)</b>					
Decrease (increase) in operating assets:					
Trade and other receivables		69,827,952	(34,641,204)	(5,954,151)	52,545,834
Accrued income		(87,622,245)	(12,235,345)	(612,500,846)	121,743,374
Inventories		106,572,947	(59,512,070)	23,268,099	14,525,918
Other current assets		(81,608,595)	19,666,788	(213,142,905)	(5,339,401)
Other non-current financial assets		6,649,387	(230,840)	3,479,178	(829,337)
Other non-current assets		171,724,949	(39,446,774)	45,452,002	21,222,308
Increase (decrease) in operating liabilities:					
Trade and other payables		130,545,745	(76,219,775)	277,505,552	(27,561,248)
Unearned revenue		9,104,960	(18,290,667)	(4,001,617)	(396,229)
Accrued project cost		337,381,923	(38,183,994)	78,666,472	(49,656,436)
Other current liabilities		23,624,700	(7,369,430)	(345,739)	6,848,519
Other non - current liabilities		-	(78,000)	-	-
Cash from (used in) operating activities		1,196,877,744	227,170,867	(196,771,519)	324,664,644
Employee benefits paid during the year	23	(4,534,416)	-	(3,247,749)	-
Cash paid for interest expenses		(46,629,894)	(39,138,291)	(22,630,665)	(43,413,901)
Cash paid for income tax		(116,085,123)	(81,507,169)	(15,186,188)	(15,250,631)
Cash received from refund withholding tax deducted at source	11	42,518,796	105,155,301	13,763,523	15,426,047
<b>Net cash from (used in) operating activities</b>		<b>1,072,147,107</b>	<b>211,680,708</b>	<b>(224,072,598)</b>	<b>281,426,159</b>

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

# Cash flows statement (continued)

Samart Telcoms Public Company Limited and its subsidiaries

For the year ended 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
<b>Cash flows from investing activities</b>					
Cash received from settlement of short-term loan to related parties	6	-	-	80,000,000	90,000,000
Cash paid to provide short-term loans to related parties	6	-	-	(620,000,000)	(260,000,000)
Cash received from short-term loans to unrelated parties	8	14,939,907			
Cash paid to provide short-term loans to unrelated parties	8	(24,899,846)			
Cash received from finance lease receivable agreement		14,500,000	14,997,565	-	-
Cash paid for listed equity investments	12	(179,832)	-	(179,832)	-
Proceeds from sales of listed equity investments		7,260,698	-	7,260,698	-
Dividend received from subsidiaries		-	-	-	62,999,979
Dividend income from listed equity investments		328,000	253,400	328,000	253,400
Decrease in non-controlling interest of the subsidiaries due to liquidation		-	(709,948)	-	-
Purchase of equipment and intangible assets	15, 16	(504,531,384)	(612,544,745)	(295,573,299)	(110,492,744)
Proceeds from sales of equipments and intangible assets		3,686,511	5,757,669	127,891	1,057,856
Cash received from insurance claims for equipment		158,355	55,562	158,355	-
Cash received from interest received		1,873,904	665,232	55,074,779	42,802,126
<b>Net cash used in investing activities</b>		(486,863,687)	(591,525,265)	(772,803,408)	(173,379,383)
<b>Cash flows from financing activities</b>					
Proceeds from short-term loans from banks		2,161,200,000	2,235,516,224	779,200,000	-
Cash paid to settle short-term loans from banks		(2,429,005,920)	(2,009,358,604)	(414,905,920)	(268,342,380)
Increase (decrease) in trust receipts		(141,214,219)	71,903,556	(26,019,995)	-
Cash received from short-term loans from related parties	6	-	-	835,000,000	270,000,000
Repayment of short-term loans from related parties	6	-	-	-	(75,000,000)
Payment of liabilities under lease agreements	20	(79,957,268)	(81,004,141)	(51,323,795)	(52,327,289)
Dividend paid	38	(67,970,692)	-	(67,970,692)	-
Decrease in non-controlling interests of the subsidiaries from dividend payment		(33)	(21)	-	-
<b>Net cash from (used in) financing activities</b>		(556,948,132)	217,057,014	1,053,979,598	(125,669,669)
<b>Net increase in cash and cash equivalents</b>		28,335,288	(162,787,543)	57,103,592	(17,622,893)
Cash and cash equivalents at beginning of year		462,497,538	625,285,081	134,206,317	151,829,210
<b>Cash and cash equivalents at end of year</b>		490,832,826	462,497,538	191,309,909	134,206,317

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

# Cash flows statement (continued)

Samart Telcoms Public Company Limited and its subsidiaries

For the year ended 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Supplemental cash flows information					
Non-cash items:					
Transfer from right-of-use assets to equipment	15, 20	621,104	-	621,104	-
Transfers from inventories to other current assets		-	32,683,891	-	32,683,891
Transfers from inventories to other non-current assets		-	28,977,000	-	28,977,000
Increase in right of use assets from leases	20	129,779,178	20,218,145	99,814,361	22,853,366
Transfer retention receivables from other current assets to other non-current assets		-	76,210,990	-	-

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

# Notes to consolidated financial statements

Samart Telcoms Public Company Limited and its subsidiaries

For the year ended 31 December 2022

## 1. General information

Samart Telcoms Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Samart Corporation Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in the operation of a fully-integrated telecommunications, communication network and information technology business, the provision of IT and communication system design and installation services, and communication equipment and computer distribution, repair and maintenance system. The registered office of the Company is at 59 Moo 2, Phaholyothin Road, Tambol Kng-Nueng, Amphur Klong-Luang, Pathumthani.

## 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 Telcoms Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”).

### Subsidiaries directly held by the Company

Company's name	Nature of business	Country of incorporation	Percentage of direct shareholding	
			2022 Percent	2021 Percent
Samart Communication Services Co., Ltd.	Design and installation of communication, network public rural telephone project	Thailand	100	100
Posnet Co., Ltd.	Providing total solutions and services for electronic payment system including Electronic Data Capture (EDC)	Thailand	100	100
Thai Trade Net Co., Ltd.	Electronic data interchange	Thailand	100	100
Samart Comtech Co., Ltd.	Design and installation of telecommunications network	Thailand	100	100
Smarterware Co., Ltd.	Manufacture production of software packages and provision of software development services	Thailand	100	100
Samart Infonet Co., Ltd.	Provision of internet services	Thailand	100	100
Samart eD Tech Co., Ltd.	E-Learning software development consultation	Thailand	100	100
Portalnet Co., Ltd.	Design and installation of Enterprise Resource Planning (ERP) system and fully integrate ERP solution for government and public sectors	Thailand	100	100
Samart Broadband Services Co., Ltd.	Ceased its operation since 2008	Thailand	100	100



### Indirect subsidiaries held by the Company's subsidiaries

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
Subsidiary held by Samart Broadband Services Co., Ltd.			2022	2021
			Percent	Percent
IT Absolute Co., Ltd.	Distribution of information system and communications equipment	Thailand	100	100
Subsidiaries held by Samart Comtech Co., Ltd.				
Net Service (Thailand) Co., Ltd.	Development of information technology system for government agencies and private companies	Thailand	60	60
Secure Info Co., Ltd.	Engage in cyber security services	Thailand	100	100

In addition, these consolidated financial statements include transactions of the following consortium, in which Portalnet Co., Ltd. is a participant:

Name	Objective	Consortium Type	Country
Consortium SPIES	The leasing of an application software for core business operations to the Provincial Electricity Authority	Joint control	Thailand

- 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) Material balances and transactions between the Group has been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- g) For the book of account, upon acquisition of subsidiaries which under common control (purchase shares from parent company), the excess of the net asset value (at fair value) at the acquisition date over the cost of the investment has been presented in shareholders' equity under "Deficit on changes in percentage of shareholding in subsidiary".

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 and expense recognition**

#### *Revenue from contract work*

Revenues from long-term contracts, excluding value added tax, are recognised over time by reference to the stage of completion. Stage of completion is measured by reference to the proportion that actual construction costs incurred up to the end of the period to total anticipated construction cost 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, contractual penalties or possible losses on long-term contracts 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 over time when services have been rendered taking into account the stage of completion.

#### *Sales of goods*

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on 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.

#### *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.

#### *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.

#### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

### **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).

#### *Trade accounts receivable*

Trade accounts receivable are stated at the net realisable value. Allowance for expected credit losses is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences, analysis of debt aging and forecast economic condition.

#### *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 of 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

Inventories are valued at the lower of average cost and net realisable value.

The net realisable value of inventory is estimated from the estimated selling price in the ordinary course of business, less the costs to complete the sale.

Reduce cost of inventories to net realisable value will be set up for old, obsolete, slow moving or deteriorated inventories.

#### 4.6 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

#### 4.7 Property, plant and equipment /Depreciation

Land is stated at revalued amount. Building and building improvement and equipment is stated at cost or 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 their fair values. 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 other components of shareholders' 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" of other components of shareholders' equity in respect of the same asset.

