

**NEX.T**  
*Moving Forward Steadily*



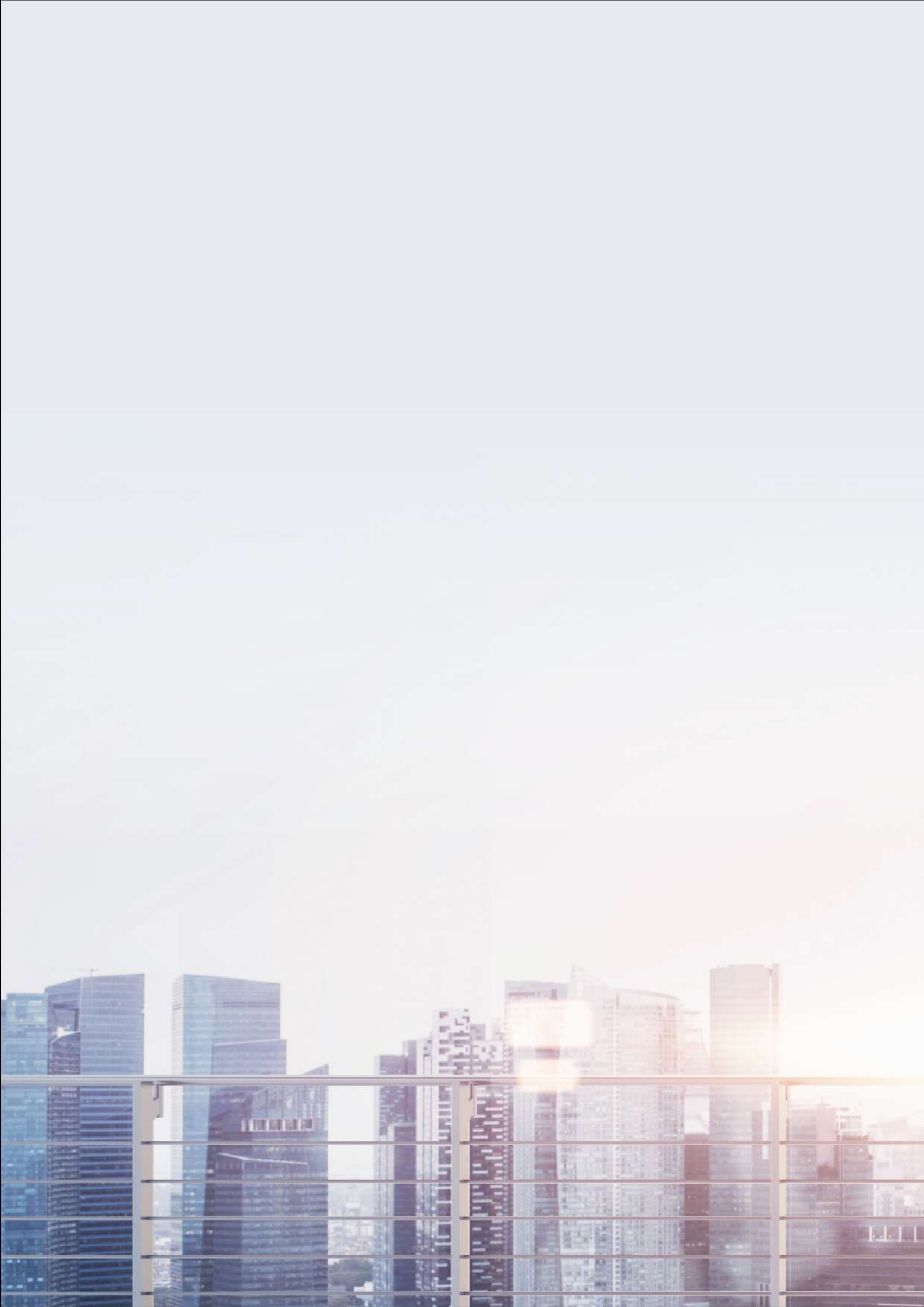
Annual Report  
**2020**



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## 2020 - A year of challenges

**To move forward vigorously and sustainably,**

kept striving for continuous development of the organization and various solutions, ready to face all kinds of changes resolutely even in the times of crisis. The Group could thus offer new solutions befitting situations and thoroughly responding to the needs of both existing and new customers, while moving forward with even more stability into the future.



# NEW OPPORTUNITY

## Seeking new opportunities and solutions to enhance business growth

with the technology that responds effectively to digital transformation, adding to the potential capabilities of the client organizations both in the public and private sectors.



### Banking Solutions

System design, installation, and establishment to support banking digital services.



### E-Payment Solutions

Complete solutions for both Online and Offline systems to support the days of a cashless society.



### Cyber Security

Providing cyber security surveillance services for organizations and stepping forward into mobile security.



### Advance Metering Infrastructure

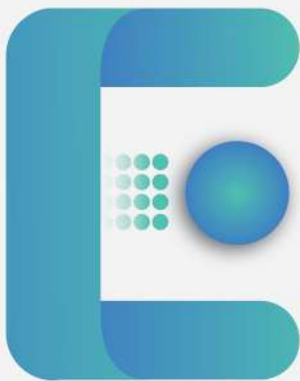
Advanced electrical power metering infrastructure to enhance modern and efficient management of electrical power usage.



### Digital ICT Solutions

Application of new technologies such as AI, Machine Learning, Robotics, Robotic Process Automation (RPA) to deliver new solutions to customers.





# EFFICIENCY

**Committed to developing  
personnel professionally**

through a strong corporate culture to encourage unity and efficient teamwork with the ultimate aim of delivering work of universal standards to clients.





# E PERIENCE

## **Delivery of first-rate experience to create trust and confidence**

SAMART TELCOMS Group is always prepared to provide effective solutions of standards. With long-term experience operating in this business, and thus customer need insights, the Group has always been ensuring clients of positive and trustworthy experience with its delivery of solutions.



# T TRANS FORMATION

## SAMART TELCOMS Group

is committed to keeping the organization modern and resilient in line with the digital age, ready for modifications and changes in response to the ever-changing world situations so it can move forward vigorously and sustainability into the future.



## MESSAGES FROM THE BOARD OF DIRECTORS





Dear Shareholders

2020 was the year that Thailand's economy faced drastic contraction, resulted from COVID-19 pandemic affecting worldwide. The situation has had impacts to all sectors, especially tourism, export of goods, and domestic consumption resulting in severity downturn of overall economy. Smart Telcoms Group, therefore, has had compassion to all Thais and encouraged people in all segments to come through this situation together. The Company has strictly cooperated with the government's restrictions to prevent COVID-19 spreading and has provided supports civil society constantly for example donations of communication devices, thermal scanners, facemasks, etc. to medical persons and facilities as well as supporting people affected by the situation.

Furthermore, the Company has conducted several measures to alleviate impacts to all stakeholders at its best efforts such as Contingency Plan, Business Continuity Plan, mitigation and supports to partners affected, and taking care of employees to prevent the spread of COVID-19.

Gratitude must be extended to the Board of the Directors, executives, and all employees for their collaboration and synergy with their full capabilities in operations to achieve the Company's goal, despite of the situation unfavorable to conduct business under normal conditions. In spite of decline in revenue from 2019, the Company was able to generate revenue in 2020 totaling of Baht 5,510 million. The Company has also maintained service standards delivered to customers such as ISO 9001 for service quality, ISO 20000 for IT service management, and CMMI for quality software development. Additionally, the Company has still maintained rate of "Excellent" in Corporate Governance Report of Thai Listed Company appraised by Thai Institute of Directors (IOD).

For the Thai economy in 2021, it is expected to recover and grow by 2.8 percent mainly from expansion of public investment and consumption, growth of export of goods, and government's recovery and domestic stimulus measures. The number of foreign tourists may be projected to be lower than that in 2020, however, vaccine's efficiency and rollout to citizens in each phase are factors to be considered. In 2021, ICT and digital technology market will expand resulted from the demands of technologies for several organizations to support their operations with partners online and for employees to work from home. Besides, due to COVID-19 pandemic and economic slowdown will increase competition in many business sectors and urge several organizations to expedite their Digital Transformation. Moreover, investment in 5G technology for telecommunication providers, together with the government supports in Thailand 4.0, Eastern Economic Corridor Digital Innovation Zone, and promotion of Smart Cities will create several sustainable business opportunities for the Company.

With the concept of sustainable growth, good corporate governance, and shared common goal (One Goal) along with the determination and synergy of the Board of the Directors, executives, and employees at all level collectively called One Team, the Company will overcome obstacles at the important moment and will deliver innovation in digital technology including total solutions driving customers and organizations to perform their operations efficiently, meeting their demands and expectations. Most importantly, the Company will conduct business with responsibility of society, environment, and all stakeholders together with "Creating Quality People and Supporting Ethical Society".

Lastly, the Board of the Directors are grateful for all shareholders, valued customers, partners, and every one involving in every step of the Company's operations for trusts and continued supports. In return for every trust, the Board of the Directors, executives, and all employees will commit with full capabilities in delivery of ICT and digital solutions to all sectors to recover and drive economy of the country towards sustainability.



**General Sumpun Boonyanun**  
Chairman



Dear Shareholders,

For 2020, the global economy was in significant turbulence and Thailand's economy contracted by 6.1 percent with drastic contraction in export of goods and services and private investment due mainly to COVID-19 pandemic affecting worldwide. Such impacts caused stalling in tourism sector and significant decrease in domestic consumption. Samart Telcoms Group did not hesitate and promptly conducted various activities to help medical personnel, medical facilities, government agencies, and people impacted by COVID-19, with funding supports, provision of masks and face shield equipment, communication devices, foods and supplies, including distribution of valid information and guidelines to prevent virus spreading. The Company has also strictly complied with the government's COVID-19 control measures.

Due to delays in government spending of 2020 fiscal budget, together with obstacles in traveling and transportation of equipment impacted by COVID-19 situations, the Company's projects and revenue recognition were also affected. Moreover, contraction of the number of tourists caused the substantial drop of revenue based on the number of passengers and flights significantly declined. The Company, however, generated revenue totaling of Baht 5,510 million lower than that in 2019. Trusted by customers, the Company gained new projects with total contract value of Baht 3,265 million with net profit of Baht 287.5 million due mainly from revenue loss from business units providing services to airports and airlines.

In the situation of COVID-19 pandemic, the Company has conducted various plans and activities to mitigate impacts such as Business Continuity Plan, social distancing measures to reduce population density in the offices by working from home and team splitting to work at reserved sites, meeting and training via online platform, etc. The Company has still maintained its service level compliant with ISO 9001 and ISO 2000 for service quality and customer satisfactions. Furthermore, the Company has been in collaboration with partners in various means to mitigate impacts and help partners' business to get through this crisis together.

In 2021, Thai economy is expected to grow by 3.0 percent from expansion of goods export due to recovery of trading partners and government's stimulus measures. Domestic consumptions will grow along with public investment and consumption increasing by 10.7 and 5.1 percent respectively, while private investment will as well expand. Information and Communication Technology (ICT) and Digital industry are expected to expand compared to contraction in the previous year, increasing business opportunities of the Company. Supports from the government in Digital Economy, development of transportation infrastructure, Eastern Economic Corridor (EEC) development, Smart City, Digital Government, including promotion of Bio-Circular-Green Economy (BCG), which ICT and digital technology will be key parts to drive such economy model. Business enterprises and providers will invest more in ICT to respond to increasing usage of technology such as 5G, IoT, and relating systems, for example, Data Center, Cloud Computing, Cyber Security, etc. Additionally, more business enterprises have expedited their process of Digital Transformation. Adoption of Artificial Intelligence (AI) and Big Data Analytics will be widespread for competition. Technologies relating to personal data protection, proofing of identity, Block Chain and Distributed Ledger will be increasingly applied in electronic service platforms.

With those supporting government policies and the growth of technologies, the Company finds many business opportunities to deliver complete ICT and digital solutions and services. With knowledge and capabilities of the Company's experts in synergy with subsidiaries and partners, the Company consequently is ready and capable of offering solutions with values and innovation to customers compliant with standards of service quality that the Company has always maintained and delivered to customers to increase satisfaction and good experiences of customers.

Finally, with capabilities and commitment of all executives and employees, on the behalf of Executive Board of Samart Telcoms, we are confident that in 2021 the Company's business will succeed in revenue generation and responding to business opportunities. Together with efficient resource management, risk management, and responsibility for society, environment, and all stakeholders, the Company will recover and grow strongly leading the Company towards sustainability and its goal achievement.



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



# REPORT OF THE EXECUTIVE BOARD



# Board of Directors

## Miss Rapeepan Luangaramrut

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



## Mr. Kajornvut Tayanukorn

- Director
- Corporate Governance Committee Member



## General Sumpun Boonyanun

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



## Mr. Sirichai Rasameechan

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



## Mr. Vichai Pokasamrit

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





**Mr. Watchai Vilailuck**

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



**Mr. Jong Diloksombat**

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



**Mr. Charoenrath Vilailuck**

- Executive Director
- Risk Management Committee Member

**Mr. Thananan Vilailuck**

- Executive Director
- 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.

## 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.

## 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 2020. 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 2020, 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 2020, based on the COSO-ERM Framework, (The Committee of Sponsoring Organizations of the Tread way Commission - Enterprise Risk Management), 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 2021'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 of the Charter of the Audit Committee.** The Audit Committee has reviewed the Company's Audit Committee Charter. Unedited and revised charter. Due to the last verion comply with the rules and practices of the Principles of Good Corporate Governance. And the regulations of the Stock Exchange of Thailand and 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 2020** to be proposed to the Board of Directors to ask for approval of Annual Shareholder's Meeting for the year 2020, which the Audit Committee considered the performance, independency and remuneration and concluded to propose appointing Mrs. Sarinda Hirunprasurtwutti, Certified Public Accountant Registration number 4799, or Miss. Kamontip Lertwitworatep, Certified Public Accountant Registration number 4377, or Mr. Wichart Lokatekrawee, Certified Public Accountant Registration number 4451 of EY office Limited to serve as the Company's external auditor for the year 2020, 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 2019.
  - 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 Directors 4 members by the Chairman of the Executive Board as Chairman of the Risk Management Committee. Moreover, also appointed a working group Risk Management, which comprises the President as the President of working group Risk Management and all concerned department heads total of 11 members to the evaluate related risks as set out in the Risk Management Plans, together with setting up appropriate preventive and corrective measures and monitored results regularly. To propose a management plan and follow-up performance on risk management to the Risk Management Committee for consideration.

In 2020, The Risk Management Committee conducted 3 meetings to carry out duties and responsibilities as assigned by the Board of Directors as summarized below:

1. Considering the risk management plans and significant risks that the management from all relevant departments have assessed the risks covering various areas. That will have an impact on the business operations of the Company's and set the level of risk and determine the impact and determine how to manage that risk To be at an acceptable level or reduce the opportunity and assign the responsible person to implement.
2. Continuously promote and support executives and employees to realize the importance of internal risk management. So that the company can manage its critical risks to an acceptable level.
3. Providing advice and guidelines in risk management for all relevant administration department. Supervise to ensure that risk management policy has been thoroughly communicated and the employees have fully and continually complied with.
4. Monitoring 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 make a follow up 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 ensured that the Corporate Risk-Management operations have been 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 2020, with determination to improve corporate governance constantly, 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 of the Company's Corporate Governance Policy, Business Ethics and Committee Charters.**

The CG Committee reviewed and adjusted the Company's additional Corporate Governance Policy, Business Ethics and Committee to ensure that the corporate governance policy of the Company is consistent with the Corporate Governance Code (CG code) 2017 and various related regulations as well as beneficial to creating value for sustainable business.

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

The CG 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 CG Committee has encouraged the minority shareholders to propose the agenda and submit enquires 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 2020, 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 2020, 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 2020 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 executive levels. The Nominating & Compensation Committee also proposes compensation policies and guidelines for remuneration packages for the Board of Directors, the Committees' members, top Executives and the management as well as the employees of the Company fairly and reasonably by taking into consideration with the best interests of all parties.

In 2020, 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 personal to Independent Directors**

The Nominating & Compensation Committee considered nomination and proposed qualified persons for Independent Directors defined by the Board of Directors, which compliant regulations of the Securities and Stock Exchange of Thailand and Exchange Commission, for one more Independent Director, from 3 to 4 directors, to independently perform their duties and express opinions or report the performance of their duties assigned by the Board of Directors. The Nominating & Compensation Committee then proposed to the Board of Directors for further approval.

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

The Nominating & Compensation Committee, carefully considered, nominated and proposed qualified persons for the Committees' member every year as well as considering Independent Directors with suitable qualification to serve as an additional member of the Nominating and Compensation Committee from 3 to 4 directors and proposed to the Board of Directors for further approval.



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

The Nominating & Compensation Committee considered the 2020 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 responsibility in accordance with the results of operations, 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.

- **Determined appropriate Bonus and Salary Increase**

The Nominating & Compensation Committee jointly with the Human Resources Department and the Executive Board considered the criteria on salary increase for 2021, bonus payment of 2020 and criteria for bonus of 2021. 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 Boonyarun)

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 due regard to social, community and environmental responsibility. 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.

During 2020, the Sustainable Development Committee arranged 2 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. Follow up progress of the working group in each dimension in order to proceed according to the plan;
2. To consider the Company's sustainability development plan that will lead to sustainable business growth with society;
3. To review the duties and responsibility of the Sustainable Development Committee;
4. To consider and follow up the Corporate Social Responsibility activities during the year 2020;
5. To conduct the Sustainable Development Committee self-evaluation for 2020 and report results to the Board of Directors for improvement leading to sustainable development and more efficient operations;
6. To prepare a report on duties of the Sustainable Development Committee during the past year to propose to the shareholders and disclose in the annual report.

The Sustainable Development Committee has performed duties to the best of its ability with determination to further development of sustainability as well as creation of shared values among all stakeholders with considerations in sustainable business practices resulting in drivers leading the organization towards sustainability.



(Mr. Jong Diloksombat)

Chairman of the Sustainable Development Committee



# Corporate Social Responsibility Report

(Sustainability Development Report)

## Overall and Policy

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 due regard to social, community and environmental responsibility. The Board of Directors approved to appoint the Sustainable Development Committee to specify policy framework and operating guidelines of the Company's environmental and social responsibility activities. Such operations shall be used as guidelines to follow up progress and assess the CSR activities then report to the Board of Directors. The Sustainable Development Committee shall arrange the meeting at least 2 times a year. The Company shall develop the CSR activities pursuant to the guidelines specified by the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand which can be led to sustainable business growth.

### **Duties and Responsibilities of the Sustainable Development Committee**

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

### **Sustainability Development Policy (SD Policy)**

1. To conduct business based on good governance principle as well as social and environmental responsibility including other related SD projects and activities by primarily taking into consideration benefits of all stakeholders;
2. To build up corporate culture that can encourage all employees to have conscious mind while performing duties and also to have volunteer spirit which is willing to devote efforts and personal time for benefits of communities as a whole;
3. To promote and educate the employees at all levels on social and environmental awareness to serve as guidelines on social and environmental conservation and sustainable development throughout the organization;
4. To encourage on creation of social and environmental projects or activities including other related SD projects and activities.

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

#### **Vision**

Samart 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.

#### **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.

**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”.

Details of policies for all stakeholders and implement of policies in the previous year were disclosed in the section “Corporate Governance” under the topic “1.2 Business Ethics”.

## Progress and Reporting

The Company conducts business in compliance with the Sustainable Development Policy and taking into account with all stakeholders. The policies regarding treatments to all stakeholders are stipulated in the Company’s Business Ethics. Details are disclosed in the section “Corporate Governance” under topic of “1.2 Business Ethics” and posted on the Company’s website at [www.samtel.com](http://www.samtel.com). The Sustainable Development Policy comprise 9 operating principles of conduct as follows:

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

One of the Company’s concentrated stakeholders is employees. The Company highly regards all of the employees as invaluable resources and indispensable assets that propel the Company to meet all objectives and future successes. The Company offer fair hiring with adequate trainings and education from both internal and external organization for employee development. Details regarding employee policy were disclosed in “5. Fair Labor Practices” and policy in Human Resources Management and Development Policy were disclosed in the section “Management Structure” under “Human Resource” in the topic “Human Resources Management and Development Policy”.