Depreciation of building and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Building	-	20 years
Building improvement	-	3, 5 and 10 years
Telecommunication and tooling equipment	-	3, 5, 8 and 10 years
Furniture and office equipment	-	3 and 5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and telecommunication equipment 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 (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

#### 4.8 Intangible assets

Intangible assets are initially recognised at their cost and following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any 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 profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	10 years

#### 4.9 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.

#### 4.10 Related party transactions

Related parties comprise enterprises and individuals 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.

#### 4.11 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 any 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.

Building	-	3, 4 and 10 years
Building improvement	-	3, 4 and 10 years
Telecommunication and tooling equipment	-	3 and 6 years
Motor vehicles	-	5 and 6 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.

#### 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 discounted 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.

#### **4.12 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 at 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.

#### **4.13 Impairment of assets 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 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 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 other components of shareholders' 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.

#### **4.14 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 Groups' 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 benefits are recognised immediately in other comprehensive income.

*Provision for vacation*

The Group has set up a 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 years of service and the unused vacation day. This provision has been adjusted annually.

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.

**4.15 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.

**4.16 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

**Current 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 they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the 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.

#### **4.17 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 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 at FVTPL***

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

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-month (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.

### **4.18 Derivatives**

The Group uses derivatives, such as 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 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.

#### 4.19 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 observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group 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 these from 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, contractual penalties or possible losses from long-term contracts. In making these judgements, management relies on past experience, historical information and information from the project engineers or the work of specialists.

## 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, it uses its incremental borrowing rate (IBR) to discount lease liabilities. The IBR 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

#### *Leases*

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 receivables and contract assets

In determining an allowance for expected credit losses of trade 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 15.

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 and intangible assets

The initial recognition and measurement of goodwill and other intangible assets, 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 taxable profit 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 Group's management have used judgement to assess the results of the litigation and delay penalty, and believe that the provision made would be sufficient. However, actual results could differ from the estimates.

# 6. Related party transactions

During the years, the Group had significant business transactions with related parties, which have been concluded on commercial terms and bases agreed upon between the Company and those related parties. The Group has a policy on pricing with its related parties as specified below.

1. Sales prices are determining at market price. If market price not known, sales price are 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 expenses are charged at the amount stipulated in the relevant agreements.
3. Management fees and rental income are charged at the amount stipulated in the relevant agreements.
4. Other services income and expenses are charged at the price mutually agreed upon.
5. IT service fees expenses to parent company are charged at the amount stated in the agreement which parent company sets base on cost plus a margin of not over 5 percent.

6. Interest on loans to and from related parties are charged at cost of fund plus 0.25 - 0.50 percent per annum or average twelve-month fixed deposit rate of the big five commercial banks plus 0.25 percent per annum.
7. Guarantee fee is charged between the parties at a rate of 0.3 percent per annum.
8. Dividend income is recognised when declared and the right to receive the dividend is established.
9. 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.
10. Directors and management's benefit expenses are charged as approved by the shareholders' meeting or contractually agreed price.

Significant transactions between the Company and its related parties are summarised below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<u>Transactions with parent company</u>				
Sales and service income	26	20	-	-
Purchase of merchandise and service	5	5	-	-
Rental expenses	6	6	2	2
Other expenses	18	18	7	8
IT Service fee expense	33	38	11	4
Management fee expense	37	35	37	35
Dividend paid	48	-	48	-
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Sales and service income	-	-	5	28
Purchase of merchandise and service	-	-	410	349
Purchase of assets	-	-	8	14
Rental income	-	-	2	2
Management fee income	-	-	74	74
Guarantee fee income	-	-	4	3
Other income	-	-	5	5
Interest income	-	-	57	43
Interest expenses	-	-	17	29
Dividend income (Note 14.1)	-	-	100	63
<u>Transactions with related companies</u>				
Sales and service income	434	302	-	-
Purchase of merchandise and service	169	334	-	2
Purchase of assets	52	184	-	-
Rental expenses	10	9	2	2
Other expenses	19	19	4	5
Interest income	6	7	-	-

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b><u>Trade accounts receivable - related parties (Note 8)</u></b>				
Parent company	4,310	23,998	-	-
Subsidiaries	-	-	1,586	1,684
Related companies (related by shareholders or directors)	161,161	224,574	-	-
Total trade accounts receivable - related parties	165,471	248,572	1,586	1,684
<b><u>Other receivables - related parties (Note 8)</u></b>				
Subsidiaries	-	-	113,810	11,600
Related companies (related by shareholders or directors)	233	-	-	-
Total other receivables - related parties	233	-	113,810	11,600
<b><u>Accrued income - related parties</u></b>				
Parent company	720	4,392	-	-
Related companies (related by shareholders or directors)	606,930	232,518	-	-
Total accrued income - related parties	607,650	236,910	-	-
<b><u>Finance lease receivables (Note 9)</u></b>				
Related company (related by shareholders or directors)	80,194	111,015	-	-
Total finance lease receivables	80,194	111,015	-	-
<b><u>Prepaid expenses - related parties</u></b>				
Parent company	125	120	-	-
Subsidiaries	-	-	21,796	31,730
Related companies (related by shareholders or directors)	900	1,565	-	-
Total prepaid expenses - related parties	1,025	1,685	21,796	31,730
<b><u>Advance to suppliers - related parties</u></b>				
Subsidiaries	-	-	115,058	-
Related companies (related by shareholders or directors)	21,406	21,438	-	-
Total advance to suppliers - related parties	21,406	21,438	115,058	-
<b><u>Deposits - related parties</u></b>				
Parent company	6,117	6,142	1,917	2,780
Related companies (related by shareholders or directors)	5,899	5,639	1,000	954
Total deposits - related parties	12,016	11,781	2,917	3,734
<b><u>Trade accounts payable - related parties (Note 19)</u></b>				
Parent company	182	247	-	-
Subsidiaries	-	-	111,179	88,130
Related companies (related by shareholders or directors)	23,722	108,896	110	32
Total trade accounts payable - related parties	23,904	109,143	111,289	88,162
<b><u>Other payables - related parties (Note 19)</u></b>				
Parent company	15,500	9,607	9,325	4,695
Subsidiaries	-	-	2,294	883
Related companies (related by shareholders or directors)	4,318	2,211	103	39
Total other payables - related parties	19,818	11,818	11,722	5,617
<b><u>Accrued project cost - related parties</u></b>				
Parent company	29	112	-	-
Subsidiaries	-	-	128,587	63,139
Related companies (related by shareholders or directors)	127,978	77,701	-	-
Total accrued project cost - related parties	128,007	77,813	128,587	63,139
<b><u>Long-term lease liabilities- related parties</u></b>				
Parent company	46,285	47,383	14,403	22,118
Related companies (related by shareholders or directors)	28,403	9,747	5,376	2,468
Total long-term lease liabilities - related parties	74,688	57,130	19,779	24,586

### Short-term loans to related parties and short-term loans from related parties

As at 31 December 2022 and 2021, the balance of short-term loans to related parties and short-term loans from related parties between the Company and those related companies and the movement are as follows:

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 31 December 2021	During the year		Balance as at 31 December 2022
		Increase	Decrease	
<b>Short-term loans to related parties</b>				
<u>Subsidiaries</u>				
Samart Comtech Co., Ltd.	1,667,000	620,000	-	2,287,000
Samart Communication Services Co., Ltd.	80,000	-	(80,000)	-
<b>Total short-term loans to related parties</b>	<b>1,747,000</b>	<b>620,000</b>	<b>(80,000)</b>	<b>2,287,000</b>

(Unit: Thousand Baht)

	Separate financial statements		
	Balance as at 31 December 2021	Increase during the year	Balance as at 31 December 2022
<b>Short-term loans from related parties</b>			
<u>Subsidiaries</u>			
IT Absolute Co., Ltd.	271,000	-	271,000
Samart Infonet Co., Ltd.	94,000	-	94,000
Thai Trade Net Co., Ltd.	42,000	-	42,000
Portalnet Co., Ltd.	1,665,000	675,000	2,340,000
Samart Broadband Services Co., Ltd.	14,500	-	14,500
Samart Communication Services Co., Ltd.	-	160,000	160,000
<b>Total short-term loans from related parties</b>	<b>2,086,500</b>	<b>835,000</b>	<b>2,921,500</b>

### 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	26	23	20	17
Post-employment benefits	1	1	1	1
<b>Total</b>	<b>27</b>	<b>24</b>	<b>21</b>	<b>18</b>

### **Significant agreements with related parties**

#### **Long-term rental and service agreements**

- a) The Group entered into a three-year office space sublease agreements and facility service with Samart Corporation Public Co., Ltd., the parent company, for their operation. These contracts will be expired in April 2023. The Group is to pay a monthly rental and service fee approximately Baht 2 million (2021: Baht 2 million) (separate financial statements: Baht 0.7 million (2021: Baht 0.8 million)).
- b) The Group entered into office space rental and facility service agreements with Vilailuck International Holding Co., Ltd., a related company, for their operation. These contracts will be expired in April 2023. The Group has to pay a monthly rental and service fee of approximately Baht 3 million (2021: Baht 3 million) (separate financial statements: Baht 0.4 million (2021: Baht 0.5 million)).

The Group recognised the above long-term lease contracts as right of use assets and lease liabilities and included in Note 20 to the financial statements.