Progress of 9 operating principles of conduct were as follows:

## 1. Organization Governance

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

The Board of Directors realized the importance of the good Corporate Governance which will be the fundamental factor for improving standard of business operation to create more transparency, competitiveness and strengthen the confidence of all shareholders, investors and other related parties and the competition capability of the Company. Thus written Corporate Governance Policy and Business Ethics, which complied with the Principles of Good Corporate Governance of SET and Corporate Social Responsibility Guidelines, have been provided for practices of directors, management and employees of the Company under the policy guiding principle of being a good corporate citizen, who is accountable to employees, customers and shareholders, and being socially responsible. The Company Secretary Division is a compliance unit to supervise and oversee the operation of the Company, directors and executives to ensure that they been correctly complied with the regulations of the SET, the SEC, the Public Company Limited Act., and other related laws. In 2020, the Company performed in relation to good corporate governance of which details shown in “Corporate Governance”.

In 2020, the Company has strongly observed the Corporate Governance Principles, as a result, the Company has received for the evaluation of corporate governance reports of Thai listed companies by the Thai Institute of Directors (IOD), in 2020 was rated “Excellent” and being ranked in Top Quartile of the group of companies with a market capitalization of since Baht 3,000 – 9,999 million upwards and the survey result of the Annual General Meeting of Shareholder (AGM Checklist) by the Thai Investors Association, in 2020, the Company was rated “Excellent”.

## 2. Fair operating practice

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

The Company conducted business and manage the Company’s operation ethically. The Board of Directors has provided the Business Ethics manual for the Company’s directors, executives and employees to adhere as their practical guidelines on integrity, honesty, standardization, quality, moral and fairness. The Business Ethics was posted on the Company’s website ([www.samtel.com](http://www.samtel.com)). It also covers the administration of all stakeholders, i.e. shareholders, employees, customers, competitors, business partner, lenders including societies and environment. Moreover, the Board of Directors also assigns the Corporate Governance Committee to oversee performance of directors, executives and employees to ensure that they strictly adhere to this practice. More details on the treatment of stakeholders are disclosed in the topic “Corporate Governance” in the topic “Business Ethics”.

## 3. Anti-Corruption

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

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

Furthermore, General Operating Guidelines were as follows:

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

In addition, the Company has stipulated penalties for any actions that resisted the mentioned policy whether directly or indirectly will be considered disciplinary in accordance with the Company's regulations including legal penalties, if any.

Result of the implementation of such policies in 2020 caused the following matters:

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

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

## 4. Respect of Fundamental Human Rights

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

The Company emphasizes on human right as common practice, all employee shall not act or support any action to violate any human rights. On the contrary, the Company shall create the knowledge-based-organization on human rights as well as cultivate consciousness to the Company's employees to make them adhere to and follow. The policy non violation of human right has been stated in the Company's Business Ethics as follows:

- **Personal right and freedom:**
  - The Company has policies that employee's personal information is the secret and shall not be sent or disseminated to unauthorized parties.
  - Disclosure or transfer of personal information only upon the owner's consent.
  - The human has right and freedom so long as not violate the right and freedom of others.
- **Equal treatment:**
  - The Company treats all employees equitable, no person shall be discriminated against regardless of race, nationality, language, religion, sex, age and education.
  - The employee shows respect to and acceptance of others, and acts appropriate with job as the Company's regulation and tradition without disgrace.
  - The Company has opportunity for the employee to show their capability by set appropriate remuneration and has opportunity for more education both in higher education, and short-term/long-term training.
  - Deliberation related to hiring and judgment of performance should be accurate and fair.
  - In performing the work, avoid expressing opinions that have to do with differences of physical and mind, race, nationality, language, religion, sex, age, education, or any other attribute likely to cause conflict.
  - Contribute to making the work environment free of oppression and injustice.
  - The employee shows respect and tolerance for each other's opinions.



## 5. Fair Labor Practices

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

The Company highly regards all of the employees as valuable resources and is a major factor to drive the business performance to achieve its goals. The Company must respect and obey the laws and ethics in order to establish justice, stability and peace in the society. As a result, it is the Company's policy to treat employees fairly in all respects, employment opportunity, reasonable remuneration, promotion, welfare in the following aspects:

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

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

- 3. Specify to have "Safety and Health Policy".** The Company develops policy and system of safety and health of employees in accordance with the requirements of law and performs all necessary measures to ensure the safety of life and health of employees as well as activities included health promotion for healthy life of the employees.

For safety, the Company also has the practical guidelines concretely by appointment of the safety officers, training and cultivate consciousness of safety, occupational health and working environment for the employees, the annual evacuation drill in case of fire, the fingerprint scanning system, medical examination, provide basic medical services as well as serving modern medicine and an annual health check. Details are provided under "Corporate Governance" in the topic of "1.2 Business Ethics" in the item of "Employee Policies".



**4. Specify to have “Human Resources Management and Development Policy”.** The Company always regards that our employees are the most valuable and crucial fundamental for the company’s sustainable success becoming a leading Telecommunication Technology and Digital Technology company in the competitive industry. The Company practically initiated corporate HRM & HRD policy and build 4 strategic corporate cultures including of Think Ahead, Customer Focus, Team of Professional, and Commit to Excellence applying to all hr procedures emphasizing on analyzing proper manpower planning, increasing performance efficiency and improving working procedure to cope with business working environmental and digital technology change. In addition, especially in the year 2020, the Company has essential company policies, working plans and measures preparing for the situation of the COVID-19 epidemic in order to implement human resource management and development policies and support all business processes to be continued with maximum efficiency and effectiveness to create success and growth of the Company sustainably. For more details, please see in “Management Structure” under “Human Resource” in the topic “Human Resources Management and Development Policy”

**5. Competency Development and Career Advancement for Employees.**

The Company gives utmost priority to support, motivate and create value for our employees to strengthen both knowledge and skill in holistic ways. We believe those will enable Employees to be able to continuously develop their own competencies to perform their job well, align with company’s goals and keep growing our business sustainably plus having their career advancement opportunities.

The competency and career development program of Samart Telecoms group will use Competency Based Development approach which is divided into;

**1. Managerial Competency**

Managerial Competency is crucial for our 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
<b>First Time Manager Program</b>	<ol style="list-style-type: none"> <li>Supervisors, Assistant Managers, Manager level who has year of service less than 2 years or equivalents who have been assigned as a team Leader whose job related to Planning, Objective setting, Delegating, Monitoring and developing people.</li> <li>Professional technical staffs whose the roles have just been appointed to supervise subordinates and need to adjust their perspective, working style and leadership skill.</li> </ol>	<ol style="list-style-type: none"> <li>To strengthen the managerial competency in order to perform and achieve company goals effectively.</li> <li>Develop knowledge and understand the management concept that would be applicable to their routine jobs.</li> <li>Develop communication and relationship building skills that help leader to be able to motivate and inspire their team efficiently with professional image.</li> </ol>
<b>Strategic People Management</b>	<ol style="list-style-type: none"> <li>Manager level up or equivalents who have been in charge of goals setting, planning, directing and developing their team members.</li> <li>Management level who passionate to develop strategic thinking skills together with people management leverages.</li> </ol>	<ol style="list-style-type: none"> <li>To develop leadership skill that equip our leaders to achieve business goal effectively.</li> <li>Develop strategic thinking skill, business and organizational management including resources planning to strengthen company’s competitive advantages.</li> <li>Develop communication skill, Presentation skill, Relationship management and Team motivation.</li> </ol>



Course	Target Group	Objectives
<b>Samart Strong Together</b>	SAMART's Employees	<ol style="list-style-type: none"> <li>1. To create good relationship and collaboration among the different companies of SAMART's employees.</li> <li>2. To support good Teamwork and collaboration that create happy working environment and drive company's goals achievement</li> </ol>
<b>ICT Talk</b>	Employees and Managers who are willing to learn and develop their managerial skills including be inspired by and from the Executives that could be a Role model for thoughts, behavior and values.	<ol style="list-style-type: none"> <li>1. To leverage executives' role and their engagement related to employees' development through direct experiences sharing.</li> <li>2. To build and support employees to adhere and follow the values of the organization.</li> </ol>

## 2. 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;

### 2.1 Sales Capabilities Development

i.e. 5G Solution and Application.

### 2.2 Finance, Accounting and Information Technology

Capabilities Development i.e. Tax & Accounting for Business, TFRS for PAEs 2020 and Personnel Data Protection 2562.

### 2.3 Safety and Working efficiency Development to increase knowledges and effective execution toward safety and working efficiency

i.e. Safety Officer Supervisory level, Safety work at Height, Basic Offshore Safety Induction & Emergency Training with Travel Safety by Boat.

### 2.4 Service Quality Development

i.e. Digital Edge Fusion , Service Mind and Service Excellence.

## 3. Generic Competency

The development for basic skills of employees at all levels in important areas such as communication skills, Computer skills, English skill, i.e. Microsoft Project 2013, Pitching and Negotiation etc.

### Benefit and Outcome

Samart Telcoms Group focuses on the employee continuous learning. Therefore in the year 2020, Samart Telcoms Group continuously develop employees and create readiness to support the business operations of the organization. We develop the competency of employees in various dimensions In order to achieve the organization goals and ensure that employees can grow together with the organization.

- **Leadership Development**

The Company gives utmost priority to build leadership skills to Managers. Managers are systematically trained i.e. First Time Manager Program etc. These training focus on increasing leadership skill and various skills to enable work efficiency and to do their assigned jobs. The employees show the capability to manage their jobs and teams Very well. The Company believes that our development plan will make employees developing sustainably and be able to drive business successes.

- **Career development Plan**

The Company has the policy to set a career development plan for all level of employees. Employees will be trained continuously in accordance with the competency gap assessment. The training plan is managed base on needs and has covered all area of learning that required i.e. GeoServer, CompTIA Security+, Microsoft Project 2013 etc.

- **Development for embrace changes**

The Company is fully aware of the importance and need to prepare our employees to be ready for changes in the digital era. Therefore the Project Smart Talk and ICT Talk have been arranged and our executives who are the role model have transferred their experiences and thoughts to our young talents.

- **Development of learning channels**

Besides the classroom training, The Company gives the priority to ways of learning in accordance with various skills. So new technology has been used.

- Blended learning which is the combination of Theory study and workshop study through the Case-Based Learning, Coaching by Executive, The Visit sites experiences transferred.
- Focus on leadership development via Internal Trainers and Knowledge transfer.
- Introduce learning online system and to use the QR Code for communication and satisfaction surveys.

The overall development makes the program be various and interesting. We get good feedbacks from employees. In 2020 Samart Telcoms has number of hours of training as follows;

**Number of hours training**

Description		Number of hours training per employee
Number of hours training		6.36
Level	Management	10.58
	Staff	4.95

**Career Development**

The Company takes career development importance seriously hence in 2020 we has conducted training program 68 courses.

Online Course	External Training	In house Training	Oversea Training
9	45	23	-
Training Expense 2,608,381 Baht		Average number of training per employee 2,567.30 Baht	

**6. 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 2020, several activities had been conducted with employee participation and the purpose to make happiness at work. Those activities were:

- **English for U**

The games were to continuously promote learning and development of English language usage for employees. The activity encouraged self-study and self-learning and reduced stress from work through several types of English learning activities and media, for example, Games, Tip & Trick, Board, Motto, Contest.





- **Happy Workplace**

The Company strives to be an organization that encourages employees to enjoy working. Happy Workplace activities through activities such as Drug donation to the management and employees to participate in the happiness together.

Further, the Company also conducted satisfaction surveys and opened for suggestions in setting up activities and internal survey for internal operation satisfaction. The Company also conducted several engagement activities for every level in the organization to encourage collaboration and teamwork (Synergy) such activities were merit activities by D-Club and other clubs' activities.

## 6. Consumer Responsibility

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

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

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

For more details, please see in the section "Corporate Governance" in the topic "Customer policies".

## 7. Contribution to the Community and Society

Samart Telcoms Group put an emphasis on elevating the quality of life and developing prosperity to the community and society by establishing the policies and best practices to achieve the mission of **"Creating Quality People; Supporting Ethical Society."** The detail were published at [www.samtel.com](http://www.samtel.com) in the topic "Corporate Governance"

### **Creating Quality People**

As human resources are a key element to drive the development of society, economy and the nation as a whole, the company focuses on "Creating Quality People" within the organization and outside by providing supports in various aspects through projects and activities as follows:

## 1. SAMART Innovation Funds 2020

- **Funding Support for University's Senior Projects**

This project provided funding supports worth 300,000 Baht to 30 projects related to artificial intelligence (AI), machine learning and Internet of Things (IoT) in six universities, including King Mongkut's University of Technology North Bangkok; King Mongkut's Institute of Technology Lad Krabang; King Mongkut's University of Technology Thonburi; Thammasat University; Mahidol University; and Kasetsart University.

SAMART Innovation Funds is a part of SAMART Innovation Awards which have been organized continuously for 17 years since 2003.



- **Smart Training: New Trends for New Gen**

The program organized a training course to senior students at the Faculty of Applied Science, Department of Computer and Information Science, King Mongkut's University of Technology North Bangkok to fulfill their technological knowledge and prepare them with readiness to pace into their future technological career.



## 2. Educational Support

- **Educational Funding Support** regarded donating school supplies and sports equipment to Watwongpad School in Rat Sathit, Chaiyo, Ang Thong province.





- **School Renovation and Supplies Donation**

This campaign was in cooperation among Samart Telcoms PCL. and Portalnet Co., Ltd., and the Provincial Electricity Authority (PEA) to renovate Ban Phailom School's landscape and donate educational supplies to support the school's teaching and learning system. Ban Phailom School is in Bang Len District, Nakhon Pathom province.



- **Funding Support for Short Film Festival** by offering funds to students in Film and Digital Media Department, the Faculty of Communication Arts, Sripatum University to organize short film festival.

### 3. Sports Talent Support

- **Fox Hunt Season 5**

Together with King Power International, this campaign sponsored Thai youngsters to train their football skills in Leicester City Academy while continue their high-school study at Ratcliffe College in England for two years.



- **Thai Football Club**

The Company supported two Thai football clubs in Thai League including Buriram United F.C. by Samart Comtech Co., Ltd. and Phrae United F.C by Samart Telcoms PCL.

- **2020 Polo Games**

The Company provided supports to Thailand Polo Association in organizing the Polo Games Season 2020 in Thailand.

- **MS E-Sport Chonburi**

The Company supported MS E-Sport Chonburi Team Season 2020.



- **PEA Volleyball Training for Youth**

The Company supported “The 16<sup>th</sup> PEA’s Volleyball Training for Youth” to train Thai youngsters volleyball skills. Instructed by PEA’s national volleyball team, the training encouraged Thai youths to make use of their free time to gain a stronger health. The skills can be developed and practiced to raise the level of volleyball circles in Thailand.



- **PEA Happy Run Mini Marathon 2020**

In cooperation with Portalnet Co., Ltd. to sponsor “The 11<sup>th</sup> PEA Happy Run Mini Marathon 2020” on the occasion of celebrating the Provincial Electricity Authority’s 60<sup>th</sup> anniversary to promote exercise for better health.

#### 4. **Quality People Development in Organization**

The Company focuses on building quality peoples because the employee are key factors to the sustainable success of a business. The Company therefore has policies for employees at all levels to improve knowledge and capabilities via training courses, various activities, and knowledge distributed through communication channels as the following:

- Managerial competency and leadership improvement, aiming to raise the level of leadership abilities that are exemplary for the organization. There are several courses in development, for example: First Time Manager Program to strengthen the managerial competency, develop knowledge and insight of the management concepts, relationship development skills, and communication skills; Strategic People Management Program for management-level employees to develop strategic thinking skills together with people management.
- Functional competency improvement to enhance professional competencies in several areas such as sales capabilities, finance and accounting, Information Technology, safety and working efficiency, service quality development, etc.
- Generic competency development that target improvement basic skills of employees at all levels such as communication skills, computer skills, English skills, etc.

Moreover, the Company provides staff training and education in various ways both in classroom and online via V-Learn system, including practices of skills through job rotations and challenging assignments as well as organizing activities to distribute knowledge to employees through Line @ VR Samart, which contains useful content for works and daily life of employees.

Additionally, the Company organized “Strong Together” activity to foster the group’s unity and cultivate the employees with SAMART DNA comprising Think Ahead, Customer Focus, Team of Professional, and Commit to Excellence. The activity was held seven times from 2019 to 2020 with more than 800 participating employees.



**5. Technology Knowledge Support**

- Portalnet Co., Ltd. in partnership with IBM Thailand organized a seminar titled “The Rise of the Sustainable Enterprise Now to Expedite COVID-19 Recovery” to introduce the best practices on corporate management for large organizations to achieve digital transformation.



**Supporting Ethical Society**

Samart Telcoms Group encouraged the employees to take initiatives in social contribution by using “D Club”, which was formed by a group of volunteer employees, to stimulate the volunteerism and helping-and-sharing awareness among the employees. The group also organized various activities to promote Buddhism and public charities through “SAMART Foundation” and other activities that are beneficial to the society.

**1. Power of Volunteers for Social Development**

- **Blood Donation Project**

Collaborating with the Thai Red Cross, the Company encouraged the employees and people in nearby communities to make blood donation. The project was held three times a year with more than 150,000 CC. of blood donated in 2020.





- **Merit Knitting Project**

Held for the 6<sup>th</sup> consecutive year, the project encouraged the employees to make knitting hats for monks, nuns and dhamma practitioners at Wat Pa Chai Chumpon in Khao Kho District, Phetchabun province.



## 2. Corporate Social Responsibility and Support During COVID-19 Pandemic

- **COVID-19 Prevention Measures**

The Company laid down significant measures to prevent the pandemic of COVID-19 in the organization. Screening measure was introduced by using efficient temperature sensor machine to detect people's temperature before entering the areas with face mask required.

Significant "Social Distancing" measures were launched including Work from Home (WFH), online video conferencing, social distancing in passenger elevators, and overlap working time and lunch break to reduce congestion during rush hour. The group continuously publicized vital information, educated and introduced new campaigns through various media channels to create the employees' awareness for COVID-19 prevention throughout the year.

- **Donation of Smart Phones**

100 smart phones were donated to medical people working in Thammasat University Field Hospital, Rangsit Campus for use to communicate between patients and doctors, as well as nurses and staff to reduce risks of COVID-19 infection and increase safety while they are on duties.



- **Donation of Thermal Scanner**

The Company, in collaboration with its business partners, delivered Hikvision Temperature Screening Thermal Solution worth to the Ministry of Education for use to enhance the efficiency of COVID-19 prevention.





- **Face Shield Donation**

Three thousand face shields were delivered to medical people in various hospitals including Thammasat University Hospital, Panyanantaphikkhu Chonprathan Medical Center, HRH Princess Maha Chakri Sirindhorn Medical Center SWU and the other 20 hospitals in the provinces.



- **Kindness Sharing by SAMART Foundation**

Samart Foundation donated necessities to those affected by COVID-19 in Nonthaburi and Pathum Thani province as well as in Wat Kerdkan Udom community, Khlong 3, Pathum Thani.



- **Fabric Mask Workshop**

The Company arranged fabric mask sewing workshop for self-use and sharing. The workshop was a part of efforts to help reduce the epidemic of COVID-19 by encouraging the participants' social responsibility.



- **Sharing Corner**

The Company allocated an area to be a “Sharing Corner” encouraging the employees to share food and beverage as well as the necessities such as alcohol gel, face mask and others to colleagues and their family that got impacts from the COVID-19 situation. The project created “the society of sharing” amidst the crisis.

### 3. Buddhism Promotion

- **Annual Alms Giving**

The event is held regularly on January every year to enhance the prosperity to Samart Group's executives and the employees.



- **Offering Candles**

The Company offered candles to Wat Mai Ban Tan, Sakon Nakhon province in the Buddhist Lent Festival.