#### **Service agreements**

- c) The Company entered into a one-year management contract with Samart Corporation Public Co., Ltd., the parent company. This contract will be expired in April 2023. The Company is obligated to comply with performance conditions and pay a monthly service fee totaling approximately Baht 3 million (2021: Baht 3 million).
- d) The Company and nine subsidiary companies (Samart Communication Services Co., Ltd., Samart Comtech Co., Ltd., Posnet Co., Ltd., Thai Trade Net Co., Ltd., Samart Infonet Co., Ltd., Samart eD Tech Co., Ltd., Smarterware Co., Ltd., Net Service (Thailand) Co., Ltd. and Portalnet Co., Ltd.) entered into information technology management agreements with Samart Corporation Public Co., Ltd., the parent company which were expired in December 2022. Subsequently, the Company and its subsidiaries renewed the contracts expiring in December 2023. The Group has to pay a monthly service fees totaling approximately Baht 3 million (2021: Baht 3 million) (separate financial statements: Baht 0.9 million (2021: Baht 0.4 million)).

#### **Guarantee obligations with related parties**

The Company has outstanding guarantee obligations with its related parties, as described in Note 39.3 to the financial statements.

## 7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash	2,019	2,031	60	54
Bank deposits	488,814	460,467	191,250	134,152
Total	490,833	462,498	191,310	134,206

As at 31 December 2022, bank deposits in saving accounts and fixed deposits carried interests between 0.20 and 0.73 percent per annum (2021: between 0.05 and 0.25 percent per annum).

## 8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<u>Trade accounts receivable - related parties (Note 6)</u>				
Aged on the basis of due dates				
Not yet due	1,647	1,347	1,586	390
Past due				
Up to 3 months	955	46,277	-	1,294
3 - 6 months	56,767	62,875	-	-
6 - 12 months	-	1,802	-	-
Over 12 months	131,092	162,387	-	-
Total	190,461	274,688	1,586	1,684
Less: Allowance for expected credit losses	(24,990)	(26,116)	-	-
Total trade accounts receivable - related parties, net	165,471	248,572	1,586	1,684
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	364,940	276,311	105,340	71,474
Past due				
Up to 3 months	103,271	80,859	17,254	41,745
3 - 6 months	55,476	94,723	1,986	-
6 - 12 months	2,990	199,545	-	143,277
Over 12 months	592,442	451,284	145,059	4,765
Total	1,119,119	1,102,722	269,639	261,261
Less: Allowance for expected credit losses	(76,596)	(59,566)	(14,051)	(16,627)
Total trade accounts receivable - unrelated parties, net	1,042,523	1,043,156	255,588	244,634
Total trade accounts receivable - net	1,207,994	1,291,728	257,174	246,318
<u>Other receivables</u>				
Advances	6,732	7,666	1,283	1,493
Securities business receivables	1,022,626	1,022,626	-	-
Other receivables - related parties (Note 6)	233	-	113,810	11,600
Other receivables - unrelated parties	408,750	160,819	154	-
Other receivables - short-term loans to unrelated party	9,960	-	-	-
Total	1,448,301	1,191,111	115,247	13,093
Less: Allowance for expected credit losses	(1,068,497)	(1,099,988)	-	-
Total other receivables - net	379,804	91,123	115,247	13,093
Total trade and other receivables - net	1,587,798	1,382,851	372,421	259,411

Set out below is the movement 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
Beginning balance	1,185,670	1,173,086	16,627	6,390
Provision (reversal) for expected credit losses	(15,045)	14,352	(2,576)	12,005
Amount written off	(542)	(1,768)	-	(1,768)
Ending balance	1,170,083	1,185,670	14,051	16,627



- a) The Group have transferred their collection rights from projects to banks as collateral of loans from banks and bank guarantee. 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 525 million (2021: Baht 677 million) (separate financial statements: Baht 140 million (2021: Baht 292 million)).

- b) Securities business receivables

As at 31 December 2022, IT Absolute Co., Ltd., a subsidiary company (formerly operate securities business) had securities business receivables which were 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 had 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 were under absolute receivership by the Central Bankruptcy Court and these were 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 the company received 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 the company 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.

- c) As at 31 December 2022, the Company has trade account receivable and accrued income from a project work of Baht 140.3 million and Baht 170.1 million, respectively. The management of the Company set up an allowance for expected credit losses for trade account receivable and accrued income of Baht 9.4 million and Baht 11.4 million, respectively, in the 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 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 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 a bank on behalf of the Company in the amount of Baht 20 million. Therefore, the Company recorded loss from project termination in the account of Baht 20 million which is adequate at this state. On 7 December 2021, the Company filed a lawsuit with the Civil Court to demand the state enterprise pay for work that has been completed and damages for the termination of the agreement. At present, the case is under consideration by the Civil Court.

- d) Other than those mentioned in a) - c), as at 31 December 2022, allowance for doubtful debt had not been set aside in full amount for the outstanding balances of the Group' accounts receivable - unrelated parties that were aged more than 12 months past due totaling Baht 385 million (2021: Baht 404 million) and separate financial statements totaling Baht 0.1 million (2021: Baht 0.1 million). This is because such accounts receivable are government units and private companies that obtained government projects, who have no uncollectable experience and the process of payment approval for such receivables normally take a long time. The management of the Group believe that the allowance for expected credit losses is adequate and reflects time value of money according to the schedules of expected debt collection.
- e) As at 31 December 2022, allowance for expected credit losses had not been set aside for the outstanding balances of the Group's trade accounts receivables - related parties that were aged more than 12 months past due totaling Baht 106 million (2021: Baht 136 million and separate financial statements: nil). This is because the management of the Group believe that they can collect payment from such receivables in full. Based on the Group's collection experience, there was no bad debt from the related party receivables. The management of the Group believe that the allowance for expected credit losses is adequate and reflects time value of money according to the schedules of expected debt collection.
- f) 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).

## 9. Finance lease receivables

(Unit: Thousand Baht)

	Consolidated financial statements	
	2022	2021
Finance lease receivables (contractual value)	355,330	355,330
Less: Receipts	(241,471)	(226,971)
Finance lease receivables	113,859	128,359
Less: Unearned interest income	(9,990)	(15,846)
Finance lease receivables - net of unearned interest income	103,869	112,513
Less: Allowance for expected credit losses	(23,675)	(1,498)
Finance lease receivables - net of allowance for expected credit losses (Note 6)	80,194	111,015
Less: Current portion of finance lease receivables	(37,999)	(32,320)
Finance lease receivables - net of current portion	42,195	78,695

Samart Comtech Co., Ltd., a subsidiary company as "Lessor", has entered into a hire purchase agreement to lease Outside Broadcasting Van equipped with media production system and television broadcast to Siam Sport Television Co., Ltd., a related company as "Lessee". The agreement has contractual value of Baht 355 million, carries interest at 7.5 percent per annum and is expiring within 2025 and payable on a monthly basis.

The finance lease is guaranteed by I-Sport Co., Ltd., another related company.

## 10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2022	2021	2022	2021	2022	2021
Finished goods	39,284	69,269	(35,579)	(36,835)	3,705	32,434
Work in process	59,683	135,530	(42,200)	(43,490)	17,483	92,040
Supplies	5,991	6,732	(280)	(280)	5,711	6,452
Total	104,958	211,531	(78,059)	(80,605)	26,899	130,926

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2022	2021	2022	2021	2022	2021
Finished goods	32,600	37,419	(30,189)	(31,285)	2,411	6,134
Work in process	29,056	44,964	(17,134)	(18,424)	11,922	26,540
Supplies	1,323	3,864	-	-	1,323	3,864
Total	62,979	86,247	(47,323)	(49,709)	15,656	36,538

During the current year, the Group reversed the write-down of cost of inventories by Baht 2.5 million (separate financial statements: Baht 2.4 million), and reduced the amount of inventories recognised as expenses during the year (2021: Baht 22.2 million (separate financial statements: Baht 16.7 million) because such inventories have been sold during the year.

## 11. Withholding tax deducted at sources

The balance of withholding tax deducted at sources as at 31 December 2022 and 2021, aged on years, are summarised below.

(Unit: Thousand Baht)

Year	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Before 2011	2,437	2,437	-	-
2019	-	4,266	-	-
2020	53,027	91,281	-	13,764
2021	79,582	79,791	15,250	15,250
2022	111,689	-	12,754	-
Total	246,735	177,775	28,004	29,014
Less: Allowance for diminution in value of withholding tax deducted at sources	(2,437)	(2,437)	-	-
Total withholding tax deducted at sources - net	244,298	175,338	28,004	29,014

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 it, 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 2019 - 2020 approximately Baht 43 million (2021: the Group received refund of the withholding tax of 2017 - 2020 approximately Baht 105 million) (separate financial statements: the Company received refund of the withholding tax of 2020 approximately Baht 14 million (2021: the Company received such refund of the withholding tax of 2019 approximately Baht 15 million)).

As at 31 December 2022, the subsidiaries set up allowance for diminution in value of withholding tax deducted at sources totaling approximately Baht 2 million (2021: Baht 2 million). The management of the subsidiaries believe that the allowance for diminution in value of withholding tax deducted at sources is adequate.

## 12. Other financial assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Financial assets at fair value through profit or loss</b>				
Listed equity investments (Note 12.1)	18,926	56,110	18,926	56,110
<b>Financial assets at amortised cost</b>				
Retention receivables	61,737	61,364	-	-
Deposits	18,932	25,462	4,130	7,534
<b>Total other financial assets</b>	<b>99,595</b>	<b>142,936</b>	<b>23,056</b>	<b>63,644</b>
Current	18,926	56,110	18,926	56,110
Non-current	80,669	86,826	4,130	7,534
	<b>99,595</b>	<b>142,936</b>	<b>23,056</b>	<b>63,644</b>

12.1 Movements in the listed equity investments at fair value through profit or loss as at 31 December 2022 and 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	2022	2021
<b>Balance at beginning of year</b>	56,110	34,977
Gain (loss) on change in value	(32,664)	21,133
Conversion of warrants to equity shares	180	-
Disposals	(4,700)	-
<b>Balance at end of year</b>	<b>18,926</b>	<b>56,110</b>

### 13. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Advance to supplier	69,861	67,698	143,357	7,152
Deferred project cost	150,919	106,934	110,693	78,772
Prepaid expense	55,337	31,247	2,870	612
Retention receivable	4,735	5,413	-	-
Input tax refundable	89,062	75,595	59,825	18,486
Undue input tax	7,292	8,609	7,965	6,566
Others	710	812	197	176
Total other current assets	377,916	296,308	324,907	111,764

### 14. Investments in subsidiaries

14.1 Details of investments in subsidiaries are presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2022	2021	2022	2021	2022	2021	2022	2021
	(Million Baht)	(Million Baht)	(%)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Samart Communication Services Co., Ltd.	500	500	100	100	500,000	500,000	-	-
Posnet Co., Ltd.	72	72	100	100	72,000	72,000	-	-
Thai Trade Net Co., Ltd.	53	53	100	100	53,000	53,000	-	-
Samart Broadband Services Co., Ltd.	13.81	13.81	100	100	13,812	13,812	-	-
Samart Comtech Co., Ltd.	225	225	100	100	900,700	900,700	-	-
Smarterware Co., Ltd.	10	10	100	100	9,999	9,999	-	-
Samart Infonet Co., Ltd.	62	62	100	100	18,000	18,000	-	-
Samart eD Tech Co., Ltd.	5	5	100	100	5,000	5,000	-	-
Portalnet Co., Ltd.	2,100	2,100	100	100	208,000	208,000	99,750	63,000
Total investments in subsidiaries					1,780,511	1,780,511	99,750	63,000

14.2 Details of investments in subsidiaries that have material non-controlling interests

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Loss allocated to non-controlling interests during the year	
	2022	2021	2022	2021	2022	2021
	(Percent)	(Percent)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
Net Services (Thailand) Co., Ltd. (Subsidiary company of Samart Comtech Co., Ltd.)	40	40	(31)	(29)	(2)	(1)

14.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling

Summarised information about financial position

(Unit: Million Baht)

	Net Services (Thailand) Co., Ltd.	
	2022	2021
Current assets	35	26
Current liabilities	109	94
Non-current liabilities	4	10

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December	
	Net Services (Thailand) Co., Ltd.	
	2022	2021
Revenue	36	36
Loss	(6)	(3)

Summarised information about cash flow

(Unit: Million Baht)

	For the year ended 31 December	
	Net Services (Thailand) Co., Ltd.	
	2022	2021
Cash flow used in operating activities	6.0	0.4
Net increase in cash and cash equivalents	6.0	0.4



## 15. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Revaluation basis	Cost basis					
	Land	Buildings and building improvement	Telecommunication and tooling equipment	Furniture, fixtures and office equipment	Motor vehicles	Telecommunication equipment under installation	Total
<b>Cost / Revalued amount:</b>							
31 December 2020	84,286	97,796	14,649,694	307,287	61,164	62,412	15,262,639
Additions	-	342	215,227	1,551	-	393,098	610,218
Disposals and write-off	-	-	(4,993,846)	(102)	(14,515)	-	(5,008,463)
Transfer in/Transfer out	-	-	54,790	-	-	(54,790)	-
31 December 2021	84,286	98,138	9,925,865	308,736	46,649	400,720	10,864,394
Additions	-	-	36,399	3,508	2,245	459,645	501,797
Disposals and write-off	-	-	(59,916)	(8,090)	-	-	(68,006)
Transfer in/Transfer out	-	-	410,003	-	14,828	(410,003)	14,828
31 December 2022	84,286	98,138	10,312,351	304,154	63,722	450,362	11,313,013
<b>Accumulated depreciation:</b>							
31 December 2020	-	79,688	11,327,379	240,308	56,769	-	11,704,144
Depreciation for the year	-	4,407	247,742	21,635	2,404	-	276,188
Accumulated depreciation on disposals	-	-	(2,377,904)	(88)	(14,515)	-	(2,392,507)
31 December 2021	-	84,095	9,197,217	261,855	44,658	-	9,587,825
Depreciation for the year	-	4,332	288,962	21,042	2,871	-	317,207
Accumulated depreciation on disposals	-	-	(56,793)	(8,042)	-	-	(64,835)
Accumulated depreciation on transfer in	-	-	-	-	14,207	-	14,207
31 December 2022	-	88,427	9,429,386	274,855	61,736	-	9,854,404
<b>Allowance for impairment loss:</b>							
31 December 2020	-	-	2,794,978	-	-	12,922	2,807,900
Decrease during the year	-	-	(2,615,941)	-	-	-	(2,615,941)
31 December 2021	-	-	179,037	-	-	12,922	191,959
Decrease during the year	-	-	(32,918)	-	-	-	(32,918)
31 December 2022	-	-	146,119	-	-	12,922	159,041
<b>Net book value:</b>							
31 December 2021	84,286	14,043	549,611	46,881	1,991	387,798	1,084,610
31 December 2022	84,286	9,711	736,846	29,299	1,986	437,440	1,299,568
<b>Depreciation for the year</b>							
2021 (Baht 256 million included in cost of services, and the balance in selling and administrative expenses)							276,188
2022 (Baht 295 million included in cost of services, and the balance in selling and administrative expenses)							317,207

(Unit: Thousand Baht)

	Separate financial statements						
	Revaluation basis	Cost basis					
		Land	Buildings and building improvement	Telecommunication and tooling equipment	Furniture, fixtures and office equipment	Motor vehicles	Telecommunication equipment under installation
<b>Cost / Revalued amount:</b>							
31 December 2020		75,200	54,445	1,617,044	22,976	8,851	33,858
Additions		-	-	49,395	109	-	60,098
Disposals and write-off		-	-	-	(32)	(4,689)	-
Transfer in (out)		-	-	33,858	-	-	(33,858)
31 December 2021		75,200	54,445	1,700,297	23,053	4,162	60,098
Additions		-	-	26,345	22	-	269,206
Disposals and write-off		-	-	(198)	(449)	-	-
Transfer in (out)		-	-	60,098	-	14,828	(60,098)
31 December 2022		75,200	54,445	1,786,542	22,626	18,990	269,206
<b>Accumulated depreciation:</b>							
31 December 2020		-	54,401	1,222,993	21,524	8,526	-
Depreciation for the year		-	21	104,815	594	100	-
Accumulated depreciation on disposals and write-off		-	-	-	(17)	(4,689)	-
31 December 2021		-	54,422	1,327,808	22,101	3,937	-
Depreciation for the year		-	7	115,270	450	100	-
Accumulated depreciation on disposals and write-off		-	-	(50)	(420)	-	-
Accumulated depreciation on transfer in (out)		-	-	-	-	14,207	-
31 December 2022		-	54,429	1,443,028	22,131	18,244	-
<b>Net book value:</b>							
31 December 2021		75,200	23	372,489	952	225	60,098
31 December 2022		75,200	16	343,514	495	746	269,206
<b>Depreciation for the year</b>							
2021 (Baht 105 million included in cost of services, and the balance in selling and administrative expenses)							105,530
2022 (Baht 115 million included in cost of services, and the balance in selling and administrative expenses)							115,827

15.1 The Group arranged for an independent professional valuer to appraise the value of certain assets in 2019 for land. The basis of the land was revalued using the market approach.

Had the land been carried in the financial statements based on historical cost, their net book values 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	32,045	32,045	26,661	26,661

15.2 As at 31 December 2022, certain equipment items of the Group have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounting to approximately Baht 9,956 million (2021: Baht 9,593 million) (separate financial statements: Baht 1,262 million (2021: Baht 1,248 million)).

15.3 During the year 2021, Portalnet Co., Ltd., a subsidiary company 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.