- **Kathin Merit-Making**

The Company made a Kathin merit donating for 255,600 Baht to build the temple hall at Wat Phrathat Charoen Tham, Kaeng Khoi District, Saraburi province.



- **Dharma Voice Radio Program**

The radio program broadcasts Dharma principles through Public Address (PA) System every Monday at 12.00 to 13.00.

- **Dharma Preaching**

The Company organized Dharma preaching by Phra Ratchdhamanithet (Phra Payom Kalyano) titled "Dharma leads the ways to pass through the crisis in work and life."

The event was a part of the "Abandon+Review" activity to encourage the participants to "abandon" things that are not beneficial to their life and to "review" their lifestyles during the past year before stepping to the new year with wisdom and happiness.





#### 4. Other Social Projects Support

- Fund donation to “Fund Raising Project to Construct Accommodation for Patients and Relatives at Baan Saeng Chan, Chanthaburi” on the occasion of the 67<sup>th</sup> anniversary of the establishment of the Government Housing Bank.
- Fund donation to “Foundation for the Welfare of the Crippled under the Royal Patronage of Her Royal Highness the Princess Mother” and “The Information Technology Foundation under the Initiative of Her Royal Highness Princess Maha Chakri Sirindhorn” on the occasion of the 60<sup>th</sup> anniversary of the establishment of the Provincial Electricity Authority.



- Fund donation to “Mother Earth Fund” on the occasion of the establishment anniversary of the Metropolitan Waterworks Authority.
- Fund donation to “Veterans General Hospital” on the occasion of the 19<sup>th</sup> anniversary of the establishment of the Small and Medium Enterprise Development Bank of Thailand (SME Bank).



#### 8. Environmental Conservation

As the environmental preservation is rising a major concern, Samart Telcoms Group has focused on doing business with concerns of environmental conservation and efficient use of the world’s resources. The group realized in making best use of technology for environmental preservation while supporting and sponsoring various environmental projects and raised the employees’ awareness in environmental preservation sustainably. The Environment Policy was published at [www.samtel.com](http://www.samtel.com) in the topic “Corporate Governance”.



In 2020, various environmental-related projects were initiated with achievements as follows:

**Product and Service Development with Environmental Concern**

The Company established environmental safety standards and introduced telecommunication services for environmental preservation. It collaborated with government agencies and state enterprises, which have the same environmental vision to stimulate the efficient use of energy in the society. The projects included:

- **Installation of Solar Power Generation System and Energy Storage**

The project installed the solar power generation system and energy storage to Plant Genetic Conservation Project under the Royal Initiative of Her Royal Highness Princess Maha Chakri Sirindhorn.

The systems were implemented in four areas included:

- Thung Khanan, Soi Dao district, Chanthaburi;
- Sanam Chai, Na Yai Am district, Chanthaburi;
- Koh Yao Yai, Koh Yao district, Phang Nga;
- Phru Nai, Koh Yao district, Phang Nga.



- **Procurement and Installation of Solar Power Generation System**

The project included the installation of solar power generation systems and energy storages in 46 National Park Protection Units of the Department of National Parks, Wildlife and Plant Conservation.

- **PEA Automatic Meter Reading (AMR) Project**

The Provincial Electricity Authority (PEA) initiated the project to allow large-size power users to manage their electrical power usage with maximum efficiency.

**Employee Awareness Development on Resource Utilization**

The Company emphasized development of the employees’ awareness to realize on environmental preservation and resource utilization through its internal media and energy saving campaigns. During 2020, the Company remodeled the activities to serve the changing situations and achieved the most benefits through projects as follows:

- **“SAMART Loves the World Project: Reduce Use of Plastic Bag Season 2”**

The campaign focused on the reduction of using plastic bags while encouraged the use of reusable bags. Fabric and paper bags were prepared at every floor of SAMART’s offices to allow the employees to use and bring it back for reuse.

- **“SAMART Loves the World Project: How to Throw Dangerous Waste”**

The campaign created awareness on waste separation and waste management under the concept of “Worthy Use, Propor Separation, Proper Disposal.” The campaign focused on the disposal of electronic waste that



required an appropriate disposal method to reduce the danger of toxic substances to be contaminated to the environment. The employees can bring their e-waste and throw them in the e-Waste Box before sending to be disposed properly and safely.



- **Clean & Clear Season 3**

The project promoted Good Habits Good Hygiene by stimulating the participants to separate wet garbage, dry waste and recycle waste for further waste management with maximum benefits.

- **5S Project / Big Cleaning Day**

The promotion of Good Hygiene and Good Environment in the workplace is done annually to create an efficient working environment.

- **SAMART Team: Save to Survive Project**

The campaign emphasized best utilization of internal resources through various practices including power turn-off during lunch break; internal communication via application; paperless office; trip planning for energy saving and pollution reduction; and video conferencing to save travelling time and in line with social distancing measure.

- **Abandon+Review Project: Second-Hand Stuff Donation**

The activity encouraged the employees to donate second-hand stuff that are not used but still in good condition to Wat Suan Kaew for further reuse. The project created awareness on best resource utilization for maximum benefit and offered better waste management.





## 9. Innovation and Proliferation of Innovations Obtained from Social and Environmental Responsibility Activities

During 2020, the Company has applied innovations and technologies to foster the government agencies' and state enterprises' mission in leveraging the quality of life to Thai people. The group continuously initiated activities that offered benefits to the society and the environment. It publicized 480 activity news through print media, radio, television, and online media in business section and the other 60 news in social activity section.

### Business practices that affect social responsibility

The Company operated its business under the group's Sustainable Development Policy. During the past year, the group and its subsidiaries have not been audited or are being audited by the audit authority as no law violation are reported.

### Prevention and protection of corruption

The Company established Anti-Corruption Policy and best practices, which details was published in "Anti-Corruption." The group has opened channels for comments and suggestions as well as created a whistle-blowing channel with whistle-blowing systematic process and whistleblower protection method. The policies and practices have been disclosed in "Corporate Governance" and published on the group's website at [www.samtel.com](http://www.samtel.com).

To prevent the involvement of corruption, the Company established internal audit, risk management, and anti-corruption policy, which can see more details in "Internal Audit, Risk Management, and Anti-Corruption." Risk factors including business operation risks, financial risks, and social and environmental risks have been published in "Risk Factors" section.

### THE PRIDE IN 2020

Under professional business practices, the Company received international standards in various fields, as follows:

#### Quality Management System Standard ISO 9001: 2015

- Samart Communication Services Co., Ltd.
- Samart Comtech Co., Ltd.
- Posnet Co., Ltd.

#### IT Service Management Standard ISO 20000: 2018

- Samart Communication Services Co., Ltd.

#### Software Development Standard CMMI Level 3

- Samart Telcoms PCL.
- Samart Comtech Co., Ltd.
- Smarterware Co., Ltd.
- Portalnet Co., Ltd.
- Posnet Co., Ltd.
- Thai Trade Net Co., Ltd.
- Samart eD-Tech Co., Ltd.

#### Payment Card Industry Data Security Standard: PCI DSS V.3.2.1

- Posnet Co., Ltd.

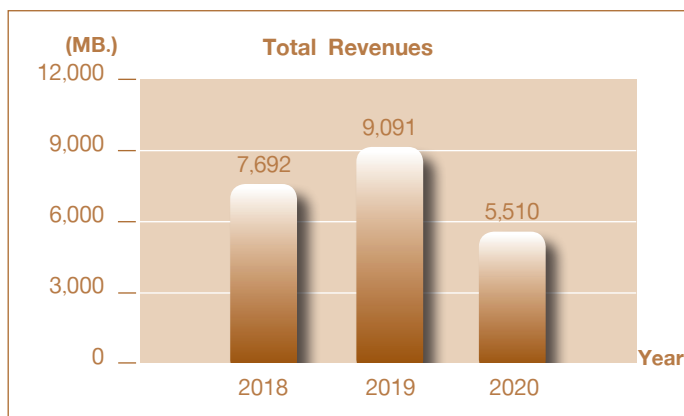


# Financial Highlights

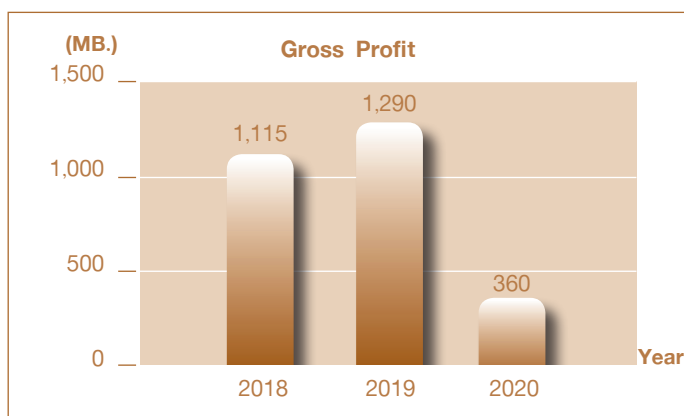
	2018	2019	2020	
<b>Operating Results (Baht Million)</b>				
Total revenues	7,692	9,091	5,510	
Gross profit	1,115	1,290	360	
Net profit (loss)	351	451	(288)	
<b>Financial Status (Baht Million)</b>				
Total assets	8,901	9,454	6,972	
Total liabilities	5,223	5,669	3,668	
Shareholders' equity	3,678	3,786	3,304	
<b>Financial Ratio</b>				
Net Profit Margin	(%)	4.57	4.96	(5.22)
Return on equity	(%)	9.68	12.01	(8.05)
Return on asset	(%)	3.86	4.92	(3.50)
Debt to equity	(Time)	1.42	1.50	1.11
Earning (loss) per share	(Baht)	0.57	0.73	(0.47)
Dividend per share	(Baht)	0.50	0.52	-
Dividend payout ratio	(%)	71.91*	114.24*	-
Book value per share	(Baht)	5.99	6.17	5.39
Par value per share	(Baht)	1	1	1
No. of Shares	(Million Share)	618.0	618.0	618.0

\* % of separate company net profit after deduction of all reserves complied with the company's Articles of Association and related laws.

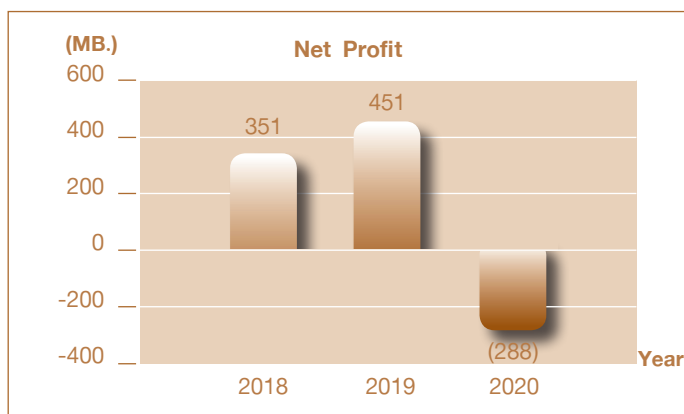




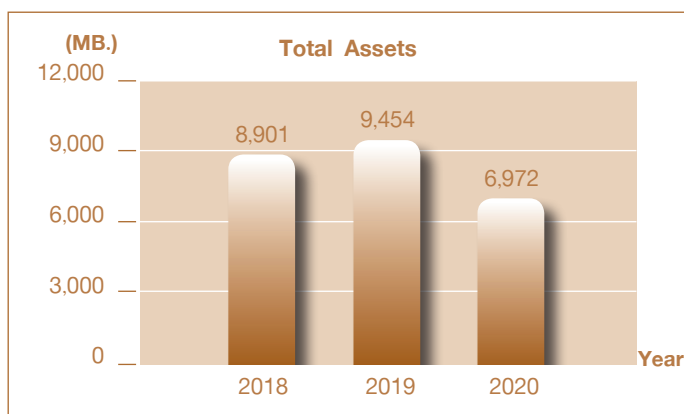
In 2020, total revenue was Baht 5,510 million, decreased from 2019 by Baht 3,582 million or 39.4% Revenue from sales, contract work, services and rental was Baht 5,431 million, decreased by Baht 3,642 million or 40.1% comparing to 2019, decreased in revenue from sales and contract work. Other income was Baht 79 million, increased by Baht 61 million from 2019.



In 2020, gross profit was Baht 360 million, decreased by Baht 930 million or 72.1% from 2019. Gross profit margin was 6.6% decreased from 14.2% in 2019.



In 2020, net loss was Baht 288 million, decreased by Baht 739 million or 163.7% from 2019. Net loss margin was 5.3% in 2020, decreased from 5.0% in 2019.



Total assets as of December 31, 2020 were Baht 6,972 million decreased by Baht 2,483 million or 26.3% from the end of 2019, mainly resulted from a decrease of and trade and other receivables accrued revenue.



# Results of Customer Satisfaction Survey

Due to the Company's key target in elevation of customer satisfaction, the Company has placed high priority and emphasized international standards in quality for all procedures ranging from design, installation, implementation and delivery to after-sales services in order to respond to customer requirements and achieve satisfaction of customers in both government and private sectors.

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

In 2020, 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 conducted surveys on after-sales services for 4,095 times in 2020 and found that overall score was at high level with average score of 4.80 out of 5.00 or 96.07 percent (higher than that in 2019 at 4.65 or 93.04 percent). Rated by customers, 80.66 percent of total number of surveys was "Excellent" and 18.90 percent was "Good". No customers indicated "Must Improve" in 2020 (the same as 2019 with no answer of "Must Improve").

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

# Policy and Overview of Business Operation

## Business Overview

Smart Telcoms Public Limited Company (“The Company” or “SAMTEL”) with the current registered capital of Baht 738 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.

## Corporate Vision, Mission, Goals and Strategies

### Vision & Mission

#### Vision

Smart Telcoms Group is committed to professionally offering, with international standard, a comprehensive range of ICT solutions and digital innovation to enhance competency, mobilising customers 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 excellent and rewarding career opportunities to employees by providing extensive training and development programs to enhance their knowledge, skills, and service mind and support their learning and growth.

#### **Organization**

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

#### **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 sustainability by creating recurring revenues together with expanding customer base and continuously seeking new business opportunities to deliver sustainable return on investment for shareholders and investors.

### 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 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, 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 from expedition of digital transformation (DX) in several enterprises, COVID-19 pandemic urging to adopt digital technology to increase efficiency and support new work styles, and adoption of data analytics to use in various business models. Nevertheless, a large number of organizations have been affected by the economic contraction due to COVID-19 pandemic. There will be, in the near future, the slowdown in investment and expenditures regarding ICT and digital solutions. However, in the next 3-5 years, investment in such technologies will have higher growth.

The government still drives Digital Economy through several policies such as Thailand 4.0 mobilizing economy with innovation, the Digital Government policy, Smart City development, investment in key infrastructure, and 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 therefore emphasizes seeking new opportunities, expanding customer base, and increasing recurring revenue from customers in both government and private sectors, including individuals as end users through its Transformation to a leading ICT and Digital Technology Outsourcing & Service Provider, Innovation with new values added in solutions and services of all three Business Groups consisting of Network Solutions, Enhanced Technology



Solutions and Business Application. Moreover, the Company focuses on Elevation of quality of products and services, operation standards, and collaboration with partners in order to leverage customer satisfactions and to achieve strong and sustainable growth responding to the Company's vision and missions.

## Important changes and development during the past 3 years

### **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.

### **2019**

The Company had business direction of customer base expansion to new government agencies and enterprises and expanded projects in Core Banking System for banks and financial institutes as, in 2019, gaining the project of Development and Implementation of Core Business Process System for Small and Medium Enterprise Development Bank of Thailand. Moreover, the Company focused on long-term revenue for stability and sustainability as gaining the project of Design, Procurement, Development, Implementation and Maintenance of Core Business System for Provincial Electricity Authority.

### **2018**

- Portal Net Co., Ltd., a subsidiary with its 99.99% of the total shares issued held by the Company, reduced its registered capital to Baht 1,270,000,000 from Baht 3,370,000,000. Outstanding share capital is Baht 2,100,000,000 with total shares divided into 21,000,000 shares at the par value of Baht 100;
- The Company sold ordinary shares of Net Media Co., Ltd., in total of 103,198 shares counting for 99.99% of the total shares issued to whom the Company has no relationship with.

## 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 customers with social and environmental responsibility. Three Business Groups are:

### **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 and Services on high-speed wireline-based network:

- 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 and Services on wireless technologies:

- Solutions for 4G / LTE Technologies;
- 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, and CMMI, international standard for development of quality software widely accepted in the industry. Samart Comtech Co.,Ltd, a leading company of this Business Group, Samart Telcoms PCL and Smarterware Co.,Ltd. are all certified with CMMI Level 3. Various solutions and services in this Business Group include:

- Airport Solutions: for example, Common Use Terminal Equipment (CUTE), Common Use Self Service (CUSS), Airport Information Management System, including Advance Passenger Processing System (APPS);
- Automatic Meter Reading (AMR) and Advanced Metering Infrastructure (AMI);
- Multimedia Solutions: IPTV, Video Conference System, etc;
- Security Solutions: CCTV Systems, Suspect Alert/Search, Finger Print Security and Cyber Security Operations Center (CSOC) Service.
- Geographic Information System (GIS);
- Digital TV Solutions: Transmission, Media Asset Management, Studio & Control Room System;
- Energy Savings: Building Energy Management System (BEMS);
- Intelligent Robotic 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 Human Capital Management (HCM);
- 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 supporting QR-PromptPay, AliPay and WeChat Pay including application for Kiosk for selling products and services.
- 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.

# Nature of Business

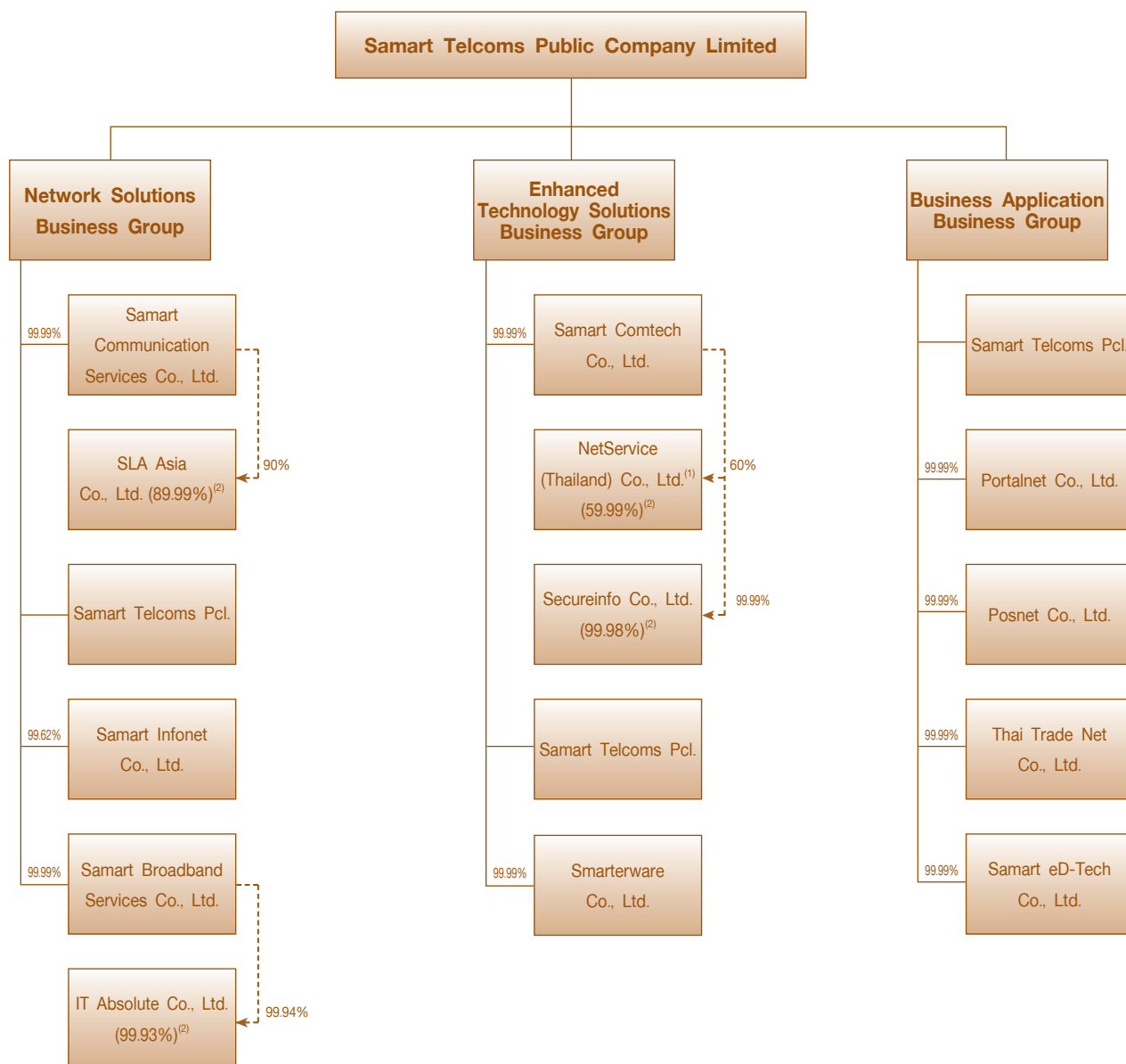
Samart Telcoms Public Limited Company (“The Company” or “SAMTEL”), with the current registered capital of Baht 738 million and paid-up capital of Baht 618 million, founded in July 18, 1986 with initial registered capital of 5 million baht and the business objectives to provide telecommunication satellite telecommunication services. The Company has registered in terms of the Public Limited Company and turned to be a listed company of the Stock Exchange of Thailand since 1996.