## 16. Intangible assets

The net book value of intangible assets as at 31 December 2022 and 2021 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
	Computer software	Computer software
<b>Cost</b>		
31 December 2020	443,799	73,390
Addition	2,326	890
31 December 2021	446,125	74,280
Addition	2,735	-
Disposal	(140)	(29)
31 December 2022	448,720	74,251
<b>Accumulated amortisation</b>		
31 December 2020	313,537	72,301
Amortisation	37,759	266
31 December 2021	351,296	72,567
Amortisation	29,434	495
Accumulated amortisation on write-off	(40)	(10)
31 December 2022	380,690	73,052
<b>Allowance for impairment loss</b>		
31 December 2020	31,218	-
31 December 2021	31,218	-
31 December 2022	31,218	-
<b>Net book value</b>		
31 December 2021	63,611	1,713
31 December 2022	36,812	1,199

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Amortisation for the year included in				
Cost of services	8,331	13,058	211	440
Selling and administrative expenses	21,103	24,701	55	55
Total	29,434	37,759	266	495

## 17. Goodwill

Mainly of Goodwill was arising from the Company bought shares of Portalnet Co., Ltd.

The Company has determined recoverable amounts of its cash generating units (CGUs) based on value in use calculation using cash flow projections from financial budgets approved by the management covering a 6 years period of Portalnet Co., Ltd., 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
Terminal growth rate	0%	0%
Discount rate (WACC)	12%	11%

The management has determined the growth rate based on past performance, the combine growth rate of the market and the country's gross domestic product, applying conservative principles and assuming a constant income between 1 and 6 years and a discount rate, which is the rate before income tax, which relates to the specific risk in that operating segment.

As at 31 December 2022 and 2021, the management has considered and believed that no impairment was required for goodwill.

## 18. Short-term loans from banks

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021	2022	2021
Short-term loans from banks	MMR	MMR	1,326,900	1,594,706	540,500	176,206
Trust receipts	MMR	MMR	24,951	166,165	24,951	50,971
Total			1,351,851	1,760,871	565,451	227,177

Short-term loans from financial institutions of the Group are secured by cross-guarantee by the Group, transfer and assign of right over collection of any contract/project as specified in loan agreements.

In addition, short-term loan agreements with banks contain certain covenants as specified in the agreements that, among other things, require the Group to comply.

## 19. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade accounts payable - related parties (Note 6)	23,904	109,143	111,289	88,162
Trade accounts payable - unrelated parties	564,008	341,847	284,584	35,386
Other payables - related parties (Note 6)	19,818	11,818	11,722	5,617
Other payables - unrelated parties	12,844	15,542	1,001	1,495
Accrued expenses	106,221	118,884	14,234	14,097
Interest payables	430	504	191	18
Total trade and other payables	727,225	597,738	423,021	144,775

## 20. Leases

### 20.1 The Group as a lessee

The Group has lease contracts for various items of property, plant, and equipment 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 improvement	Telecommunication and tooling equipment	Motor vehicles	Total
1 January 2021	107,166	65,543	34,001	206,710
Additions (decrease)	(1,597)	16,229	5,586	20,218
Depreciation for the year	(21,272)	(39,811)	(10,542)	(71,625)
1 January 2022	84,297	41,961	29,045	155,303
Additions	29,936	99,625	218	129,779
Transfer to fixed assets	-	-	(621)	(621)
Depreciation for the year	(26,147)	(36,402)	(7,927)	(70,476)
31 December 2022	88,086	105,184	20,715	213,985

(Unit: Thousand Baht)

	Separate financial statements			
	Buildings improvement	Telecommunication and tooling equipment	Motor vehicles	Total
1 January 2021	19,940	65,543	8,820	94,303
Additions	6,625	16,229	-	22,854
Depreciation for the year	(2,383)	(39,811)	(3,227)	(45,421)
1 January 2022	24,182	41,961	5,593	71,736
Additions	188	99,626	-	99,814
Transfer to fixed assets	-	-	(621)	(621)
Depreciation for the year	(5,360)	(36,403)	(2,630)	(44,393)
31 December 2022	19,010	105,184	2,342	126,536

#### b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Lease payments	257,361	187,830	151,376	83,055
Less: Deferred interest expenses	(30,221)	(20,423)	(18,673)	(8,052)
Total	227,140	167,407	132,703	75,003
Less: Portion due within one year	(50,750)	(61,574)	(29,969)	(34,522)
Lease liabilities - net of current portion	176,390	105,833	102,734	40,481

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	167,407	219,406	75,003	100,098
Additions	121,449	20,218	95,348	22,853
Accretion of interest	18,241	8,787	13,676	4,379
Repayments	(79,957)	(81,004)	(51,324)	(52,327)
Balance at end of year	227,140	167,407	132,703	75,003

A maturity analysis of lease payments is disclosed in Note 41 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	70,476	71,625	44,393	45,421
Interest expense on lease liabilities	18,241	8,787	13,676	4,379
Expense relating to leases of low-value assets	-	47	-	-
Expense relating to short-term leases	1,258	979	-	-

**d) Others**

The Group had total cash outflows for leases for the year ended 31 December 2022 of Baht 81 million (2021: Baht 90 million) (the Company only: Baht 51 million, 2021: Baht 57 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.

**20.2 Group as a lessor**

The Group has entered into operating leases for equipment of the lease term is approximately 5 years.

The Group has future minimum rentals receivable under non-cancellable operating leases as at 31 December 2022 and 2021 as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Within 1 year	374,043	228,840	231,243	220,440
Over 1 and up to 5 years	734,593	705,700	431,454	673,500
Total	1,108,636	934,540	662,697	893,940



## 21. Provisions

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
	Maintenance warranties	Maintenance warranties
1 January 2021	84,444	22,460
Increase during the year	33,252	8,310
Utilised	(13,518)	(3,691)
Reversal	(1,151)	(925)
31 December 2021	103,027	26,154
Increase during the year	56,259	6,446
Utilised	(65,561)	(7,117)
Reversal	(5,778)	(5,561)
31 December 2022	87,947	19,922
<b>2021</b>		
Current	60,370	20,200
Non-current	42,657	5,954
	103,027	26,154
<b>2022</b>		
Current	52,346	13,888
Non-current	35,601	6,034
	87,947	19,922

### Maintenance warranties

The Group recognised a provision for expected warranty claims on products and equipment during the last two years, based on past experience of the level of repairs. The Group expect most of these costs to be incurred in the next financial year and all to have been incurred within two years of the reporting date. In calculating the provision for warranties, the Group applied assumptions, based on current contract work levels and current information available about repairs of products and equipment with three months to three years warranty periods, for all types of contract work.

## 22. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Value added tax payable	8,964	308	-	-
Withholding Tax deduct at source	8,793	7,425	3,574	1,987
Undue output VAT	50,042	39,645	16,389	17,562
Others	22,901	19,698	4,276	5,036
Total other current liabilities	90,700	67,076	24,239	24,585

## 23. 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
<b>Provision for long-term employee benefits at beginning of year</b>	170,781	167,557	48,112	41,983
Included in profit or loss:				
Current service cost	10,707	12,566	2,536	3,023
Interest cost	2,972	1,978	604	341
Increase (decrease) from employee transfer during the year	(2,992)	(208)	(4,509)	1,551
Gain on settlement	(544)	(1,523)	-	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	5,419	-	625	-
Financial assumptions changes	(14,519)	(27,452)	(2,467)	(4,066)
Experience adjustments	8,028	17,863	1,681	5,280
Benefits paid during the year	(4,534)	-	(3,248)	-
<b>Provision for long-term employee benefits at end of year</b>	<b>175,318</b>	<b>170,781</b>	<b>43,334</b>	<b>48,112</b>

As at 31 December 2022, the Group expects to pay long-term employee benefits during the next year amounting to Baht 8.0 million (separate financial statements: Baht 4.3 million) (2021: Baht 4.5 million (separate financial statements: Baht 3.2 million)).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is 7 - 15 years (separate financial statements: 7 years) (2021: 8 - 18 years (separate financial statements: 8 years)).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Discount rate	2.13 - 2.95	1.35 - 2.76	2.13	1.35
Salary increase rate	3.0 - 4.5	3.5 - 4.5	3.0 - 4.5	3.5 - 4.5
Turnover rate	0 - 24	0 - 24	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 are 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	(14)	(15)	16	17	(2)	(3)	3	3
Salary increase rate	16	15	(14)	(14)	3	3	(2)	(2)
	Increase 20%		Decrease 20%		Increase 20%		Decrease 20%	
	2022	2021	2022	2021	2022	2021	2022	2021
Turnover rate	(14)	(15)	16	18	(2)	(2)	2	3

## 24. Surplus on revaluation of land

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Balance at beginning of year	41,792	41,792	38,831	38,831
Balance at end of year	41,792	41,792	38,831	38,831

The revaluation surplus cannot be used to offset deficit or for dividend payment.

## 25. Share capital

On 27 April 2021, the ordinary general meeting of shareholders of the Company approved a resolution to increase in registered share capital and propose the warrant issuance, with the warrants to be issued to the existing shareholders proportionate to their respective shareholdings (Right Offering). The resolutions were as follows:

- 1) Approve the reduction of the Company's registered capital by cancelling 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, as well as the amendment to Clause 4 of the Memorandum of Association so as to reflect the reduction of the Company's registered capital.
- 2) Approve the issue and offering of warrants representing the right to purchase the newly issued ordinary shares (SAMTEL-W1) 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.
- 3) Approve the increase of the 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 issuing not exceeding 103 million new ordinary shares at the par value of Baht 1 each, as well as the amendment to Clause 4 of the Memorandum of Association so as to reflect the increase of the Company's registered capital.

- 4) Approve the allocation of newly issued shares in the amount of not exceeding 103 million shares with a par value of Baht 1 each in order to accommodate the exercises of the warrants No. 1 (SAMTEL-W1) to the existing shareholders proportionate to their respective shareholdings (Right Offering).

## 26. Warrants

On 27 April 2021, the Ordinary General Meeting of the Company's shareholders approved the allotment of up to 103,000,000 warrants (SAMTEL-W1) to the Company's existing shareholders proportionate to their respective shareholdings. Details of the warrants are summarised below.

Number of warrants issued	: 103,000,000 units
Number of warrants subscribed	: 102,998,131 units
Offering price	: Baht 0 per unit
Offering method	: 6 existing ordinary shares to one unit of the SAMTEL-W1 warrants
Exercise ratio and price	: 1 warrant per 1 newly issued ordinary share at a price of Baht 12 per share
Date of issuance	: 18 May 2021
Term of the warrant	: 3 years from the issuance date of warrants
Expiry date	: 17 May 2024
Exercise dates	: On the last business day of May and November whereby the first and last exercise dates are 30 November 2021 and 17 May 2024, respectively.
Exercised warrant	: None
Outstanding warrants as at 31 December 2022 and 2021	: 102,998,131 units

## 27. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At the present, the Company already fully set aside to a statutory reserve.

## 28. Revenues from sales and the contract work

### 28.1 Service and rental income

Service and rental income for the years ended 31 December 2022 and 2021 summarised as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Type-two telecom license without its own network	49,204	57,333	49,204	57,333
Type-one internet license	115,509	111,556	-	-
Other service income	1,318,021	1,269,853	407,901	401,884
Equipment rental income	374,043	228,418	231,243	202,181
Total service and rental income	1,856,777	1,667,160	688,348	661,398

### 28.2 Contract balances

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Contract assets				
Accrued income	2,473,615	2,360,523	950,873	338,372
Retention receivable	67,604	221,035	-	-
Total contract assets	2,541,219	2,581,558	950,873	338,372
Less: Allowance for impairment loss	(13,685)	(16,059)	(11,432)	(14,555)
Total contract assets, net	2,527,534	2,565,499	939,441	323,817
Contract liabilities				
Unearned revenue	(15,668)	(6,563)	-	(4,002)
Total contract liabilities	(15,668)	(6,563)	-	(4,002)

During the current year, the Group recorded provision for expected credit losses on contract assets by Baht 13.7 million (2021: Baht 16.0 million) (separate financial statements: Baht 11.4 million (2021: Baht 14.6 million)).

### 28.3 Revenue recognised in relation to contract balances

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Revenue recognised that was included in contract liabilities at the beginning of the year	6,563	24,191	-	-

### 28.4 Revenue to be recognised for the remaining performance obligations

As at 31 December 2022, revenue aggregating to Baht 6,434 million (2021: Baht 6,056 million) is expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) of contracts with customers (separate financial statements: Baht 2,482 million (2021: Baht 2,078 million)). The Group expects to satisfy the performance obligations within 5 years.

## 28.5 Cost to be incurred to completion of work under customer contracts

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Beginning balance	198,664	248,878	151,079	156,827
Addition	107,452	72,578	57,132	57,937
Transfer to cost	(139,270)	(122,792)	(59,975)	(63,685)
Ending balance ending of year	166,846	198,664	148,236	151,079

## 28.6 Estimation of penalty from project delay

28.6.1 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.

28.6.2 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 days 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.

28.6.3 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.



## 29. Other income

Other income for the years ended 31 December 2022 and 2021 consist of:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Gain on exchange rate	2,984	-	1,824	39
Gain on liquidation of a subsidiary	-	616	-	-
Dividend income from subsidiaries (Note 14.1)	-	-	99,750	63,000
Management fee income (Note 6)	-	-	74,400	74,400
Gain on change in value of listed equity investments (Note 12.1)	-	21,133	-	21,133
Gain on reversal of accrued project cost	8,078	22,791	-	-
Gain on short-term investments	2,561	-	2,561	-
Income from pursuing a legal case	247,568	-	-	-
Other	58,887	22,700	20,014	19,811
<b>Total other income</b>	<b>320,078</b>	<b>67,240</b>	<b>198,549</b>	<b>178,383</b>

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 in the consolidated income statement.

## 30. Finance income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Interest income on bank deposits	1,874	664	159	168
Interest income on loans to related parties	-	-	57,445	42,673
Interest income on lease	5,855	6,585	-	-
<b>Total</b>	<b>7,729</b>	<b>7,249</b>	<b>57,604</b>	<b>42,841</b>

## 31. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Interest expense on:				
Bank loans and trust receipts	46,556	39,443	7,636	8,103
Loans from related parties	-	-	16,571	29,210
Liabilities under lease agreements	18,241	8,787	13,676	4,379
<b>Total interest expenses</b>	<b>64,797</b>	<b>48,230</b>	<b>37,883</b>	<b>41,692</b>
Bank charges	1,058	677	337	260
<b>Total finance cost</b>	<b>65,855</b>	<b>48,907</b>	<b>38,220</b>	<b>41,952</b>

## 32. Expenses by nature

Significant expenses classified by nature are as follow:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Raw materials, equipment and cost of project used	2,094,063	2,023,866	1,000,378	189,421
Salaries, wages and other employee benefits	756,256	756,717	109,351	134,239
Depreciation and amortisation	417,117	385,572	160,714	151,218
Decrease in changes in inventories of finished goods and work in progress	105,832	4,581	20,727	78,598
Advertising and marketing expense	3,151	5,743	2,469	4,666

In addition, the Group has expenses that are other expenses by nature, but which are not included in the above; such as training expenses and other expenses.

## 33. Income tax

Income tax expenses (income) 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
<b>Current income tax:</b>				
Current income tax charge	4,450	1,634	2,432	-
Adjustment of corporate income tax expense from prior year	160	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	69,154	16,455	10,925	9,623
<b>Income tax expenses reported in the income statement</b>	<b>73,764</b>	<b>18,089</b>	<b>13,357</b>	<b>9,623</b>

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Deferred tax relating to actuarial loss on defined benefit plan	201	1,805	32	(243)
<b>Income tax (income) expenses charged to other comprehensive income</b>	<b>201</b>	<b>1,805</b>	<b>32</b>	<b>(243)</b>

Reconciliation between income tax expenses (income) and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2022 and 2021.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Accounting profit before tax	332,241	78,413	160,960	108,426
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	66,448	15,683	32,192	21,685
Adjustment of corporate income tax expense from prior year	160	-	-	-
Effects of:				
Utilisation of tax loss carry forward	(815)	(800)	-	-
Income not subject to tax	(478)	(1,348)	(20,213)	(12,795)
Non-deductible expenses	5,214	2,053	1,446	750
Additional expense deductions allowed	(339)	(363)	(68)	(17)
Others	-	1,869	-	-
Total	3,582	1,411	(18,835)	(12,062)
Deferred tax assets not recognised	3,574	2,408	-	-
Decrease in deferred tax assets not recognised	-	(1,413)	-	-
Income tax expenses reported in profit or loss	73,764	18,089	13,357	9,623

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Deferred tax assets</b>				
Allowance for expected credit losses of trade receivables and accrued income	28,009	33,027	5,097	6,236
Allowance for diminution in value of inventories	18,196	18,705	9,465	9,942
Allowance for non-financial assets impairment	25,719	35,228	2,425	2,425
Profit in outstanding inventories	883	793	-	-
Profit in outstanding equipments and intangible assets	11,485	22,615	-	-
Deferred cost	2,817	2,479	-	-
Accumulated depreciation - equipment	50,646	73,446	3,874	5,002
Assets under finance lease agreements	1,896	1,867	330	-
Right-of-use assets	1,399	847	1,109	774
Allowance for expected credit losses of non-current financial assets	564	677	146	132
Provision for long-term employee benefits	28,462	27,654	7,103	8,026
Accrued vacation leave	790	886	131	156
Actuarial loss	5,868	5,758	1,564	1,596
Unrealised loss from revaluation of listed equity investments	17,663	11,459	17,663	11,459
Unrealised loss on exchange of forward contract	243	-	-	-
Unused tax loss	127,136	172,945	-	14,116
Total	321,776	408,386	48,907	59,864

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Deferred tax liabilities</b>				
Other receivables - unrelated parties	-	17,564	-	-
Revaluation surplus on land	10,448	10,448	9,708	9,708
Actuarial gain	342	33	-	-
Total	10,790	28,045	9,708	9,708
Deferred tax-net	310,986	380,341	39,199	50,156

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	310,986	380,341	39,199	50,156
Deferred tax - net	310,986	380,341	39,199	50,156

As at 31 December 2022, the subsidiary company has deductible temporary differences and unused tax losses totaling Baht 167 million (2021: Baht 184 million), on which deferred tax assets have not been recognised as the subsidiary company believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

Details of expiry date of unused tax losses are summarised as below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
31 December 2022	-	18,123	-	-
31 December 2023	37,099	39,501	-	-
31 December 2024	71,698	72,718	-	-
31 December 2025	40,623	40,623	-	-
31 December 2026	1,571	12,564	-	-
31 December 2027	16,816	-	-	-
	167,807	183,529	-	-

## 34. Promotional privileges

Subsidiary has been granted promotional privileges under the Investment Promotion Act B.E. 2520 by the Board of Investment under certain significant conditions. Significant privileges of the subsidiary 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 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 Smarterware Co., Ltd. for the year are software development services which could be divided between BOI promoted activities and Non-BOI promoted activities.