Nature of Business Operations of the Company and Subsidiaries in each business group as follows:

<b>1. Network Solutions Business Group</b>	
Samart Communication Services Co., Ltd.	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.
Samart Telcoms Pcl.	1. Rental of the high-speed, satellite communication network via iPSTAR and VSAT technology 2. Complete implementation of high-speed communication networks using various fiber-optic technologies, high-speed wireless technology such as Digital Trunked Radio System and satellite communication system.
Samart Infonet Co., Ltd.	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.
SLA Asia Co., Ltd.	Providing services regarding design and implementation of telecommunication and IT system including trading and maintenance of IT equipment in CLMV countries comprising countries in Southeast Asia such as Cambodia, Lao, Myanmar and Vietnam.
Samart Broadband Services Co., Ltd.	Providing data communication services over local broadband networks.
IT Absolute Co., Ltd.	Distributor of electronic and technologies equipment.
<b>2. Enhanced Technology Solutions Business Group</b>	
Samart Comtech Co., Ltd	Providing consulting, design, installation, operation management and maintenance services regarding information technology, communication system including advanced, specialized technologies.
Samart Telcoms Pcl.	Providing complete design, development, installation, management, system operation services and maintenance services regarding information and communication system for both turnkey and outsourcing services.
Smarterware Co., Ltd.	Conducting business in providing consulting services and complete software development, including special services in software engineering.
NetService (Thailand) Co., Ltd.	Providing services on development of IT system including software design and development for government and private sectors.
Secureinfo Co., Ltd.	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.
<b>3. Business Application Business Group</b>	
Samart Telcoms Pcl.	Providing solutions and services regarding business application driving and supporting operations of customers both in government and private sectors in various industries through solutions and services from subsidiaries in this Business Group including Core Banking and Finance Solutions for banks and financial institutes.
Portalnet Co., Ltd.	Providing design, implementation and outsourcing services of Enterprise Resource Planning (ERP) system including analyzing business requirements and offering suitable services as total solution, including Enterprise Asset Management (EAM) System and Human Capital Management (HCM) System for customers in government and private sectors.
Posnet Co., Ltd.	1. Providing total solutions and services for electronic payment system including Electronic Data Capture (EDC), Electronic Signature Capture, E-Receipt Platform and QR-Payment System. 2. Solution provider for smart card solutions and development of smart card application for commercial banks in Thailand and for non-bank credit card service providers. 3. Providing services for loyalty system.
Thai Trade Net Co., Ltd.	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
Samart eD-Tech Co., Ltd.	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.



# Business Structure



**Remarks:** Registered Capital of Smart Telcoms PCL. is Baht 738,000,000 and Paid-up Capital as of December 31, 2020 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, 2020.

# Revenue Structure

The revenue structure of the Company and Subsidiaries as of December 31, 2018-2020

Unit: Million Baht

Business Group	Operated by <sup>(1)</sup>	% of Holding 2020 <sup>(2)</sup>	2018		2019		2020	
			Revenue <sup>(3)</sup>	%	Revenue <sup>(3)</sup>	%	Revenue <sup>(3)</sup>	%
<b>1. Network Solutions Business Group</b>	SCS	99.99%	1,250.8	16.2	1,465.7	16.1	979.9	17.8
	STC	-	235.4	3.1	234.2	2.6	400.0	7.2
	SIF	99.62%	67.1	0.9	53.1	0.6	48.6	0.9
	Other subsidiaries	-	0.4	0.0	-	-	-	-
<b>Subtotal</b>			<b>1,553.7</b>	<b>20.2</b>	<b>1,753.0</b>	<b>19.3</b>	<b>1,428.5</b>	<b>25.9</b>
<b>2. Enhanced Technology Solutions Business Group</b>	SCT	99.99%	3,691.2	48.0	3,267.2	35.9	2,136.4	38.8
	STC	-	540.2	7.0	490.1	5.4	441.0	8.0
	SCI	99.99%	-	-	-	-	84.6	1.5
	Other subsidiaries	-	8.5	0.1	4.8	0.1	4.8	0.1
<b>Subtotal</b>			<b>4,239.9</b>	<b>55.1</b>	<b>3,762.1</b>	<b>41.4</b>	<b>2,666.8</b>	<b>48.4</b>
<b>3. Business Application Business Group</b>	PTN	99.99%	765.2	9.9	2,883.4	31.7	1,110.4	20.2
	STC	-	767.0	10.0	289.2	3.2	47.9	0.9
	PN	99.99%	315.9	4.1	351.7	3.9	195.2	3.5
	Other subsidiaries	-	50.0	0.7	52.0	0.5	60.9	1.1
<b>Subtotal</b>			<b>1,898.1</b>	<b>24.7</b>	<b>3,576.3</b>	<b>39.3</b>	<b>1,414.4</b>	<b>25.7</b>
<b>Grand total</b>			<b>7,691.7</b>	<b>100.0</b>	<b>9,091.4</b>	<b>100.0</b>	<b>5,509.7</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, 2020.

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



## Information of Subsidiaries Companies

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 (Ordinary Share)	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, operating management and maintenance services regarding information technology, communication system including advanced, specialized technologies.	225	2,250,000 (Ordinary Share)	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 Human Capital Management (HCM) System for customers in government and private sectors.	2,100	21,000,000 (Ordinary Share)	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 and QR-Payment System, being Solution Provider for smart card solutions and development of smart card application for commercial banks in Thailand and for non-bank credit card service providers and providing services for loyalty system.	72	7,200,000 (Ordinary Share)	7,199,993	99.99
<b>5. Thai Trade Net Co., Ltd.</b> 99/27 Moo 4, Software Park, 8 <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 (Ordinary Share)	5,299,993	99.99
<b>6. Smarterware Co., Ltd.</b> 99/25 Moo 4, Software Park, 10 <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 (Ordinary Share)	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> 99/12 Moo 4, Software Park, 24 <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 (Ordinary Share)	6,176,294	99.62
<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 (Ordinary Share)	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	Data communication service over local broadband networks.	55.25	5,525,000 (Ordinary Share)	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 (Ordinary Share)	22,485,593 <sup>(1)</sup>	99.94
<b>11. Net Service (Thailand) Co., Ltd.</b> 99/12 Moo 4, Software Park, 24 <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 (Ordinary Share)	1,199,999 <sup>(2)</sup>	60
<b>12. SLA Asia 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 services abroad regarding design and implementation of telecommunication and IT system including trading and maintenance of IT equipment in CLMV countries (Cambodia, Lao, Myanmar and Vietnam) in Southeast Asia.	7.5	75,000 (Ordinary Share)	67,500 <sup>(3)</sup>	90
<b>13. 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 (Ordinary Share)	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.

<sup>(3)</sup> Held by Samart Communication Services Co., Ltd.



# 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 optimization and efficiency in business operations and to respond market demands. In 2020, with COVID-19 pandemic, the Thai government had to conduct social distancing measures as well as city lockdown for a period of time. Fiscal budget was partly allocated for the use to prevent spread of disease and to support citizens in every sectors. The COVID-19 pandemic has affected government project bids and capabilities of private procurement, including obstacles in project implementation and services. Such obstacles occurred from constraints in equipment transportation from abroad, limited access to controlled areas, trainings held only online, etc. Nevertheless, with the commitment including strict corporation and compliance to government measures, the Company created business opportunities and had significant changes as the following:

## 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. The Company 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 helped the company achieve, in 2020, several service contract renewals and new project contracts, for example, the project regarding dense wavelength division multiplexing (DWDM), Network Communication for Backup Link, implementation of distant learning system, Exchange Gateway Replacement, Network Management System, etc. Moreover, maintenance services for customers were renewed for example, Messaging System maintenance, Location Based Services System, etc. These projects will be the company's revenue stream in 2021 and serve as additional revenue sources for maintenance services in the future.

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

The company maintained its service standards and constantly develop capabilities in both knowledge and expertise in technologies for its human resources, making the system and operations highly reliable and gaining trusts considered the strengths for long-term competition and also resulting in success in several important projects in 2020, for example, accessing and searching system, Rental of Computer System for Offices, etc.

Moreover, the company gained trusts in service contract renewal and maintenance contracts awarded from government and private customers, for example, Satellite Communications Services, Rental of Equipment for Broadcast, SCPC satellite communications, maintenance of distant learning system, etc.

The company proceeds and provides services for key customers such as Government Saving Bank, PTT Public Company Limited, PTT Exploration Production Public Company Limited, Panyapiwat Techno Business, The Secretariat of the House of Representatives, Royal Thai Police and Department of Public Administration, etc. These projects will be the company's revenue stream in 2021 and serve as additional revenue sources for maintenance services in the future.

### 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 service 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 additionally:

- concentrated on Internet services for middle and large organizations and was entrusted to be high-speed communication network provider for more organizations such as Space Technology Department, Ministry of Defense; Industrial Estate Authority of Thailand; Naval Medical Department, Ministry of Defense; Office of the Council of State; National Institute of Educational Testing Service (Public Organization); Excise Department, Ministry of Finance; Provincial Electricity Authority; Metropolitan Electricity Authority; Krungthai Card Public Company Limited; etc.;
- increased additional network equipment and network security system including cybersecurity to support growth of customers and usage expansion as well as elevating security for customers;
- and elevated customer satisfaction by applying CRM system for service improvement as well as increased staffs' efficiencies with international standard certificates.

## 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 ISO 9001 and CMMI Level 3 and has been certified for ISO 20000, international standard for quality and efficiency in IT service management for better services to customers. These service quality as a key part of long-term competitiveness helped the company to succeed in several projects in 2020 regarding, for example, IP Telephony System, Solar Cell and Electric Energy Storage System, Closed-Circuit Television (CCTV) System, Digital TV Transmission Improvement, etc. Key customers are Ministry of Justice, Royal Thai Armed Force Headquarter, Bangkok Metropolitan Administration, Department of Land, Ministry of Interior, Department of National Parks, Wildlife and Plant Conservation, etc. Moreover, the company has maintained Common Use Terminal Equipment (CUTE) services for airlines and Airport Passenger Processing System (APPS) Services for airports under supervision of Airports of Thailand PCL and Department of Airports, Ministry of Transportation. These projects and services will be the company's revenue stream in 2021 and serve as additional revenue sources for maintenance services in the future.

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

Since the early of 2020, COVID-19 has been widespread. Thailand has also been affected in all sectors. The government has launched several measures and work style has been changed to Work From Home and team splitting. The company has never stopped developing and bringing expertise in software design and IT system and software development for government and private sectors to support operations of companies in the Business Group. During the year, the company:

- focused more on development and improvement of specialized information system for core products e.g. Human Resource Management and Website Management in order to increase more capabilities and security;
- provided internal training programs to transfer knowledge and information technology regarding Website Management and Specialized Information System in order that all staffs could be able to rotate operations and supports continuously and efficiently.



**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 certified the ISO/IEC 27001: 2013 standard (Surveillance Annually Audit), the standard regarding cyber security, increasing confidence of customers in its services. Furthermore, the company succeeded in several projects awarded in 2020 such as the project regarding cyber threat monitoring and management, Cybersecurity Management System, Cybersecurity consultancy service, and CSOC services. The key customers are Electronic Transactions Development Agency, Provincial Electricity Authority, Krungthai Card Public Company Limited, Government Saving Bank, Siriraj Piyamaharajkarun Hospital, etc. These projects and services will be the company's revenue stream in 2021 and serve as additional revenue sources in the future.

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

The company has maintained CMMI Level 3 for process of quality software development and succeeded in gaining several important projects, for example, Improvement of Security in unsafe areas and local routes; Time of Use (TOU) Meters with accessories and modem system for Automatic Meter Reading, etc. Key customers for the company in this business group are Provincial Electricity Authority, Chonburi Provincial Administration Organization, etc.

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

The company brought its expertise in complete services in consultancy, software development compliant with CMMI Level 3 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:

- developed and improved functions of Smart Tracking System to track transportation and movement more efficiently along with GEO-Fence ability to detect object movement in and out designated areas, current routing display, historical routing, limited speed, fixed routing, and emergency alarm;
- developed Warehouse Management System (WMS) that helps increase speed, correctness, accuracy, and efficiency in inventory process from goods received, stored, distributed, and reported, including stock card. The WMS also connects to robot arm to automatically pick and put goods to and from the shelves;

### **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 2020, the company has maintained CMMI Level 3, the standard for development of quality software. The company moreover has provided Core Banking and Financial Solutions as it has implemented Core Business Process System for Small and Medium Enterprise Development Bank of Thailand and provided maintenance services for Core Banking System of Government Housing Bank. The company also provided maintenance services for Information System for Hospital and Medical Center.

**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), Enterprise Management System (EAM), Human Capital Management (HCM), Analytical System, Enterprise Content Management (ECM), and Robotic Process Automation (RPA). During the year, the company has maintained the services of Core business System phase 2, SAP system development to connect to Enterprise Asset Management System, etc. Key customers are Provincial Electricity Authority, Metropolitan Waterworks Authority, Metropolitan Electricity Authority, Samart Corporation Public Company Limited, etc.



Moreover, the company also has 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 more than 60 staffs being certified by SAP and more staffs being certified Project Management from Project Management Institute (PMI) to ensure staffs’ service efficiency compliant to international standard.

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

The company has conducted business regarding business application with the expertise in total solutions and services regarding e-payment and smart card for banks and credit card providers. The company also offers loyalty service program. During the year, the company further developed and conducted expansion of Posnet E-Receipt Platform (PRP), the system storing Sales Slips in electronic format to facilitate keeping and searching data helping merchants to reduce costs. The company expanded PRP services to a group of large merchants. Moreover, the company developed new Android-based Electronic Data Capture (EDC) terminal to support various contact and contactless cards, QR-Code Payment and Wallets as well as improving features of Installment & Redemption Pool Program allowing EDC to support installment and point exchange among participating banks. Additionally, the company developed Electronic Coupon system and added Point of Sale products for food business. The company also integrated EDC and POS on tablet to install in Taxi to support credit card and debit card as well as QR code payment.

Furthermore, the company has maintained information security standard, Payment Card Industry Data Security Standard (PCI-DSS) with services for monitoring and verification of the payment network as well as notifications to staffs, customers, and authorized persons involved through various communication channels.

**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 further developed Healthcare EDI expanding from a pilot project to connect more drug distributors and hospitals such as Srinagarind Hospital Khon Kaen, Vajira Hospital, and Supamit Suphanburi Hospital. Moreover, the company developed E-Factoring system to Aira Factoring Public Company Limited to provide online factoring credit services reducing time to submit documents and approve credit.

**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 further customized and improved its LMS for Social Learning and Massive Open Online Course (MOOC) and elevated cybersecurity protection. The company also developed e-Courseware notable in multimedia presentation for human resource development offered to leading enterprises, commercial banks, and government agencies such as the Comptroller General Department, Ministry of Finance; the Office of Public Sector Anti-Corruption Commission; Department of Business Development, Ministry of Commerce; King Prajadhipok’s Institute; PTT Public Company Limited; Government Saving Bank, Siam Commercial Bank Public Company Limited, Kasikornthai Bank Public Company Limited, Government Housing Bank, Panyapiwat Institute of Management, IRPC Public Company Limited, Nestlé (Thai) Company Limited, CPF Training Center Company Limited, Srifa Frozen Food Company Limited, ACIS Professional Center Company Limited, etc.



# Industry and Competition

The Thai economy in 2020 contracted by 6.1 compared a growth of 2.3 percent in 2019, due mainly to the export value that declined by 6.6 percent, private consumption and investment contracted by 8.4 percent and 1.0 percent respectively. The number of foreign tourists, decreased by 83.2 percent, was at 6.7 million persons compared with 39.9 million persons in 2019. Moreover, the average headline inflation was at -0.8 compared with that in 2019 at 0.7 percent<sup>1</sup>.

For 2021, Thai economy is expected to grow in range of 2.5-3.5 percent at gradual pace supported mainly by public investment growing by 10.7 percent, government consumption expanding by 5.1 percent, and private investment and consumption growing by 3.8 percent and 2.0 percent, respectively. Export value of goods is expected to expand by 5.8 percent due to the recovery of the global economy, the stimulus measures in countries around the world, and efficiency of vaccine and the progress of vaccine distribution to people to prevent the spread of COVID-19. Additionally, recovery measures and government stimulus policies will help the economy to expand. However, risk factors must be closely monitored such as COVID-19 containment, success of vaccine distribution in the countries, economic policies of key trading partners, and volatility of international capital flow. It is anticipated that the number of foreign tourists in 2021 would decrease to 5.0 million people. The projection of average inflation tends to be in the range of 1.0-2.0<sup>1</sup>.

Global spending on Information Technology products and services including communication services in 2020, according to the latest forecast by Gartner, Inc., declined by 3.2 percent with the total value of USD 3.69 trillion and the spending on IT devices contracted at 8.2 percent<sup>2</sup>. Decreasing 9.3 percent from 2019, Thailand's IT and communication services spending in 2020 was Baht 648,961 million, consisting of spending on Communication Services at Baht 385,713 million dropping by 5.9 percent, IT Devices at Baht 148,014 million decreasing 18.1 percent, Data Center at Baht 20,841 million declining 17.9 percent, IT Services at Baht 56,520 million falling by 6.7 percent, and Enterprise Software at Baht 37,868 million decreasing 3.6 percent<sup>3</sup>. The COVID-19 pandemic is major factor causing global and Thai economic contraction hence ICT spending slowdown.

Gartner's latest forecast indicated worldwide IT spending to expand 6.2 percent in 2021 with the total value of USD 3.92 trillion<sup>2</sup>. For ICT market in 2021, TMB Analytics forecasted to grow 5.8 percent due to supporting factors such as the constantly drive of Thailand 4.0 policy; Eastern Economic Corridor Digital Innovation Zone (EECd) development policy; Smart Cities with the target to expand more than 100 areas nationwide including Bangkok; and promotion of Bio-Circular-Green Economy (BCG) driven by ICT and digital technology in planning, management, analysis, and efficient implementation. Furthermore, full supports for 5G technology increase the needs of various equipment and systems related in the supply chain, including the expansion of investment for 5G provisioning<sup>4</sup>. Besides, impacts from COVID-19 situation urge demands for several enterprises and organizations to adopt more ICT for increase of Work From Home and also Anywhere Operations enabling enterprises to serve their customers and conduct business anywhere<sup>5</sup>. Such impacts also expedite several enterprises to implement Digital Transformation and adopt more digital services resulting in expansion of digital industry. Krungsri Research indicated that in the next three years, new technologies will play major roles in several industries. Such technologies are Internet of Things (IoT), which can be applied to every industry; Artificial Intelligence (AI) that can leverage competitiveness and can be adopted in various aspects; Edge Computing reducing processing of the centralized system helping respond end users faster; and Drones integrated with sensor technologies, satellite technologies, IoT, and AI that would help reach areas for surveys and

make transportation more convenient<sup>6</sup>. Moreover, Big Data Analytics will grow and be widespread. Identity proofing technology and Block Chain/Distributed Ledger technology will be widely applied in several electronic service platforms for validation of transactions. Krungsri Research also informs that Cybersecurity awareness in Thailand is at lower degree compared to other countries such as Malaysia, India, and China<sup>6</sup>. In 2021, there will be more enforcement on Cybersecurity Acts and Personal Data Protection Act; the market of products and services related to these laws, especially products regarding Cybersecurity will have opportunities to grow.

Despite of the projection of economic expansion along with the growth of the market in ICT and digital technology, the risk factors concerning uncertainty of global economy, trading policies of United States of America and China, and COVID-19 pandemic can cause the economic growth lower than anticipated resulting in more intense competition in ICT and digital technology market. Providers in ICT industry and from other industries for example, banking, retails, etc. are promoting innovation development in order to deploy such innovation in their Digital Platforms for competition. Collaboration among business networks has emerged to add values in products, services, and platforms. Both domestic and international service providers on Platform as a Service (PaaS), Software as a Service (SaaS), and Infrastructure as a Service (IaaS) including Digital Tech Startup abroad are entering the market. They compete in development of their own products and services to provide better customer experiences in quality, speed, convenience, and values. Moreover, several products and services come with high competition in price and marketing campaign. Competition in ICT market and Digital industry therefore is expected to be intense.

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# Risk Factors

Risk factors, which may affect the business of the Company and subsidiaries can be classified as follows:

## 1. Operational Risks

### **Business and Market Risks**

- **Uncertainty of economy**

The Thai economy in 2021 is projected to grow by 2.3-3.5 percent expanding at gradual pace after drastic contraction in 2020 at 6.1 percent due to the COVID-19 crisis worldwide. The economy expansion will depend on government's stimulus measures, efficiency of vaccine and vaccine distribution to citizens to prevent COVID-19 spreading, and recovery of global economy, especially economy of trading partners. It is anticipated that public investment will grow by 10.7 percent with government consumption growing by 5.1 percent, while private investment and consumption will increase by 3.8 percent and 2.0 percent, respectively. Export value is expected to grow by 5.8 percent. The number of foreign tourists in 2021 will drop to 5.0 million persons. Average headline inflation tends to be 1.5 percent<sup>1</sup>.

However, risk factors, which may cause uncertainty of economy, must be closely monitored are COVID-19 containment, success of vaccine distribution in the countries, economic policies of key trading partners, and volatility of international capital flow. With such risk factors, Thai economy may not expand as expected. Recovery of tourism sector will be slow. The government may have to allocate a part of fiscal budget to support people in all segments influenced by COVID-19 pandemic. It will probably affect government investment in key projects, private ICT investment as well as ability to pay debt in private sector.

- **Efficiency of government spending**

Government spending efficiency is still a key factor to drive the country's economy. In 2020, the process for fiscal year 2021 budget bill had been slightly delayed and parts of the budget was allocated to support COVID-19 mitigation. Risks of new wave of COVID-19 pandemic may result in economic slowdown. The government therefore must expedite the budget disbursement efficiently. Delays in procurement process of agencies will cause failure to achieve the disbursement target and it may delay the bids of the Company's key projects.

- **Risks in Service and Project Delivery**

The Company prioritizes and emphasizes project delivery with quality and on time or earlier than the time planned as well as providing services compliant with Service Level Agreement (SLA) resulting in strength of the Company. However, uncertainty of the new wave of COVID-19 pandemic may affect project delivery and services, for example, the delays in transportation of equipment from abroad, obstacles in meeting customers to discuss in the project details, and hurdles in the access of installation sites. Nevertheless, unexpected incidents may happen and cause delays in project delivery or interruption of the services affecting revenue recognition and trusts that customers have in the Company.

- **Competition in the market**

Gartner's latest forecast indicated worldwide IT spending to expand 6.2 percent in 2021 with the total value of USD 3.92 trillion<sup>2</sup>. For ICT market in 2021, TMB Analytics forecasted to grow 5.8 percent due to supporting factors such as the constantly drive of Thailand 4.0 policy; Eastern Economic Corridor Digital Innovation Zone (EECd) development policy; Smart Cities with the target to expand more than 100 areas



nationwide including Bangkok; and promotion of Bio-Circular-Green Economy (BCG) driven by ICT and digital technology in planning, management, analysis, and efficient implementation. Furthermore, full supports for 5G technology will increase the needs of various equipment and systems related in the supply chain, including the expansion of investment for 5G provisioning<sup>3</sup>. Besides, impacts from COVID-19 situation urge demands for several enterprises and organizations to adopt more ICT for increase of Work From Home and also Anywhere Operations enabling enterprises to serve their customers and conduct business anywhere<sup>4</sup>. Such impacts also expedite several enterprise to implement Digital Transformation and adopt more digital services resulting in expansion of digital industry. Krungsri Research indicated that in the next three years, new technologies will play major roles in several industries. Such technologies are Internet of Things (IoT), which can be applied to every industry; Artificial Intelligence (AI) that can leverage competitiveness and can be adopted in various aspects; Edge Computing to reduce processing of the centralized system helping responding end users faster; and Drones integrated with sensor technologies, satellite technologies, IoT, and AI that would help reach areas for surveys and make transportation more convenient<sup>5</sup>. Moreover, Big Data Analytics will grow and be widespread. Identity proofing technology and Block Chain/Distributed Ledger technology will be widely applied in several electronic service platforms for validation of transactions. Krungsri Research also informs that Cybersecurity awareness in Thailand is at lower degree compared to other countries such as Malaysia, India, and China<sup>5</sup>. There will be more enforcement on Cybersecurity Acts and Personal Data Protection Act; the market of products and services related to these laws, especially products regarding Cybersecurity will have opportunities to grow.

Despite of the projection of economic expansion along with the growth of the market in ICT and digital technology, the risk factors concerning uncertainty of global economy, trading policies of United States of America and China, and COVID-19 pandemic can cause the economic growth lower than anticipated resulting in more intense competition in ICT and digital technology market. Providers in ICT industry and from other industries for example, banking, financial services and insurance, retails, etc. are promoting innovation development in order to deploy such innovation in their Digital Platforms for competition. Collaboration among business networks has emerged to add values in products, services, and platforms. Both domestic and international service providers on Platform as a Service (PaaS), Software as a Service (SaaS), and Infrastructure as a Service (IaaS) including Digital Tech Startup abroad are entering the market. They compete in development of their own products and services to provide better customer experiences in quality, speed, convenience, and values. Moreover, several products and services come with high competition in price and marketing campaign. Competition in ICT market and Digital industry therefore is expected to be intense.

According to risks mentioned above, the Company focuses on risk management by emphasizing Business Continuity Management, especially in the COVID-19 situation that may cause self-isolation of employees and prohibition of building access, including areas lock down. Business Continuity Management can also mitigate impacts from various disasters more efficiently. The Company also deploy process, technology and experts to monitor and respond to cyber threats, one of the business risks. Furthermore, in the event of economic turbulence, the Company brings resource management and aligns with technology for cost control and efficiency. To respond to intense competition and achieve the goal of sustainable growth, the Company has laid strategies for customer base expansion by collaboration with subsidiaries and business partners to increase efficiency of customer relationship management and gain more customer insights. The Company also focuses on recurring revenue generation by being outsource and service provider in ICT and digital solutions and emphasizes value creation to products and services, and service quality. The Company believes that all actions will provide customers with good experiences on the Company's products and services, increasing customer satisfaction and allow the Company to manage business and market risks more efficiently.

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

In 2020, majority of the revenue from government sector and state enterprises was 89%. 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 48% 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.

#### **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. Financial Risks**

#### **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. Now, 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 2020, the Company recorded debts overdue over 12 months for Baht 422 million and set aside an allowance for expected credit losses of Baht 51 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.

#### **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 oversea, 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, 2020 the Company has not foreign currency financial liabilities that were unhedged against foreign exchange risk.

### 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 8,871,910 shares or 1.44% 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, 2020).

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.

### 4. Social and Environmental Risk

To conduct business sustainably, the Company must gain good supports from communities and society. The business operations with negative impacts to society, communities, and environment may greatly result in damaged corporate image and affect the Company's operating results in long term. The Company is well aware of the importance of development of quality of life and prosperity of the communities, along with caring for the environment. With a focus on building good relationships with the organization both public and private sectors, as well as community leaders to coordinate concrete cooperation such as,

Educational Support, for example, SAMART Innovation Funds, Sports Talent Support, Development and promotion of learning such as the SAMART CLASS Project and Cooperative education project to create quality personnel for the Thai society, Social activities continued such as blood donation. In addition, in the situation of the COVID-19 pandemic, the Company has a social responsibility to abide by strict measures of the government and provide assistance to the communities affected, medical personnel and various organizations as well.

Besides, the Company conducts business by always taking into account the environmental conservation and using resources in the most meaningful way. The Company has provided knowledge and training on environment to the employees, in order to cultivate environmental responsibility. In addition, the Company has promoted campaigns to raise environmental awareness among employees via both internal communications and various projects continuously as well.

#### References:

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# 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>	442,336,500	71.58
	- 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
	- Lobburi Industrial Estate Co., Ltd.	50,000	0.008
2.	Bangkok Bank PCL	29,730,560	4.81
3.	Bualuang Long-Term Equity Funds (LTF)	18,566,500	3.00
4.	B Senior Citizen Mixed Fund (B-SENIOR)	6,218,500	1.01
5.	Mr. Apisak Theppadungporn	6,172,000	1.00
6.	Bualuang Infrastructure Retirement Mutual Funds	5,794,400	0.94
7.	Bualuang Flexible Retirement Mutual Funds	5,278,800	0.85
8.	Thai NVDR Co., Ltd.	4,180,600	0.68
9.	Bualuang Equity Retirement Mutual Funds	3,700,500	0.60
10.	Bualuang Long-Term Equity Fund 75/25	3,672,100	0.59
<b>Total of top ten Major Shareholders</b>		<b>525,650,460</b>	<b>85.06</b>
<b>Total of the Minority Shareholders</b>		<b>92,349,540</b>	<b>14.94</b>
<b>Total paid up shares</b>		<b>618,000,000</b>	<b>100.00</b>

**Remarks:** Information based on Thailand Securities Depository on the latest date of closing registration book, December 30, 2020.

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

<sup>(2)</sup> A holding company of which Vilailuck International Holding Co., Ltd. and Vilailuck family hold 14.78% and 27.32% of the total shares respectively;

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



## 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 5 consecutive years.

Historical Dividend	2016 (Calculated from Consolidated financial statements)	2017 (Calculated from Consolidated financial statements)	2018 (Calculated from Separate financial statements)	2019 (Calculated from Separate financial statements)	2020* (Calculated from Separate financial statements)
Net profit per share (Baht)	0.30	0.36	0.70	0.46	0.23
Dividend per share (Baht)	0.20	0.33	0.50	0.52	-
Dividend payout ratio (%)	67.20	92.50	71.91	114.24	-

*Remark:* \* In 2020, the Company had a net profit in the separate financial statements of Baht 143.27 million or baht 0.23 per share, and a net loss in the consolidated financial statements of Baht 287.50 million or baht 0.47 per share. Due to the Company's overall operating results in net loss, the Board of Director will propose in the 2021 Annual General Meeting of Shareholders for consideration and approval of no dividend payment for the year 2020.



# Management Structure

## 1. Board of Directors as of December 31, 2020 consists of 9 Directors:

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

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

\*\* Representative director from Bangkok Bank Public Company Limited a major shareholder with 4.81%

<sup>(1)</sup> In 2020, the Board of Directors meeting 6 times;

The number of directors is in line with the Company's Articles of Associations that the Board of Directors should have at least 5 members. Not less than one half of such members shall have residence within the Kingdom and the directors of the Company shall have qualification as specified by law. The Audit Committee of not less than 3 members and one member with knowledge and experience in the financial statements of the Company. Further details of Directors and Audit Committee are shown in "Directors, Managements, Controlling Person, The Person Taking The Highest Responsibility in Accounting and Finance, The Person Supervising Accounting and Company Secretary" and Roles and Responsibilities of the Audit Committee is shown in "Corporate Governance" under the topic "2. Committee".

### **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.

**Qualifications of Independent Director**

1. Holding not more than 0.5 percent of the total number of voting rights of the Company, parent company, subsidiaries, affiliates, 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.

#### **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.

#### **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)).

#### **Delegation of authority between the Board of Directors and Management**

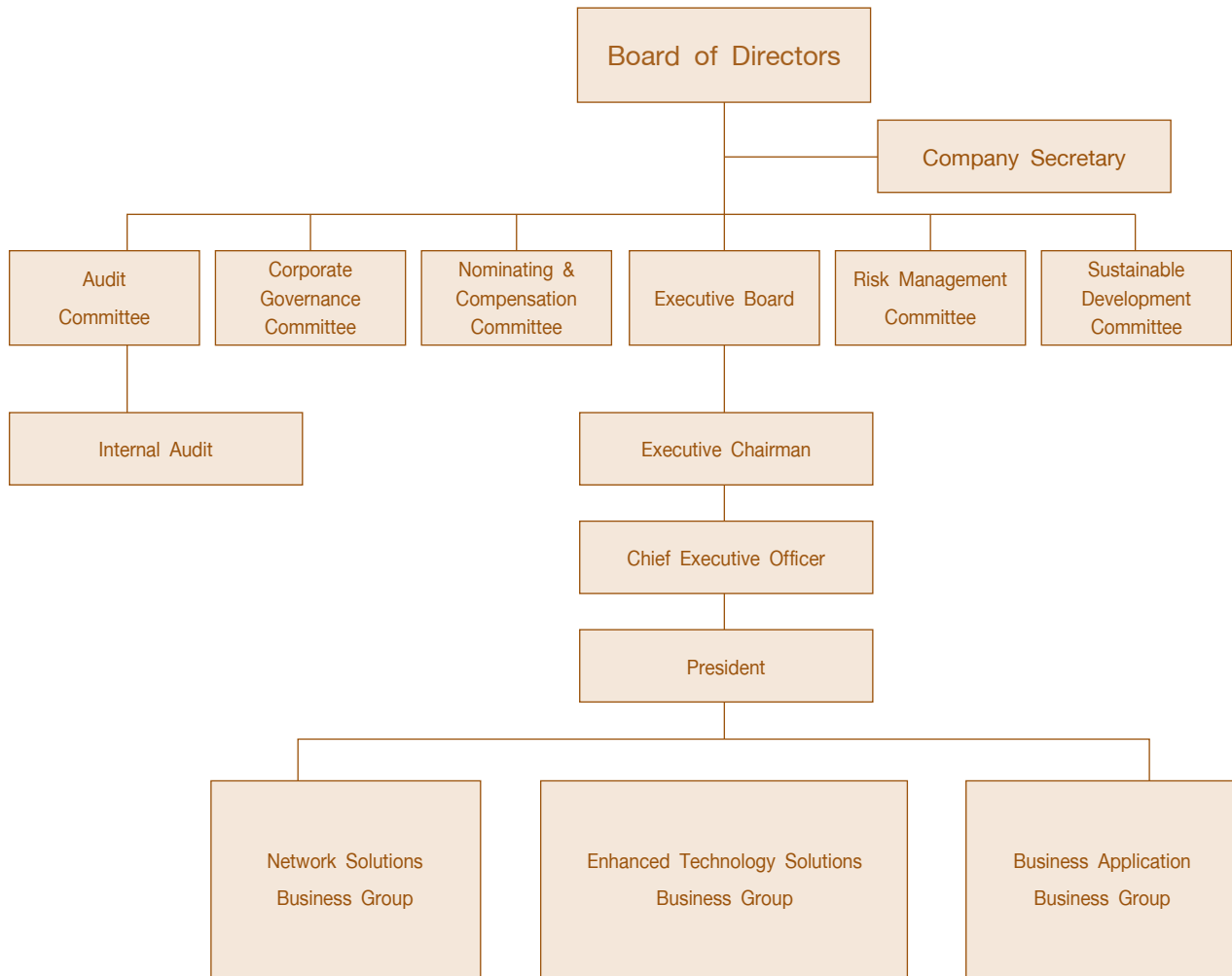
The Company has specified the delegation of authorities clearly which have been firstly applied since 1995 by specifying approval authority on credit line of the Board of Directors and the Management pursuant to the transaction types, such as finance/accounting/budget, human resources, procurement, general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

## 2. The Management

The Company's management structure comprised of 7 Committees, Board of Directors, Audit Committee, Corporate Governance Committee, Nominating & Compensation Committee, Executive Board, Risk Management Committee and Sustainable Development Committee. The organization chart and management of the Company as at December 31, 2020 are as the follows:



## Organization Chart



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

### **Management of the Company**

- |    |                |                 |  |
|----|----------------|-----------------|--|
| 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    | Duangthavee     | 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 “Directors, Managements, Controlling Person, The Person Taking The Highest Responsibility in Accounting and Finance, The Person Supervising Accounting and Company Secretary”.

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

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

Mr. Dhilokpat Nisamaneevong, Chief Financial Officer (CFO), 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 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 “Directors, Managements, Controlling Person, The Person Taking The Highest Responsibility in Accounting and Finance, The Person Supervising Accounting and Company Secretary” and “Company Secretary Role and Responsibilities”.

### 4. Remuneration of Directors and Management Policy

#### **Directors’ Remuneration Policy**

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

The Shareholders in the Annual General Meeting 2020 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

**Management’s Remuneration Policy**

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

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

**Executive Chairman’s Remuneration Policy**

Remuneration of the Executive Chairman, who is the top management of the Company, is not only consideration in accordance with Management’s Remuneration Policy, but the Board of Directors also set the performance evaluation of Executive Chairman annually by 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 be depend on the Board of Directors’ consideration which will be based on the appropriate time and situation.*



In 2020, the Company paid remuneration to directors and the managements as follows:

### 1) Cash & Non-Cash Remuneration of Directors and Committees' members of 2020

Directors	Cash Remuneration (Baht)								
	Company							Subsidiaries	Grand Total
	Meeting Allowance <sup>(1)</sup>					Performance Bonus (Baht)	Total Amount (Baht)		
	Board of Directors	Audit Committee	Corporate Governance Committee	Nominating & Compensation Committee	Total Meeting Allowance				
1. General Sumpun Boonyanun Chairman / Independent Director	180,000	60,000	-	60,000	300,000	120,000	420,000	-	420,000
2. Mr. Vichai Pokasamrit Director / Independent Director	90,000	120,000	40,000	45,000	295,000	100,000	395,000	-	395,000
3. Miss Rapeepan Luangaramrut Director / Independent Director	90,000	60,000	30,000	45,000	225,000	100,000	325,000	-	325,000
4. Mr. Sirichai Rasameechan Director / Independent Director	90,000	-	30,000	15,000	135,000	100,000	235,000	-	235,000
5. Mr. Kajornvut Tayanukorn Director	90,000	-	30,000	-	120,000	100,000	220,000	-	220,000
6. Mr. Charoenrath Vilailuck Director	90,000	-	-	-	90,000	100,000	190,000	-	190,000
7. Mr. Watchai Vilailuck Director	90,000	-	-	-	90,000	100,000	190,000	-	190,000
8. Mr. Thananan Vilailuck Director	90,000	-	-	-	90,000	100,000	190,000	-	190,000
9. Mr. Jong Diloksombat Director	90,000	-	30,000	-	120,000	100,000	220,000	-	220,000
<b>Total</b>	<b>900,000</b>	<b>240,000</b>	<b>160,000</b>	<b>165,000</b>	<b>1,465,000</b>	<b>920,000</b>	<b>2,385,000</b>	<b>-</b>	<b>2,385,000</b>

Details of number of meeting attendance of Directors in the Board of Directors and Sub-Committee were shown in the section "Corporate Governance" under the topic "5.5.4) Board & Committees' Meeting"

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.