(Unit: Thousand Baht)

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

## 35. Earnings per share

Basic earnings per share is calculated by dividing profit 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.

For the year ended 31 December 2022 and 2021, the Company did not present diluted earnings per share because the exercise price of warrants is higher than the average market price of the Company's ordinary shares for the period. As a result, such warrants shall not have dilutive impact an earnings per share.

## 36. 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 organised into business groups based on products and services and have three reportable segments as follows:

### 1. Network Infrastructure Solutions

Provide advanced solutions for telecommunications and data communication networks from consultation, survey, design, installation and implementation and system management services, as well as professional maintenance services for wired and wireless networks, including core networks, access networks, network equipment and end devices and various communications services via both high-speed networks and satellite communications.

## 2. Enhanced Technology Solutions

Provide solutions for information technology systems, including advanced systems customisation for customers requiring accuracy and high stability. The solutions range from consultation, engineering design and software development to installation, project management, management, and maintenance services.

## 3. Business application

Provide advanced software application services that enhance the capability and efficiency of the operations of corporate clients and the efficiency of service provision by clients in the public sector.

No operating segments have been aggregated to form the above reportable operating segments.

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 are managed on a Group basis and are not allocated to operating segments.

Transfer prices between business segments are as set out in Note 6 to the financial statements.

Inter-segment revenues are eliminated on consolidation.

### 36.1 The results of operations separated by business segment

The following tables present revenue and profit information regarding the Groups' operating segments for the years ended 31 December 2022 and 2021, respectively.

(Unit: Million Baht)

	Network infrastructure solutions		Enhanced technology solutions		Business application		Adjustments and eliminations		Consolidated financial statements	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenues from sales, contract work and services										
- Related parties	332	372	690	543	15	28	(577)	(621)	460	322
- Third parties	900	1,127	2,650	2,013	937	1,119	-	-	4,487	4,259
Total revenues from sales, contract work, services and rental	1,232	1,499	3,340	2,556	952	1,147	(577)	(621)	4,947	4,581
Cost of sales, contract work, services and rental	(1,028)	(1,271)	(3,075)	(2,397)	(808)	(934)	596	599	(4,315)	(4,003)
Gross profit	204	228	265	159	144	213	19	(22)	632	578
Other income									320	67
Selling and distribution expenses									(163)	(139)
Administrative expenses									(363)	(353)
Other expense									(33)	(4)
Finance income									8	7
Finance cost									(66)	(49)
Impairment loss on financial assets									(2)	(29)
Income tax income									(74)	(18)
Non-controlling interests of the subsidiaries									2	1
Profit for the year									261	61

### 36.2 Assets separate by business segment are as follows:

(Unit: Million Baht)

	Network infrastructure solutions		Enhanced technology solutions		Business application		Adjustments and eliminations		Consolidated financial statements	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Assets										
Trade accounts receivable	247	621	874	1,087	213	770	(126)	(1,186)	1,208	1,292
Accrued income	248	580	1,975	1,453	448	444	(210)	(131)	2,461	2,346
Inventories	24	32	-	72	7	31	(4)	(4)	27	131
Property, plant and equipment	1,232	999	33	82	58	49	(23)	(45)	1,300	1,085
Others									2,477	2,290
Total assets									7,473	7,144
Total liabilities	5,229	4,178	3,819	4,387	664	612	(5,804)	(5,404)	3,908	3,773
Additions (decrease) to non-current assets other than financial instruments and deferred tax assets	305	375	(278)	14	(53)	(22)	65	25	39	392

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Revenue from contracts with customers</b>				
Revenue from sales	105	251	104	44
Revenue from contract work	2,986	2,663	961	190
Services income (excluding the revenue from Type-two telecom license)	1,433	1,408	408	402
Total revenue from contracts with customers	4,524	4,322	1,473	636
Revenue from Type-two telecom license	49	57	49	57
Rental income	374	202	231	202
Total revenues	4,947	4,581	1,753	895
<b>Timing of revenue recognition:</b>				
Revenue recognised at a point in time	105	251	104	44
Revenue recognised over time	4,419	4,071	1,369	592
Total revenues from contracts with customers	4,524	4,322	1,473	636

#### Geographic information

The Group is operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

#### Major customers

For the year 2022, the Group has revenue from three major customers in amount of Baht 1,856 million arising from sales by enhanced technology solutions segments, Baht 578 million from sales by business application segments, and Baht 96 million from sales network solutions segments (2021: Baht 737 million arising from sales by enhanced technology solutions segments, Baht 671 million from sales by business application segments, and Baht 345 million from sales network solutions segments).



## 37. Provident fund

The Group and their 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 their employees contributed to the fund monthly at the rate of 3 percent to 15 percent of basic salary. The fund, which is managed by Bangkok Bank Public Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contribution for the year 2022 amounting to approximately Baht 33 million (2021: Baht 33 million) (separate financial statements: Baht 6 million (2021: Baht 6 million)) were recognised as expenses.

## 38. Dividends

Dividend declared for the year ended 31 December 2022 consist of the following:

### The Company

	Approved by	Total dividends	Dividend per share	Paid on
		(Million Baht)	(Baht)	
<b>2022</b>				
Dividend on 2021 income	Annual General Meeting of the shareholders on 22 April 2022	30.9	0.05	12 May 2022
Interim dividend for the six-month period on 2022 income	Board of Directors Meeting of the shareholders on 11 August 2022	37.1	0.06	9 September 2022
<b>Total dividends paid for year 2022</b>		<b>68.0</b>	<b>0.11</b>	

For the year ended 31 December 2021, there was no announcement of dividend payment.

## 39. Commitments and contingent liabilities

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

### 39.1 Commitments

39.1.1 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 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).

39.1.2 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 (31 December 2021: Baht 207 million).

39.1.3 Samart Comtech Co., Ltd., a subsidiary company, entered into purchase and equipment installation agreements for Digital Trunked Radio System (DTRS). As at 31 December 2022, the subsidiary is obligated to pay for equipment and service fees totaling approximately Baht 11 million (31 December 2021: Baht 145 million).

39.1.4 Portalnet Co., Ltd., a subsidiary company, entered into purchase, equipment installation and maintenance agreements with many companies for the installation and maintenance 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 (31 December 2021: Baht 105 million, EUR 1.3 million and USD 0.2 million or equivalent to Baht 163 million).

39.1.5 Portalnet Co., Ltd., a subsidiary company entered into contracts to use computer software application services with a company. The subsidiary is obligated to comply with the conditions stipulated in the contracts and subsidiary company has future minimum lease payments as follows.

(Unit: Million Baht)

	Consolidated financial statements	
	2022	2021
Payable:		
In up to 1 year	270	238
In over 1 and up to 5 years	313	512
Total	583	750

39.1.6 As at 31 December 2022, The Company has outstanding commitment totaling approximately Baht 56 million (2021: Baht 56 million) in respect of the uncalled portion of their investments in its subsidiaries.

39.1.7 The Group entered into the service agreements with various companies between 1 and 4 years. The Company and its subsidiary companies have to pay a monthly facility service fee at the rate stipulated in the agreements.

## 39.2 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 ordinary course of business for the Group. The details of bank guarantees are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Performance guarantees	1,587	2,088	564	529
Guarantee electricity use, among others	505	204	181	124
	2,092	2,292	745	653

## 39.3 Related party guarantees

As at 31 December 2022, the 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).

Generally, the guarantees are effective for as long as the underlying obligations have not been discharged by the Group. Guarantee fees are charged by the Group.

## 40. Fair value hierarchy

The Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated Financial Statements		
	As at 31 December 2022		
	Level 1	Level 2	Total
<b>Assets measured at fair value</b>			
Financial assets measured at FVTPL			
Listed equity investments	19	-	19
Land	-	84	84
<b>Liabilities measured at fair value</b>			
Derivatives			
Foreign currency forward contracts	-	3	3

(Unit: Million Baht)

	Separate Financial Statements		
	As at 31 December 2022		
	Level 1	Level 2	Total
<b>Assets measured at fair value</b>			
Financial assets measured at FVTPL			
Listed equity investments	19	-	19
Land	-	75	75
<b>Liabilities measured at fair value</b>			
Derivatives			
Foreign currency forward contracts	-	2	2

(Unit: Million Baht)

	Consolidated Financial Statements		
	As at 31 December 2021		
	Level 1	Level 2	Total
<b>Assets measured at fair value</b>			
Financial assets measured at FVTPL			
Listed equity investments	56	-	56
Land	-	84	84

(Unit: Million Baht)

	Separate Financial Statements		
	As at 31 December 2021		
	Level 1	Level 2	Total
<b>Assets measured at fair value</b>			
Financial assets measured at FVTPL			
Listed equity investments	56	-	56
Land	-	75	75

## 41. Financial instruments

### Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, accrued income, short-term loans to, investments and short-term loans from. 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 accounts receivable, accrued income, loans, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

### 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 majority of sales and services are supplied to credit worthy customers such as stated enterprises, government agencies and the banking sector.