### 2) Cash & Non-Cash Remuneration of the Executive Board and Management of 2020

Remuneration	Number of Persons <sup>(2)</sup>	Cash Remuneration (Baht)		
		Company	Subsidiaries	Grand Total
Salary	7	12,996,300	7,745,800	20,742,100
Bonus	7	1,766,200	1,503,000	3,269,200
Provident Fund <sup>(1)</sup>	7	1,045,089	774,580	1,819,669

Remarks: <sup>(1)</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;

<sup>(2)</sup> Seven executive directors and managements including Mr. Pornchai Krivichian who resigned from management on October 31, 2020.



## 5. Human Resource

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

Company	Number of Employees (Persons)		
	2018	2019	2020
1. Samart Telcoms PCL	108	122	125
2. Samart Communication Services Co., Ltd.	337	341	275
3. Samart Comtech Co., Ltd.	419	412	301
4. Thai Trade Net Co., Ltd.	19	20	20
5. Posnet Co., Ltd.	169	161	91
6. Smartherware Co., Ltd.	59	62	61
7. Samart Infonet Co., Ltd.	26	22	22
8. Samart eD Tech Co., Ltd.	15	13	12
9. Portalnet Co., Ltd.	118	126	118
10. NetService (Thailand) Co., Ltd.	21	21	22
11. Secureinfo Co., Ltd.	11	16	19
<b>Total</b>	<b>1,302</b>	<b>1,316</b>	<b>1,066</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)		
	2018	2019	2020
Salary <sup>(1)</sup>	597.92	636.07	612.33
Bonus <sup>(1)</sup>	72.15	103.33	68.60
Provident Fund <sup>(1)</sup>	32.67	35.35	34.90
Other remuneration (Over time, special subsidy and commission)	17.52	18.37	11.94

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

### Human Resources Management and Development Policy

The Company always regards that our employees are the most valuable and crucial fundamental for the company's sustainable success becoming a leading Telecommunication Technology and Digital Technology company in the competitive industry. The Company practically initiated corporate HRM & HRD policy and build 4 strategic corporate cultures including of Think Ahead, Customer Focus, Team of Professional, and Commit to Excellence applying to all hr procedures emphasizing on analyzing proper manpower planning, increasing performance efficiency and improving working procedure to cope with business working environmental and digital technology change. In addition, especially in the year 2020, the Company has essential company policies, working plans and measures preparing for the situation of the COVID-19 epidemic in order to implement human resource management and development policies and support all business processes to be continued with maximum efficiency and effectiveness to create success and growth of the Company sustainably.

## 1. Human Resources Management Policy

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

- **Policy for managing the epidemic situation of COVID-19**

To support all lines of business in the Company to operate efficiently and continuously during the COVID-19 epidemic, The Company has formulated various of guidelines, policies and programs for prevention, preparing and supporting businesses to continue business operations including of measures to reduce business risks and matters impacts of the COVID-19 epidemic, supporting working BCP plan (Business Continuous Plan), and technology tools and equipments applied in the process of business and human resource management and development such the use of functional applications and / or electronic devices instead and other specific solutions with the highest privileges supporting the current business continuous and the expansion of the business.

- **Manpower planning Policy**

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

- **Recruitment & Selection Policy**

Proactive recruitment approaches have been applied in acquiring capable people at all careers, levels and positions including of sourcing and attracting all levels of candidates by launching Campus Tour and Activities Programs in leading universities, coordinating with business recruitment agency and allied business network to build the Company's branding to all external candidates. In Selection Policy, the Company places importance on the selection process, focusing on the most appropriate knowledge, ability and attribute by which their virtues recruitment & selection combines cooperation among original affiliation, expertise in various careers and human resources department to ensure the process of recruitment & selection the most equitable and best efficiency preparing for company business regarding to account measures to prevent and reduce the risks and impacts of the COVID-19 epidemic. Furthermore, the Company has relevantly applied new digital technology connection and social media to support this process being capable people at all levels and leading them to success their owned career at SAMART for company's sustainable success.

- **Performance Management and Development Policy:**

The Company ensures an equitable and appropriate performance management system through applying KPIs approach cascading organization objectives through division to individual goals and corporate competencies methodologies aligning to business strategic planning at all levels throughout. In 2020, the Company has applied new global standard application to support Goal/KPIs and Performance Management i.e. closed monitoring, solution consulting and organizing arrange their owned and subordinators' Goal/KPIs, etc. at individual through top management level leading to be the Company's sustainable success efficiently and effectively in organizational strategic management.

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

The Company conducts informaion technology developed by Human Resources Information Systems to support both HRM & HRD functions by increasing speed of work, data accuracy, and decreasing operation cost by applying digital technology to HR procedures by portal services as regarding to account measures to prevent and reduce the risks and impacts of the COVID-19 epidemic. By the way, the Company has also applied for human resource development, such as knowledge management systems including of managing competency assessment systems and individual development plan (IDP) system. Furthermore, the Company would fully utilize hris data to support in HRM & HRD Policy decision making for sustainable organization achievement and preparing to leading digital company in the future.



- **Compensation & Benefit Policy:**

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

- **Employee Relation & Engagement Policy:**

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

Furthermore, the Company concentrates on the employee relation and engagement at all levels of employees throughout SAMART and also implants them into corporate value along with corporate culture by building synergy professional working-style (Team of Professionals). Hence, these initiate the best cooperation among individual level through corporate. In 2020, there were a various ER&EE programs activities to build synergy among employees, executives and organization i.e., the Company management meeting twice a year, Project "SAMART Strong Together" (Synergy program in the Company), Other team building activities at all levels, and CSR programs such as D-Club etc regarding to account measures to prevent and reduce the risks and impacts of the COVID-19 epidemic.

## 2. Human Resources Development Policy

The Company has a consolidated HRD policy to continuously develop the knowledge and ability of employees being appropriate to their owned position at all levels for leading them to success their owned career at the Company and also achieving business's needs and preparing staff for domestic and oversea digital business expansion. Therefore, the Company aspires to develop employees in all careers at all levels by harmonizing a wide range of development tools for increasing their owned skill, knowledge, capability through corporate culture and code of conduct according with the Company strategy and operation not only for present day but the future business as well regarding to account measures to prevent and reduce the risks and impacts of the COVID-19 epidemic.

- **Career Development Policy:**

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

- **Employee Training & Development Policy:**

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



### **In-house Training**

To encourages and develop the employees to facilitate the organization's strategies and goals most effectively and efficiently. The Company therefore conducts training courses deem necessary regarding to account measures to prevent and reduce the risks and impacts of the COVID-19 epidemic as follows:

#### For top and management executives:

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

#### For operational staffs:

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

#### For all employees:

The Generic Competency Program, courses have been designed to ensure that the employees could perform their work in accordance with the corporate culture at the most efficiency such as Orientation course for new employees, The Personal Data Protection Act B.E. 2562 (2019), Courses for corporate culture, etc.

Furthermore, to accommodate business expansion, develop employee in English communication skill and achieve their competence continuously, the Company thus developed English communication skills both Classroom Training and E-Learning being used to support a large group of learner both new and current employees. This has enabled employee at all levels developing for this skill more conveniently at anywhere and anytime regarding to account measures to prevent and reduce the risks and impacts of the COVID-19 epidemic.

### **External Training**

In addition to In-house Training, the Company supports all executives and employees to acquire external standard knowledge and skill from training certified courses conducted or instructed by external reputable institutes both local and international in order to enhance their expertise, knowledge, ability and also updating and exchanging new aspect with other organizations to apply some appropriate approach to organization relevantly regarding to account measures to prevent and reduce the risks and impacts of the COVID-19 epidemic.

- **Knowledge Management:**

For human resources developing in long term and adding business value, the Company thus considers information technology as an important tool for improving staff management efficiency, Project "SAMART knowledge sharing" has been implemented, this promotes knowledge management throughout organization and responds to business' mission continuously and sustainably. In addition, the Company continued to improve the learning of its employees and encourage them to engage more in self-learning. The Company also adjusted its employee development programs to accommodate a shift in learning behavior, such as Online learning system (V-Learn) had been developed to further promote self-learning. Meanwhile, specialized personnel are encouraged to become internal trainers in order to promote internal knowledge within the organization.



- **Talent Management Policy and Succession Planning:**

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

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

**Summary of Training to management and employees in 2020**

Training	Frequency	Number of Participants
In-House Training		
- Managements	18	150
- Employees	22	452
<b>Sub - Total</b>	<b>40</b>	<b>602</b>
External Training		
• Samart Telcoms Pcl.		
- Managements	13	16
- Employees	1	1
• Subsidiaries		
- Managements	15	26
- Employees	17	44
<b>Sub - Total</b>	<b>46</b>	<b>87</b>
<b>Total</b>	<b>86</b>	<b>689</b>

**Training Expenses in 2020**

Total 2020, total expenses concerning the employees' participation in the trainings domestically and abroad of the Company and its subsidiaries were Baht 2,608,381. Total employees' training hours were 6,463 hours per year or averagely 6.36 hours/person/year which is meet the standard hours specified by the Department of skill Development which equaled to 6 hours/person/year. Example of training course internally, externally and abroad were as follows:

**Internal Training Courses**

- Microsoft Project 2013
- The Personal Data Protection Act B.E.2562 (2019) (PDPA)
- ISO/IEC 20000-1:2018
- Strategic People Management
- First Time Manager Program
- ISMS Awareness for User

**External and International Courses**

- Advanced Master of Management
- Capital Market Academy Programs
- TOR: Term of Reference
- Digital Edge Fusion
- Basic Offshore Safety Induction and Emergency Training
- Top 10 Cyber Security Trends 2020

# Corporate Governance

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 Company has the Corporate Secretary Division which is the Compliance Unit to supervise and oversee the operations of the Company, the directors and the executives to ensure that they have been correctly complied with the regulations of SET, SEC and the Public Company Limited Act including other relevant laws as follows:

## 1. Corporate Governance Policy and Business Ethics

### 1.1 Corporate Governance Policy

The Board of Directors is aware of the importance of good Corporate Governance. Therefore, the written Policy of Corporate Governance both in Thai and English have been set and approved by the Board since 2005 to create more transparency, competitiveness and strengthen the confidence of all shareholders, investors and other related parties. The Corporate Governance Policy had also been posted on the Company's website for information of the Company's employees and for public. Internal audit and Internal control system have been emphasized to monitor the management to follow the Company's policy with more efficiency in order to increase long-term benefit to the shareholder under the law and Business Ethics. The Corporate Governance Committee will monitor and have the employees to strictly comply with such policy. The CG Policy will be annually reviewed and revised to comply with new regulations. The latest revision which complied with the Principles of Good Corporate Governance for Listed Companies 2017 (CG Code) of of The Securities and Exchange Commission (SEC) to apply with the Company including the Principles of Good Corporate Governance 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 which has been resolved by the Board of Directors of the Company on February 23, 2021 that the main points revised in this version of Corporate Governance Policy covers topics the following:

- Amended in the subjects of Nomination of Directors and Managements and Managements Succession Plan;
- Amended in the subjects of Roles and Responsibilities of the Board of Directors, the Executive Board and Nomination & Compensation Committee;
- Amended in the subjects of Supervision on Operation of the Subsidiary and the Associated Companies.

### 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 2020 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 2021 Annual General Meeting of Shareholders, the Company shall allow the minority shareholders to propose the matter for consideration as agenda and submit the enquiries at least 3 months in advance prior the ending date of the fiscal year since September 30, 2020 onward. For the meeting agenda proposal ended on January 31, 2021 and enquiries proposal ended prior to the meeting date of 2021 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). In the "Investor Relations" under the "Proposal question concerning the Company's operation in advance of the Annual General Meeting of Shareholders 2021."

- **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 2020, an Annual General Meeting of Shareholders 2020 which held on July 14, 2020 at Company Meeting Room, 16<sup>th</sup> Floor, Software Park Building, No. 99/20 Moo 4, 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 2020 Annual General Meeting of Shareholders, due to the outbreak of the COVID-19, the Company postponed the 2020 Annual General Meeting of Shareholders from the original scheduled on April 28, 2020 to July 14, 2020. The shareholders have been informed on the date and agenda of the meeting via SET's communication system 63 days prior to the meeting date. At the same time, the Company also disclosed the invitation letter as well as related documents in both languages, Thai and English, on the Company's website (www.samtel.com) in the "Investor Relations" under the topic "Shareholders Meeting" 32 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 13 days prior to the meeting date to be inline 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 equipments 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 2020 Annual General Meeting of Shareholders, there were 9 directors participated the meeting. 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 60 shareholders who attended the meeting either in person 21 shareholders and by proxies 39 shareholders with voting rights attended for the 2020 Annual General Meeting of Shareholders. Moreover, for transparency on counting the vote in the meeting, the Company has invited the proxy of Bangkok Bank Plc. to be the vote inspector as well as requested for additional volunteers from the shareholders to be inspector. The Chairman had declared to the shareholders how to exercise their right and vote before commencement conducted the meeting including the results of an invitation to propose agenda of the 2020 AGM and sending question prior to the 2020 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)) 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 agenda is the appointment of Company's auditors and consideration of their remuneration. The Company will propose name of the auditors with sufficient details and remuneration for consideration of the shareholders.

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

The Company concerns on Shareholders' rights and not only disclosed Company's information via SET's communication system but also posted all significant and updated information on the Company's website ([www.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 topic "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 3 independent directors also are attached for shareholders consideration as alternative proxy in both Thai & English to facilitate the shareholders. In the 2020 Annual General Meeting of Shareholders, which held on July 14, 2020 were 31 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 "5. Inside Information Control".

### 3. Roles of Stakeholders

The Company is aware of the support from each stakeholder should increase the competitiveness and ability to generate more benefit for long-term succession and realized the importance of all stakeholders i.e. shareholders, employees of the Company and its subsidiaries, customers, competitors, lenders, societies and environment 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)). (More details on the roles of stakeholders are disclosed in the topic "1.2 Business Ethics").

### 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 "Management Structure" under the topic "4. Remuneration of Directors and Management".
- Shareholding information of the directors and the managements has been disclosed in the Annual Report and the Annual Disclosure information. 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 2020 securities holding information of the directors and the managements were as follows:



## Number of ordinary shares held in the Company (Shares)

Director / Executive	31/12/2019	Acquisition in 2020 Buy via SET	Disposition in 2020	31/12/2020	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 -	- -
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 “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 Company's Annual Report and Form 56-1 as well as participated in the "Opportunity Day" which arranged by SET.

The Board of Directors has 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 Report and Form 56-1**

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

Company's website

The Board of Directors is aware of the efficiency of website disclosure to the shareholders and related persons as well as equitably and easily of getting information. The Board of Directors therefore ensure the Company not only provide all significant information of the Company in the Company's Annual report but also on the Company's website (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 Disclosure Information (56-1), 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 executives.

Meetings with investors and analysis in 2020 were summarized as follows:

- |  |   |       |
|--|---|-------|
| - One on One Meeting with Analysis & Meeting and Road Show | 4 | 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 Report and the Annual Information Disclosure (56-1) in the section "Management Structure" in the topic "4. Remuneration of Directors and Management".

#### • **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 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 Report under the Report of the Audit Committee. The opinion of the Audit Committee has already been disclosed in the annual report. Moreover, Report of the Board of Directors' responsibility on the Company's Financial Statements was also attached in the Company's Annual Report.

## **5. Role and Responsibilities of 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:

### **5.1) Directors' Qualifications**

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 that been described in the Company's "Management Structure". All of the Directors have contributed their best to the Company which may concern from their participation in the meeting that been described under the topic "5.5.4 Board & Committees' Meeting".

### **5.2) 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. Roles and Responsibilities of the Chairman and Executive Chairman are as follows:

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

1. Oversee, monitor, and ensure that the Board of Directors efficiently carries out its duties to achieve the Company's objectives;
2. Ensure that all directors contribute to the Company's ethical culture and good corporate governance;
3. Set the board meeting agenda by discussing with the 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.

- **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.

The Board of Directors of the Company comprised of 9 members with various qualifications, skills, experience and expertise. Composition of the members is as follow:

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

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.

- **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.

### **5.3) Being Director in other Listed Companies**

- **Policy for directors to serve as directors in other listed companies**

For efficiency of being the director, the Board of Directors of the Company has set the "Policy" for all directors to be the director in any listed companies not exceeding 5 companies. However, there is not any of the existing 9 directors of the Company is being the director in listed companies over than 5 companies and also could participate and contribute to the Company with efficiency of which better than not exceed 5 companies according to guideline of Corporate Governance.

- **Policy for top executives to serve as directors in other companies**

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

### **5.4) Transparency of Nomination of Directors and Management**

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

### **5.5) Board of Directors' Activities during the year**

#### **5.5.1) Set Policy and Business Direction**

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

#### **Monitoring on Business Ethics**

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





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

According to regulation of the adequacy evaluation of internal control and comply with Corporate Governance of the Company. In 2020, the Company provided Business Ethics assessment for management to evaluate their practice of business ethics and report to Audit Committee. The questionnaire covered the following areas:

1. Conflicts of Interest
2. Responsibilities to shareholder
3. Employee Policies
4. Ethics of the Employees
5. Customer policies
6. Trade partners policies
7. Creditor policies
8. Counterpart/Competitor policies
9. Anti-corruption policies
10. Money Laundering policies
11. Tax policy
12. Sustainability Development Policy
13. Responsibility to society as a whole
14. Responsibility to communities
15. Responsibility to environment
16. Non violation of human right policies
17. Non-infringement of intellectual property or copyright policies

From the assessment, evaluated in the above areas, has an **excellent** evaluation by obtaining average score of 100%

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 topic of “1.2 Business Ethics” in the procedures and methods on “Notifying the information on misconduct and the protection of the informant”

#### **5.5.2) Leadership and Vision**

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) and disclosed in the Annual 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.

### **5.5.3) Set up of Committees**

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

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

Roles and responsibilities of each committee were disclosed under the topic "2. Committee". In addition, Committees' Charters have also been set and disclosed on the Company's website ([www.samtel.com](http://www.samtel.com)).

### **5.5.4) Board & Committees' Meeting**

#### **1) 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 and details of directors' attendance for 2020, total 6 meetings, were as follow:

Directors	Date of Appointment	Term of Directorship (Year / month)	Number of Attendance / Total Number of Meeting
1. General Sumpun Boonyanun	April 2008	12-8	6/6
2. Mr. Vichai Pokasamrit	April 2011	9-8	6/6
3. Miss Rapeepan Luangaramrut	April 2008	12-8	6/6
4. Mr. Sirichai Rasameechan	July 1998	22-6	6/6
5. Mr. Kajornvut Tayanukorn	April 2004	16-8	6/6
6. Mr. Charoenrath Vilailuck	July 1996	24-5	6/6
7. Mr. Watchai Vilailuck	July 1996	24-5	6/6
8. Mr. Thananan Vilailuck	April 2016	4-8	6/6
9. Mr. Jong Diloksombat	January 2012	8-11	6/6

In 2020, 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 2020 AGM;
- Acknowledged the 2020 Committees' activities;
- Acknowledged assessment result on quality on arrangement of AGM of Shareholder for 2020;
- Acknowledged result on Corporate Governance of Thai Listed Companies for 2020;
- Acknowledged the self-assessment results of the Board and Committees for 2019 and the performance of the Executive Chairman and Company Secretary for 2019 and consider the criteria for self-assessment of the Board and Committees for 2020 and the evaluation of the Executive Chairman and Company Secretary Form for 2020;
- 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 2019 as well as quarterly performance of 2020;
- Considered the sufficiency of the Company's Internal Control System;
- Considered the related party transactions;
- Considered vision, mission and the Company's 2021 business plan;

- Considered matters concerning to 2020 AGM agenda and provide opinions to shareholders for consideration;
- Considered the dividend payment for year 2019;
- Considered the appointment of the Independent Director and Committees' members to replace of those who retire by rotation;
- Considered the salary increase for 2021, 2020 bonus and bonus policy for 2021;
- Considered the meeting schedule of the Board of Directors for 2021;
- Considered the Directors & Officer Liabilities and Corporate Reimbursement Insurance;
- Considered the reviewed and revised the Company's Corporate Governance Policy, Business Ethics and Charter of the Board of Directors and Committees.

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

## 2) Committee

In 2020, 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	1/1 <sup>(1)</sup>		
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	2/2
10. Miss Chotika Kamloonwesaruch		12/12				2/2
11. Mr. Suchart Duangthawee		12/12				2/2
12. Mr. Dhilokpat Nisamaneevong		12/12				2/2
13. Mrs. Nisachol Udomwongiwat						2/2
14. Miss Kanokwan Chanswangpuvana						2/2

*Remark:* <sup>(1)</sup> Has been appointed as the Nominating & Compensation Committee Member on August 11, 2020.

Details of agenda of each committee meetings in 2020 has been disclosed in the Company's Annual Report 2020 (Form 56-2 or Annual Report ) under report of the each committee.

## 3) Meeting among members of the Non-Executive Directors

In 2020, the non-executive directors has arranged the meeting among only members prior or after to the Board of Directors' Meeting every time without any participation of the management team, in order to have discussion on management issues of the Company freely.

## 5.6) Conflict of Interest

To prevent conflicts of interest, the Company has drawn out guidelines for directors and employees to as guidelines in practice. (More details of conflict of Interest are disclosed in the topic "1.2 Business Ethics").



**5.7) Internal Control and Internal Audit**

(Details are shown in “Internal Control, Risk Management and Anti-Corruption”).

**5.8) Risk Management**

(Details are shown in “Internal Control, Risk Management and Anti-Corruption”).

**5.9) The assessment of the Board of Directors, Committee, Executive Chairman and Company secretary**

**5.9.1) Board Self-Assessment**

The Corporate Governance Committee has initiated the Self Assessment form for Board members to review and evaluate their performance for 2020 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. 6/2020 on November 10, 2020 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 by obtaining average score 98.12%.

**5.9.2) Directors Self-Assessment**

The Corporate Governance Committee has initiated the Self Assessment form for directors to evaluate their performance of director for 2020 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. 6/2020 on November 10, 2020 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 by obtaining average score 98.61%.

**5.9.3) Audit Committee Self-Assessment**

In order to make the Audit Committee to be able to evaluate its own performance during the previous year with regards to the compliance with prudent practices and the effectiveness, so the evaluation which covered the following topics has been conducted. The Company has applied SET’s assessment form in appropriate to the Company. The assessment form, which has been approved by the Board of Directors in its meeting No. 6/2020 on November 10, 2020 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 by obtaining average score 99.12%.

#### **5.9.4 Committee Self-Assessment**

The Corporate Governance Committee has initiated the self-assessment form of committees for 2020 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. 6/2020 on November 10, 2020 was sent to each committee for assessment. The questionnaire covers the following area:

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

The result assessment of Committee Self-Assessment for 2020. In all 4 topics was shown below:

1. The Executive Board has an **excellent** evaluation by obtaining average score of 96.24%.
2. The Corporate Governance Committee has an **excellent** evaluation by obtaining average score of 99.21%.
3. The Nominating & Compensation Committee has an **excellent** evaluation by obtaining average score of 98.75%.
4. The Risk Management Committee has an **excellent** evaluation by obtaining average score of 98.66%.
5. The Sustainable Development Committee has an **excellent** evaluation by obtaining average score of 92.36%.

#### **5.9.5 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. 6/2020 on November 10, 2020 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 by obtaining average score 98.36%.

#### 5.9.6 Company Secretary Assessment

In order to develop the working efficiency of the Company Secretary, the Company has also been assessed by using the assessment from which has been approved by the Board of Directors in its meeting No. 6/2020 on November 10, 2020 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 by obtaining average score 96.90%.

#### 5.10) Development of Directors and Managements

- **Development of Directors**

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

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

However, In 2020 the Company has not appointed a director on the Board of director positions. The Company did not have provide orientation new directors in 2020.

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 2020, the directors have attended the additional training courses as follows:

Directors	Courses
1. Miss Rapeepan Luangaramrut	- Advanced Master of Management Program (AMM) (Class 1), Public Administration, National Institute of Development Administration (NIDA) - Certificate of NACC/IACA International Anti-Corruption Academy (NACC) (Class 11), Sanya Dharmasakti National Anti-Corruption Institute
2. Mr. Charoenrath Vilailuck	Certificate of NACC/IACA International Anti-Corruption Academy (NACC) (Class 11), Sanya Dharmasakti National Anti-Corruption Institute
3. Mr. Watchai Vilailuck	- The Story (The Ultimate Leadership Tool) (Class 4), Sripatum University - Digital Edge Fusion (DEF) (Class 5), Sripatum University - WING in the Mind of the Disruptors (Class 4)
4. Mr. Thananan Vilailuck	- The National Defence Course (Class 62), National Defence College of Thailand in 2019-2020 - Executive Development Program, Royal Thai Police in 2020 - The 11 <sup>th</sup> Training Course on Administrative Justice for Executives Office of Justice Affairs in 2020

- **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. These courses provide innovated and practical knowledge to be applied to arrange managerial work.

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



## 1.2 Business Ethics

The Company is conducting the business with great awareness in ethical and moral issues. The handbook concerning business ethics for all members of the Board of Directors, managerial team and our employees has been provided in both Thai and English since 2005 as a guideline to continue his/her duty with honesty, integrity, morality, and of course, highest quality. It also reminds the Company to bring fair treatment in accordance with legal restrictions, to maximize shareholder value, and to prevent plausible conflicts of interest. The Business Ethics had also been posted on the Company's website for information of the Company's employees and for public acknowledgement. The Business Ethics will be annually revised. The latest revision has been reviewed by the Board of Directors of the Company on February 23, 2021 and the meeting had also approved the additional policies of Money Laundering Policy and Tax Policy in the Company business ethics compliance with the revised Business Ethics covers the following area:

- **Conflict 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.
5. Refuse to reveal Company's classified information (e.g. electronic information, financial situation, work's plans, business information and Company's future plans) during and after their posts.

On any conflict of interest transaction, before entering into the transaction, the Company' assign to directors, management, employees and related parties to disclose such interests to the Audit Committee for consideration of the transaction, the Audit Committee will carefully review prior to submit with opinion either on such conflict or connection to the Board of Directors for further review and to ensure that the transaction has to be complied with SET's regulations, information of the transaction i.e. value of transaction, party involved and necessity ext. has been disclosed in the Company's annual report, Form 56-1 and the auditor's note in the financial statement. Any consideration of the 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. Details of the transactions which may have any conflict of interest in 2020 were disclosed under the "Connected Transactions".

- **Responsibilities to shareholder**

The Company aware of its role to protect and due care for the interests of all major and minor shareholders by granting rights to every shareholders to attend, vote and have comments in the shareholders' meeting, to share in profits, to propose agenda and 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 "1. Rights of Shareholders".

- **Employee policies**

The Company highly regards all of the employees as valuable resources and is a major factor to drive the business performance to achieve its goals. As a result, it is the Company's policy to treat employees fairly in all respects, employment opportunity, reasonable remuneration, promotion, welfare i.e. There is always be the nurse(s) stationed in the infirmary everyday at the Company's office building and the doctor shall visit and treat sick employees twice a week. The Company also has the medical treatment welfare for the employees (in case of out-patient) who are treated at the government and private hospitals. The employees shall be entitled to the annual medical treatment fee pursuant to their level. In 2020, total amount of medical treatment fee reimbursed by the employees of the Company and its subsidiaries amounted to Baht 1.61 million. Moreover, the Company also has group health insurance (in case of in-patient) for the Company's employees which is made with the Allianz Ayudhya Assurance PCL as well as group life insurance which covers all kinds of death, annual medical check-up and provident fund to secure their working life security under the name of "the Registered Samart Group Provident Fund". The Company also has the social security fund and provision of loan in case of the accident or sickness to the employees, in case of death of the employee or his/her immediate family member, the funeral allowance shall be provided, in case the employee is sick or gives birth, a visiting in hospital shall be arranged and fitness center and special discount for Company's products etc.

Development programs, both internal and external training courses, are continually provided for all levels of employees. In addition, the Company has provided educational support by awarding scholarship to employees with aims to enhance their knowledge and skills. (Please see more details about the employees in the section "Management Structure" under the topic "5. Personnel").

- **Policies on the safety of life and health of employees**

The Company emphasizes on the safety of life and health of employees as the following policies:

1. The Company is committed to developing and creating safety and health of employees in accordance with the requirements of the law.
2. The Company will perform all necessary measures to ensure the safety of life and health of employees.
3. The Company seeks to control and prevent losses caused by fire, accidents and illness from working and maintain a safe working environment for employees as well as promoting and raising awareness of health care workers.
4. The Company will support adequate and appropriate resources in accordance with the requirements of the law and commit to develop human resources with knowledge and awareness of safety and health of employees.
5. The Company is aware that a safety and health of employees is very important, it was the duties and responsibilities of executive, supervisors at all levels and employee to comply with the rules and the requirements of the law.

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

1. To appoint the safety officers and the relevant persons in all levels to take responsibility, supervise and monitor the strictly compliance with safety, occupational health and working environmental policy.
2. To fortify the employees at all levels with knowledge, consciousness and joint responsibility, for instance, to arrange for the training and cultivate consciousness on safety, occupational health and working environment for the employees, as well as to arrange for the training on health by arranging the Healthy Week and the Safety Week and etc.





3. To conduct the annual evacuation drill in case of fire as well as to designate the assembly points of all offices.
4. To use the fingerprint scanning system so only the eligible persons can enter and exit the office building for safety of life and properties of the employees and the Company.
5. To provide the medical treatment, modern medicine provision service and basic medical service in all offices.
6. To arrange for the medical checkup every year.
7. To arrange for the fitness center and to encourage for the sport competition, both inside and outside the Company to promote health of the employees.

**Record on 2020 accident at work of the Company Subsidiaries.**

Business Group	Lost Time Accidents in 2020 (Time)
1. Network Solutions	-None-
2. Enhanced Technology Solutions	-None-
3. Business Application	-None-

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

- **Customer policies**

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 2020, the Company and subsidiaries have been developed products and improve the quality in several dimensions to increase efficiency and customer trust as the following:

- Samart Telcoms Public Company Limited provides services as complete integration for business enterprise customers to serve end customers and government agencies to provide services to end users. The Company established customer service centers nationwide under supervision of Samart Communication Services Co., Ltd. to provide flexibility, convenience and speed for services in ICT and digital solutions, along with services from Network Operation Center (NOC) for receiving calls and diagnosis incidents for customers 24 hours a day. Moreover, the Company maintains CMMI Level 3 standard for development of quality software to customers;
- Samart Communication Services Co., Ltd. has been certified for ISO 20000, the standard for quality and efficiency of IT service management, in order that the system provided could gain more confidence from customers. In addition, the Company has maintained and elevated services complying with ISO 9001 standard for customers to receive quality services creating customer satisfaction;
- Samart Comtech Co., Ltd., by its Airport Operation Management department, has been certified for ISO 20000 for quality IT service management to elevate services quality increasing customer confidence and satisfactions. Furthermore, the company has maintained service quality to comply with ISO 9001 standard and has maintained quality in software development complying with CMMI Level 3 standard;

- Samart Infonet Co., Ltd. has increased customer satisfaction by improvement and development of customer service through CRM system and elevated engineers' skills and expertise through international certification. Additionally, the company has set up additional network equipment to support increasing usage of customers, including network security system as well as cybersecurity to enhance the security level for customers;
- Net Service (Thailand) Co., Ltd has focused more on development and improvement of specialized information system for core products such as Human Resource Management and Website Management and the Company also provided training programs to transfer knowledge and information technology to enhance staffs' capabilities in operation support and system quality improvement for core products including systems and services delivered to customers;
- Smarterware Co., Ltd. has developed quality software system for every work under the CMMI Level 3 standard and has improved the features and functions of the Smart Tracking System, a system for tracking the movement of people or objects, in order to make the system more efficient;
- Secureinfo Co., Ltd. has elevated services regarding cyber security by receiving certification of ISO/IEC 27001: 2013 which is the standard for information security management in order to increase customers' confidence in services of Cyber Security Operation Center;
- Samart eD Tech Co., Ltd. has developed digital content and media noticeable in multimedia presentation and also developed e-courseware for employee development and training programs for leading enterprises. The Company has enhanced knowledge and capabilities of human resources especially Instructional Designer and therefore the content and e-courseware designed can be more efficient. The company has also maintained CMMI Level 3, standards for process of quality software development, resulting in quality of work and services satisfying customers. Moreover, the company has developed digital content and application on mobile devices increasing convenience requested by customers;
- Posnet Co., Ltd. has improved the performance of Posnet e-Receipt Platform (PRP), a system supporting usage of Electronic Slip and Electronic Signature allowing users to keep data in electronic format. Banks and merchants as users can reduce costs of sales slip paper and can search sales transactions easier and faster. The sales report and inventory features can also increase convenience for merchants. In addition, the company has developed EDC Auto Download system for the machine to automatically update the program, enabling customers to use latest functions immediately; the company therefore can manage the work to meet the needs of customers on time. Furthermore, the company has maintained data security standard, the Payment Card Industry Data Security Standard (PCI-DSS), and has provided services for monitoring and auditing payment networks as well as enabling alerts to customers and related persons through various communication means;
- Portalnet Co., Ltd. has extended its staffs' knowledge to cover SAP Test Management and Run SAP Like a Factory and also sent staffs to have necessary training programs regularly until they are certified by SAP and certified for project management standard by Project Management Institute (PMI) ensuring ability of employees to provide services compliant to international standards;
- Thai Trade Net Co., Ltd. has developed and improved Electronic Data Interchange (EDI) and various systems delivered to customers under the CMMI Level 3 standard to make the system more efficient. The company has also added cybersecurity surveillance to increase confidence of customers.



- **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 of ISO 9001 and CMMI. The Company also has the policy not to corrupt, extort, embezzle or not tolerate such action. The business partner must not propose or take bribery or any illegal reward from the Company and the business partner must not give the reward or propose personal benefit in whatsoever form to the employee as a result of business undertaking. Such policy has been inspected by the management under the document and the supporting particulars and it also has been audited by the neutral auditor both from the inside and outside the organization.

- **Creditor policies**

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

- **Counterpart/Competitor policies**

The Company has 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.

- **Anti-Corruption policies**

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 "Internal Control, Risk Management and Anti-Corruption".

- **Money Laundering policy**

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

- **Tax policy**

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

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

- **Sustainability Development Policy**

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 sustainable development policy as follows:

1. To conduct business based on good governance principle as well as social and environmental responsibility including other related SD projects and activities by primarily taking into consideration benefits of all stakeholders;
2. To build up corporate culture that can encourage all employees to have conscious mind while performing duties and also to have volunteer spirit which is willing to devote efforts and personal time for benefits of communities as a whole;
3. To promote and educate the employees at all levels on social and environmental awareness to serve as guidelines on social and environmental conservation and sustainable development throughout the organization;
4. To encourage on creation of social and environmental projects or activities including other related SD projects and activities.

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

The Company provides the practical guideline of responsibility to societies, communities and environment as follows:



- **Responsibility to societies and communities**

The Company recognizes that it can survive and grow in a society that is vigorous and prosperous. Therefore, to bring about societal progress, the Company participated in societal improvements with financial support to all activities that aim to maintain beneficial cultures, customs and rituals. Moreover, the Company will involve in religious activities regularly. The Company also participated in many activities for development of social, education, vocation, athletic ability as well as sanction for outreach people and victims. In addition, the Company has strengthened the closed relationship with the surrounding and nearby communities by building up good relationship with the private and public organizations as well as the community leaders in many levels, so that the cooperation from all parties can be smoothly coordinated for sustainable and concreted development of the communities. In 2020, the Company has continued our efforts to promote “Creating Quality People and Supporting Ethical Society” and also implemented a variety of activities for public benefits. Details of the projects and activities are shown in “Corporate Social Responsibility Report (Sustainable Development Report)”.

- **Responsibility to environment**

The Company conducts business with recognition of environmental conservation and standard management of safety. It is also the Company’s policy to become a responsible corporate citizen to comply with all relevant laws and regulations and be responsible for utilizing natural resources in prudent manners. The Company has a policy to strengthen and provide knowledge and training on environment to the employees in the organization, and assignment to the Human Resources Department provide training to employees. In order to be aware of environmental responsibility when they perform their work by arranging campaign to cultivate conscious mind on environment and natural resources through employee participation activities as well as disseminating news and information on environment in order to build up good understanding on environmental management of the Company. For motivation of the employees to continually conform to the Company’s policy, announcement via Company’s PR boards, e-mail and internal radio are provided. In 2020, the Company develop our products and services with conservation and environmental safety as our priority. The Company offer environmentally concerned telecommunication services and encourage energy conservation among public organizations and state enterprises with the same vision:

- **Installation of Solar Power Generation System and Energy Storage**

The project installed the solar power generation system and energy storage to Plant Genetic Conservation Project under the Royal Initiative of Her Royal Highness Princess Maha Chakri Sirindhorn.

The systems were implemented in four areas included:

- Thung Khanan, Soi Dao district, Chanthaburi;
- Sanam Chai, Na Yai Am district, Chanthaburi;
- Koh Yao Yai, Koh Yao district, Phang Nga;
- Phru Nai, Koh Yao district, Phang Nga.

- **Procurement and Installation of Solar Power Generation System**

The project included the installation of solar power generation systems and energy storages in 46 National Park Protection Units of the Department of National Parks, Wildlife and Plant Conservation.

- **PEA Automatic Meter Reading (AMR) Project**

The Provincial Electricity Authority (PEA) initiated the project to allow large-size power users to manage their electrical power usage with maximum efficiency.



In addition, the Company also organizes activities to emphasizing development of the employees' awareness to realize on environmental preservation and resource utilization through its internal media and energy saving campaigns. During 2020, the Company remodeled the activities to serve the changing situations and achieved the most benefits through six main projects as follows:

- **“SAMART Loves the World Project: Reduce Use of Plastic Bag Season 2”**  
The campaign focused on the reduction of using plastic bags while encouraged the use of reusable bags. Fabric and paper bags were prepared at every floor of SAMART's offices to allow the employees to use and bring it back for reuse.
- **“SAMART Loves the World Project: How to Throw Dangerous Waste”**  
The campaign created awareness on waste separation and waste management under the concept of “Worthy Use, Propor Separation, Proper Disposal.” The campaign focused on the disposal of electronic waste that required an appropriate disposal method to reduce the danger of toxic substances to be contaminated to the environment. The employees can bring their e-waste and throw them in the e-Waste Box before sending to be disposed properly and safely.
- **Clean & Clear Season 3**  
The project promoted Good Habits Good Hygiene by stimulating the participants to separate wet garbage, dry waste and recycle waste for further waste management with maximum benefits.
- **5S Project / Big Cleaning Day**  
The promotion of Good Hygiene and Good Environment in the workplace is done annually to create an efficient working environment.
- **SAMART Team: Save to Survive Project**  
The campaign emphasized best utilization of internal resources through various practices including power turn-off during lunch break; internal communication via application; paperless office; trip planning for energy saving and pollution reduction; and video conferencing to save travelling time and in line with social distancing measure.
- **Abandon+Review Project: Second-Hand Stuff Donation**  
The activity encouraged the employees to donate second-hand stuff that are not used but still in good condition to Wat Suan Kaew for further reuse. The project created awareness on best resource utilization for maximum benefit and offered better waste management.

Details are shown in “Corporate Social Responsibility Report (Sustainable Development Report)”.