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.

### Market risk

There are two types of market risk comprises interest rate risk and currency risk. The Group enters into foreign exchange forward contracts to hedge the foreign currency risk arising on the import of goods and services.

### Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within 1 year.

From the analysis of foreign currency sensitivity, the Group's exposure of foreign currency changes is not material.

As at 31 December 2022 and 2021, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2022	2021	2022	2021	2022	2021
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollars	0.7	-	0.8	0.2	34.5624	33.4199

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

As at 31 December 2022				
Foreign currency	Bought amount		Contractual exchange rate of bought amount	Contractual maturity date
	Consolidated financial statements	Separate financial statements		
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollars	3.5	2.1	34.20 - 36.26	January - June 2023

#### Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, bank overdrafts and short-term borrowings. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

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.

(Unit: Million Baht)

	Consolidated financial statements									
	Fixed interest rates				Floating interest rate		Non-interest bearing		Total	
	Within 1 year		1 - 5 years							
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Financial Assets</b>										
Cash and cash equivalents	-	-	-	-	474	395	17	67	491	462
Trade and other receivables	-	-	-	-	-	-	1,588	1,383	1,588	1,383
Other current financial assets	-	-	-	-	-	-	19	56	19	56
Other non-current financial assets	-	-	-	-	-	-	81	87	81	87
	-	-	-	-	474	395	1,705	1,593	2,179	1,988
<b>Financial liabilities</b>										
Loans from banks	-	-	-	-	1,327	1,595	-	-	1,327	1,595
Trust receipts	-	-	-	-	25	166	-	-	25	166
Trade and other payables	-	-	-	-	-	-	727	598	727	598
	-	-	-	-	1,352	1,761	727	598	2,079	2,359

Effective interest rates of financial assets and liabilities were separately shown in related notes to financial statements.

(Unit: Million Baht)

	Separate financial statements									
	Fixed interest rates				Floating		Non-interest		Total	
	Within 1 year		1 - 5 years		interest rate		bearing			
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Financial Assets</b>										
Cash and cash equivalents	-	-	-	-	189	132	2	2	191	134
Trade and other receivables	-	-	-	-	-	-	372	259	372	259
Short-term loans to related parties	-	-	-	-	2,287	1,747	-	-	2,287	1,747
Other current financial assets	-	-	-	-	-	-	19	56	19	56
Other non-current financial assets	-	-	-	-	-	-	4	8	4	8
	-	-	-	-	2,476	1,879	397	325	2,873	2,204
<b>Financial liabilities</b>										
Loans from banks	-	-	-	-	540	176	-	-	540	176
Trust receipts	-	-	-	-	25	51	-	-	25	51
Trade and other payables	-	-	-	-	-	-	423	145	423	145
Short-term loans from related parties	-	-	-	-	2,922	2,087	-	-	2,922	2,087
	-	-	-	-	3,487	2,314	423	145	3,910	2,459

Effective interest rates of financial assets and liabilities were separately shown in related notes to financial statements.

From the analysis of interest rate sensitivity, the Group's exposure of interest rate changes is not material.

#### Liquidity risk

The Group monitors the risk of a shortage of liquidity through setting aside cash reserves and obtaining adequate cash flow from banks to support operations. The Group has credit facilities to sufficiently support the implementation of the current project and its growth. In this regard, the risk concerning debt repayment is considered low.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instrument as at 31 December 2022 and 2021 based on contractual undiscounted cash flows.

(Unit: Thousand Baht)

	Consolidated financial statements				
	As at 31 December 2022				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
<b>Non-derivatives</b>					
Short-term loans from banks	-	1,357,253	-	-	1,357,253
Trade and other payables	-	727,225	-	-	727,225
Lease liabilities	-	61,186	184,744	11,431	257,361
<b>Total non-derivatives</b>	-	<b>2,145,664</b>	<b>184,744</b>	<b>11,431</b>	<b>2,341,839</b>
<b>Derivative - financial instruments</b>					
Financial liabilities - forward exchange contracts	-	3,393	-	-	3,393
<b>Total derivative - financial instruments</b>	-	<b>3,393</b>	-	-	<b>3,393</b>

(Unit: Thousand Baht)

	Consolidated financial statements				
	As at 31 December 2021				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Short-term loans from banks	-	1,767,983	-	-	1,767,983
Trade and other payables	-	597,738	-	-	597,738
Lease liabilities	-	68,171	91,919	27,740	187,830
<b>Total</b>	-	2,433,892	91,919	27,740	2,553,551

(Unit: Thousand Baht)

	Separate financial statements				
	As at 31 December 2022				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
<b>Non-derivatives</b>					
Short-term loans from financial institutions	-	568,381	-	-	568,381
Trade and other payables	-	423,021	-	-	423,021
Short-term loan from related parties	2,921,500	-	-	-	2,921,500
Lease liabilities	-	36,540	110,839	3,997	151,376
<b>Total non-derivatives</b>	2,921,500	1,027,942	110,839	3,997	4,064,278
<b>Derivative - financial instruments</b>					
Financial liabilities - forward exchange contracts	-	2,176	-	-	2,176
<b>Total derivative - financial instruments</b>	-	2,176	-	-	2,176

(Unit: Thousand Baht)

	Separate financial statements				
	As at 31 December 2021				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Short-term loans from financial institutions	-	227,943	-	-	227,943
Trade and other payables	-	144,775	-	-	144,775
Short-term loan from related parties	2,086,500	-	-	-	2,086,500
Lease liabilities	-	37,495	35,694	9,866	83,055
<b>Total</b>	2,086,500	410,213	35,694	9,866	2,542,273

## 41.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to market interest rate, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.



## 42. Capital management

The primary objective of the Group capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

As at 31 December 2022, the Group's debt-to-equity ratio was 1.1:1 (2021: 1.1:1) and the Company's was 1.9:1 (2021: 1.3:1).

## 43. Subsequent event after reporting date

On 23 February 2023, the meeting of the 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 Company paid an interim dividend of Baht 0.06 per share, a total of Baht 37.1 million, in September 2022, and is to pay the remaining Baht 0.15 per share, or a total of Baht 92.7 million.

## 44. Approval of financial statements

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

# Report of the Board of Directors' Responsibility on the Company's Financial Statements

The Board of Directors of the Company takes responsibility for the Consolidated Financial Statements of the Company and its Subsidiaries and financial information included in the Annual Registration Statement / Annual Report (From 56-1 One Report). They consider financial information are consistent with strategies and core policies. The Financial Statements were prepared in accordance with the generally accepted accounting standards in Thailand employing appropriate accounting policy and continual practice under careful considerations and best estimations as well as disclosing sufficient information in the Notes to Financial Statements.

The Board of Directors has established and maintained efficient internal control system to ensure with reasonable confidence that the accounting procedure is correct, complete and sufficient for asset possessions and acknowledgement of weaknesses to prevent frauds or significant conspiracies.

The Board of Directors appoints the Audit Committee consisting of three Independent Committees with qualification according to SET/SEC regulations and notification for being the audit committee's member to responsible for the quality of financial statements and internal control system. The Audit Committee's opinion regarding the mentioned issues appears in the Audit Committee's Report as an integral part of the Annual Registration Statement / Annual Report (From 56-1 One Report).

The consolidated financial statements of the Company have been audited by EY Office Limited with full support from the Board of Directors in order to have the auditor to audit and provide their opinion in accordance with the accounting standard and such opinion has been disclosed in the Annual Registration Statement / Annual Report (From 56-1 One Report).

In the Board of Directors' opinion, the internal control system of the Company is generally satisfactory and can reasonably assure the reliability of the Financial Statements of the Company and its Subsidiaries as of December 31, 2022, which was accurate and complied to the accounting standard and related law and regulations.



(General Sumpun Boonyanun)  
 Chairman



(Mr. Watchai Vilailuck)  
 Executive Chairman & Chief Executive Officer

## Attachments which is disclosed in the Company's website

Attachment	
Attachment 1	Detatils of Directors, Managements, Controlling Person, The Person Taking The Highest Responsibility in Accounting and Finance, The Person Supervising Accounting and Company Secretary
Attachment 2	Details of the Directors of Subsidiaries
Attachment 3	Details of the Heads of the Internal Audit and Compliance Units
Attachment 4	Assets for business undertaking and details of asset appraisal
Attachment 5	Corporate Governance Policy, Business Ethics and Charter of the Board of Directors and Committees
Attachment 6	Report of the Audit Committee



Please find more details of the Company's information from the attachment which are on website [www.samtel.com](http://www.samtel.com)\*.

- \* In case this Annual Registration Statement / Annual Report (Form 56-1 One Report) references information disclosed on the Company's website, the disclosed information shall be deemed to be part of Annual Registration Statement / Annual Report (Form 56-1 One Report). The Board of Directors certifies the correctness and completeness of disclosed information and annual information disclosure in the Annual Registration Statement / Annual Report (Form 56-1 One Report).





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