- **Non violation of the human right policies and practices**

The Company has policy of non violation of human right as common practice, all employee shall not act or support any action to violate any human rights of which the Non violation of human right policies is set in the Company's Business ethics. The Company has policies that employee's personal information, i.e. medical treatment record, working experience, is the secret and shall not be sent or disseminated to unauthorized parties. Disclosure or transfer of personal information is only upon the owner's consent. Furthermore, the Company treats all employees equitable, no person shall be discriminated against regardless of race, nationality, language, religion, sex, age and education. The Company has opportunity for the employee to show their capability by set appropriate remuneration and has opportunity for more education both in higher education, and short-term/long-term training. Deliberation related to hiring and judgment of performance should be accurate and fair as well as avoid comments or any other matters that may lead to conflict.



In addition, the Company communicates such matters to employees to acknowledge and observe through HR website ([www.samartthre.com](http://www.samartthre.com)). However, if any employee receives unfair comment on the matter, the Company also allows employees to suggest, complaint about abuses as well as other related matters. The Company will resolve such problems for benefits to all parties and create good working relationships together.

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

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

- **Suggestions and complaints**

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

Mailing Address: Internal Audit Department  
Samart Telcoms Public Company Limited  
99/7 Moo 4, Software Park, 29<sup>th</sup> Fl., Chaengwattana Rd.,  
Klong Gluar, Park-kred, Nontaburi 11120.

or E-mail address: [Somchai.B@samtel.com](mailto: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"

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

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

#### **The process of information inspection and analysis**

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

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

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

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

The Company has published Vision, Mission, Corporate Governance Policy and Business Ethics on the Company's website (www.samtel.com) and communication Corporate Governance Policy and Business Ethics to management and employees of the company via e-mail, tips and poster in the Company's promotion board. The Corporated Governance Committee will monitor and ensure that Company's regulations, Corporate Governance Policy and Business Ethics have been strictly and continually complied.

## 2. Committee

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, 2020 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 "Directors, Managements, Controlling Person, The Person Taking The Highest Responsibility in Accounting and Finance, The Person Supervising Accounting and Company Secretary".

### **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 Form 56-1 and Form 56-2 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, 2020 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, 2020 consists of 5 members:

- |    |               |              |  |
|----|---------------|--------------|--|
| 1. | Mr. Vichai    | Pokasamrit   | Chairman of the Corporate Governance Committee<br>(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, 2020 consists of 4 members:

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

*Remark: <sup>(1)</sup>Has been appointed as the Nominating & Compensation Committee member on August 11, 2020.*

**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. Recruit, select, and nominate appropriate candidates for independent directors, Chairman of the Boards and Board members proposed to the Board of Directors for consideration and/or further approval of the shareholders when those positions are vacant due to termination of terms or other reasons;
2. Recruit, select, and nominate appropriate candidates for members of the Committees, Executive Chairman, and Company Secretary proposed to the Board of Directors for consideration when such position is vacant as well as propose criteria for selecting candidates of top management and senior management for the succession plan;
3. Determine and review qualification, criteria and procedures for nomination of directors, committees, Chief Executive Officer, top management and Company Secretary to propose for approval from the Board of Directors' meeting;
4. Determine policy, structure and criteria for remuneration, whether in cash, securities or otherwise, of directors, committees, Executive Chairman, senior management, management and employees in accordance with the Company's strategy, goal and operating results as well as market conditions to propose for further approval from the Board of Directors;
5. Review the roles and responsibilities of the Nominating and Compensation Committee in accordance with the situation;
6. Perform any other activities as assigned by the Board of Directors.

#### **5) Risk Management Committee** as of December 31, 2020 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. Anupong	Saowamas	Member
7.	Mr. Senee	Somma	Member
8.	Mrs. Nisachol	Udomwongwiwat	Member
9.	Korn Vajanapoom, Ph.D.		Member
10.	Mr. Danaisak	Khonsue	Member
11.	Miss Sirichan	Phiraprawit <sup>(1)</sup>	Member

*Remark: <sup>(1)</sup> Have been appointed as member in the Risk Management Working Group on August 11, 2020.*

#### **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, 2020 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.

All committees carried out their duty and had the meeting regularly and had written minutes. The significant issues of the previous year are show in Annual Report (56-2) including number of meeting of each committee are shown in the topic “5.5.4 Meeting of the Board of Directors and Committee”.

### 3. 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 and other committees, Executive Chairman, other executives and company secretary as well as consider the appropriate remuneration for such directors and management with the following criteria and procedures:

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

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



In case a directorship becomes vacant by any reason other than the expiration of the term, the Board of Directors shall elect a person possessing the qualifications and being under no prohibitions under the relevant laws as a replacing director at the Board of Directors' Meeting, unless the remaining term of such director is less than two months. The replacing director shall hold office only for the remaining term of the replaced director. The resolution of the Board of Directors' Meeting must be passed by votes of not less than three-fourths of the remaining directors.

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

- **Nomination of 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 executive succession for top management and key executive 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.

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

Before establishment of any new company, the Executive Chairman shall propose such matter to the meeting of the Board of Directors for consideration and approval before the registration of the new company is arranged. The Board of Directors shall consider on appointment of the executives who shall hold positions of director and management of such subsidiary and the associated company including scope of authority and responsibility of the directors and the management who shall be the Company's representatives in such company. In case the appointment of additional new director or director in replacement of the vacant position from any reason other than retirement, the Board of Directors assigns the Executive Board to consider and appoint the director in replacement and report to the Board of Directors for acknowledgment. The management of the subsidiary and the associated company 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. The management of the subsidiary and the associated company 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.

The subsidiary and the associated company 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 Board. If internal control system of any company is defective which may likely cause risks and damage to the Company, the Executive Board 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 Board's consideration and approval on voting guideline during the shareholders' meeting of such subsidiary.

For 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.

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

## 5. Inside Information Control

The Company will inspect to ensure no inside information of which is material, undisclosed and confidential leak to public or be used from unauthorized for personal benefit. IT system has been implemented for a secure access for all users inside and outside the firewall in conjunction with the Company's own user authentication and security system. In addition, the Company sets as policy that all employees shall acknowledge and sign the agreement of non-disclosure confidential information, non-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 2020, there is no case of insider



trading from the Company's directors or management. The press releases for the corporate governance are published on a weekly basis to all employees via email, tips and poster in the Company's promotion board. The Directors and management had been informed on their duties and punishment to disclose report to the SEC on each person holding securities and derivatives as well as the holding and changes to the holding of their spouse, cohabiting couple and minor children within 3 days from the transaction date according to the Securities and Exchange Act B.E. 2535. The report shall include the holding of securities and derivatives by a juristic person whose shares exceeding thirty percent of the total voting rights held by the aforementioned persons, including the spouse or cohabiting couple, and minor children of such persons. Any change in securities and derivatives holdings, such directors and managements have to report the Company Secretary for coordination and preparing report submit to the SEC. In addition, the Company has set as a policy to report on securities and derivatives holdings of directors and management in every meeting of the Board of Directors. In case that any director or management violate the regulations, the warning notice will be made to that director or management to avoid re-misconduct.

In case of conflict of interest, it is the Company's Policy to have the directors, management, employees and related parties to disclose such interests to the Audit Committee for consideration of the transaction to be complied to SET's regulations and any governing laws and regulations prior to further submit for consideration of either the Board of Directors or the shareholders. The directors who have conflict of interest will not participate and attend in any agenda that they have conflict of interest in both board and shareholder meeting. Moreover, any conflict of interest transactions with the connected persons will be disclosed in the Company's Annual Report (56-2) and the Annual Information Disclosure (56-1) under "The Connected Transactions".

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

The Company has established the Corporate Governance Committee to monitor the compliance duties in accordance with the regulations continuous and appropriately.

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

The Board of Directors has reviewed the corporate governance policy, business ethics, and the committee's charter, annually, at least 1 time per year. In 2020, the Company used the Corporate Governance Code (CG Code) of the Securities and Exchange Commission (SEC) to apply with the Company's business context, appropriately. Moreover, the Company has performed according to Corporate Governance Report of Thai Listed Companies 2019 (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 2020, the Corporate Governance Committee's meeting No. 2/2020 and the Board of Directors' meeting No. 6/2020, which held on November 10, 2020 has considered and reviewed the application of the Corporate Governance Code (CG Code), including amend the Corporate Governance Policy, business ethics and the committee's charter in order to cover CG Code practices. However, the practices that are not suitable for the Company's business operations, the Board of Directors has assigned to the Corporate Governance Committee to consider and propose appropriate replacement measures, respectively.

## 7. The compliance with the Principles of Good Corporate Governance in other areas

The Company conducts the business in comply with the Corporate Governance Code (CG Code) of The Securities and Exchange Commission (SEC) including the Principles of Good Corporate Governance by the Thai Institute of Directors and the survey result of the Annual General Meeting of Shareholder (AGM Checklist) by the Thai Investors Association. For some areas that the Company has not yet followed such regulations, the Company applies it for the best practice of the business operation of which details 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;
3. The Company has not established a policy regarding directors and top management to declare their own trading of the Company's share at least 1 day prior to the trade date to the Board of Directors or the assigned person. However, the Company establishes the policy that director and executives must report the change of holding Company's share in every board meeting.

### **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 social responsibility reports as part of the annual report.

### **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. In 2020, the Company's has appointed 1 additional Independent Director therefore, the Company comprised of 9 members which are 4 Executive Directors, 4 Independent Directors and 1 Non-Executive Director;
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.



# Internal Control, Risk Management and Anti-Corruption

## 1. Internal Control

1.1 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 - Enterprise Risk Management (COSO-ERM) concept, which relate to business operations and management processes within the Company. In 2020, 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 8 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 applied PM Online (Performance Management) to guide performance of all staff toward the same direction, goal and using Key Performance Indicator (KPI) as a tool to reward to personnel. For business clearer and more efficiency, business structure has been classified into 3 Business Groups. Moreover, the Company has developed the Corporate Governance Policy and issue the Code of Conduct Manual for Directors and Staff as the guidance to strictly adhere with integrity and transparency.

### 2) Objectives Setting

The Company set up objectives or targets of work performance in each level clearly, which included strategy on operations, reports as well as compliance with the written policies, rules and regulations and they must be in line with the main targets or overall missions as well as the acceptable risk levels. Moreover, the Company also adjusted plans, strategy and objectives to make them correspond to the changing situations and risk factors regularly. Objective have been clarified in the Management Meeting twice a year as well as publicized for the employees' acknowledgement.

### 3) Event identification

The Company identified incident indicators or risk factors which can cause negative impact to the objectives at organizational level and operational level appropriately and systematically including identified potential incidents which may have positive impact as well. This work has been done by considering external and internal risk sources and by constantly monitoring the results to ensure that risks identified by the Company cover changes in each level. Furthermore, the management or the related persons must have been reported for their acknowledgement on regular basis.

#### **4) 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 Organization of the Tread way 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.

#### **5) Risk Response**

The Company has risk management process systematically and continually. Risk response strategy has been clearly specified in each level and in overall level, such as avoidance, reduction, transfer to others and risk acceptance to ensure that the Company has considered the most worthy and most effective alternative by handling high risk as its first priority to reduce opportunity and overall impact which might occur from such incident. The Company also has good internal control measures which are suitable for the changing risks.

#### **6) Control Activities**

Authorization Manual and Workflow 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.

#### **7) Information System and Data Communication**

International standard of information and data center management was implemented within company such as COBIT (Control Objectives for Information and Related Technologies) has been developed for the information technology system of the Company to be in accordance with IT Governance as well as ITIL has been adopted for the computer system to improve itself. Intelligent Data Center was introduced to assist Management in their monitoring and analyzing data i.e. finance, sales, etc. for decisive action. Establishing IT Consolidation Center to support business changes. That is certified ISO 27001 and CMMI Level 3 (Capability Maturity Model Integration) Creating external data backup and preparing site backup for all information system as well as implementing the Human Resource information System.

The Company provided the intranet, Internet, line group and e-mail systems for internal and external communication regarding the policy, procedure, manual announcement and news. And also there are the channel for stakeholders' complaint or suggestion through mail and Company's website.

#### **8) Monitoring Activities**

The Company has appropriated procedures to monitor and supervise work performances by comparing them with the targets or indicators 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.1/2021 on February 23, 2021 in which all three Independent Audit Committee members attended, concluded that the Company has a sufficient internal control system. Furthermore, the Company's auditor, Mrs. Sarinda Hirunprasurtwutti, an auditor license no. 4799, audited the Company's financial statement for period ending December 31, 2020 without any comment on the Company's internal control system as significant error.

## **1.2 Internal Audit**

The internal audit department 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.

## **1.3 Head of Internal Audit and Head of Compliance 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 Internet Audit.

The Audit Committee deemed that the Head of Internal Audit Unit has suitable qualifications and can effectively perform duties. During 2020, 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 and etc.
6. Perform other works which are relevant to internal audit as per assigned by the Audit Committee.

Chief 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 approved from the Audit Committee.

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.

## 2. Risk Management

The Company put emphasis on risk management of the organization by appointing the Risk Management Committee which consists of Directors 4 members by the Chairman of the Executive Board as Chairman of the Risk Management Committee. Moreover, also appointed a working group Risk Management, which comprises the President as the President of working group Risk Management and all concerned department heads total of 11 members to the evaluate related risks as set out in the Risk Management Plans, together with setting up appropriate preventive and corrective measures and monitored results regularly. To propose a management plan and follow-up performance on risk management to the Risk Management Committee for consideration.

In 2020, The Risk Management Committee conducted 3 meetings to carry out duties and responsibilities as assigned by the Board of Directors as the consultation recommended guidelines for risk management with the management in all relevant agencies, Support and promote for improvement and development of risk management system within the Company continually so that the material risks can be managed in the acceptable level.

At present, the situations are changing quickly so risk management is very important to help the Company achieve the objectives when the unforeseen circumstances arise. Hence, it is very essential that the Company must have the management mechanism to strengthen and prepare well-rounded readiness in advance, so that it can manage risks and can sustain its business for a long time.

The Company's risk management policies are disclosed on the Company website. (<http://www.samtel.com>) as follows:

1. Preparation of risk management planned by each department to support the Company's master business plan with the projectives, plans, targets, strategies and acceptable risks of business.



2. Risk Management will be carried according to the plan mentioned above. Each responsible department has prioritized the risk by evaluating the overall risk profile and its potential impact to the organization. The appropriate risk mitigation criteria shall be determined in a conjunction with each department where as internal audit department undertaking role as risk coordinator and reviewer.
3. Risk management measures will be monitored and reviewed. By the Risk Management Committee. There are meetings held 3 times a year to monitor and review the risk management results. The internal audit department will monitor and review the risk management of each company. Or departments to achieve the objectives set by the Company.

The Risk Management Committee monitored successes of risk management by considering from the work plan of the management who was responsible for risk factors and results of the credible measurement on compliance with the work plan as well as considered whether risk level has been decreased or not, so that risk management can be truly effectively.

Apart from undertakings risk management as per mentioned above, the Company also arranged the seminar to provide knowledge to the employees at all levels, for instance, with aims to make the employees able to completely and thoroughly identify risk of business including prepare the operation plan to minimize risks. This training course emphasized on practical session that can be immediately applied. Hence, the Company was confident that its risk management strategy and targets can be effectively achieved.

### 3. Anti-Corruption

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

#### **Duties and Responsibilities**

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

##### **1. Political 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, Executives, 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:

1. Receiving and giving property or other benefits that could improperly influence decision making;
  - The employee of company shall not receive or give money, property, merchandise or any benefits involving anyone whose intention is to persuade the employee to commit or omit anything contrary to duty.
  - Receiving present or property shall be compliance with morals, and shall not be illegal as well as such gift or property shall not be illegal.
  - Paying for business expenses such as meals and other forms of hospitality that are directly connected to performance of business commitments is acceptable, but such expenses must be reasonable.
  - Giving present, property or other benefits to government officer in Thailand and other countries must be sure that it shall not against the law and local tradition.
2. Receiving or giving present and the memento:
  - Before receiving or giving present or memento, should make sure that such an action does not violate the law and the Company's regulations. Gifts exchanged in the normal course of business should be inexpensive and appropriate to the occasion.
  - Avoid receiving or giving present or memento that could unfairly influence a decision in the performance of one's duties. If it is necessary to receive a gift of unusually high value from someone doing business with the Company, report the matter to the superior.
  - Keep records of expenses as evidence of the value of present or memento given, so that can be examined later.
  - If the employee has been assigned or permitted by the superior to assist an outside agency, the employee may receive money, item, or present according to the guidelines or standards that agency has set.
3. Transactions with the government sector:
  - Conduct properly and honestly when in contact with government officials or agencies.
  - Always remember that the laws, rules, and customs of each place may have diverse conditions, procedures, or methods of proceeding.
  - Comply with the laws of each country or locality in matters pertaining to hiring government employees as consultants or employees of the Company. Such hiring must be transparent and appropriate.

The Company's anti-corruption policies are disclosed on the Company website. (<http://www.samtel.com>)

### **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 the executive 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 employee 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 unit 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**

Any action that violates this policy Whether directly or indirectly Will be considered disciplinary in accordance with the regulations set by the company Including receiving many legal penalties If it is also illegal.

For 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 and the Company did not encounter the problem on having negative reputation caused by failure of the Committees on supervision their duties.



# Connected Transactions

## 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, 2019 and 2020:

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 Engineering Co., Ltd.	Samart Corporation Pcl. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Thananan Vilailuck
Samart U-Trans Co., Ltd.	Samart Corporation Pcl. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck
Cambodia Air Traffic Services Co., Ltd.	Samart Aviation Solutions Pcl. holds a 100% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck
Cambodia Samart Co., Ltd.	Samart Corporation Pcl. holds a 49% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Thananan Vilailuck
Vision and Security System Co., Ltd.	Samart Corporation Pcl. holds a 73% stake.	Mr. Watchai Vilailuck Mr. Thananan Vilailuck
One to One Contacts Pcl. <sup>(1)</sup>	Samart Corporation Pcl. holds a 68.43% stake and Samart Engineering Co., Ltd. holds a 0.75% stake.	Mr. Watchai Vilailuck
Samart Digital Pcl.	Samart Corporation Pcl. holds a 82.70% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck
Samart Mobile Services Co., Ltd.	Samart Digital Pcl. holds a 97.40% stake.	Mr. Watchai Vilailuck
Samart Digital Media 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
I-Sport Co., Ltd.	Samart Digital Media Co., Ltd. holds a 49.99% stake.	Mr. Watchai Vilailuck
I-Mobile Plus Co., Ltd.	Samart Digital Pcl. holds a 99.99% stake.	Mr. Watchai Vilailuck
Zecureasia Co., Ltd.	Samart Digital Pcl. holds a 99.99% stake.	Mr. Watchai Vilailuck
Kampot Power Plant Co., Ltd.	Samart Inter Holding Co., Ltd. holds a 100% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Thananan Vilailuck
Samart Inter Holding Co., Ltd.	Samart Corporation Pcl. holds a 100% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Thananan Vilailuck

*Remark:* <sup>(1)</sup> Samart Corporation Public Company Limited, the parent company disposed all of ordinary shares held in One To One Contacts Public Company Limited to third parties who is not a connected person on December 9, 2020.



Connected Companies	Relationship	List of Joint Committees
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
Samart Broadband Services Co., Ltd.	Samart Telcoms Pcl. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Jong Diloksombat
Thai Trade Net 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.	-
Samart Infonet Co., Ltd.	Samart Telcoms Pcl. holds a 99.62% stake.	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 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
SLA Asia Co., Ltd.	Samart Communication Services Co., Ltd. holds a 90% stake.	Mr. Charoenrath Vilailuck Mr. Watchai 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
IT Absolute Co., Ltd.	Samart Broadband Services Co., Ltd. holds a 99.94% stake.	-
Samart Reditech Co., Ltd.	Samart Corporation Pcl. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Jong Diloksombat
Entertainment Tree Co., Ltd.	Samart Digital Media Co., Ltd. holds a 61.88% stake.	Miss Rapeepan Luangaramrut Mr. Watchai Vilailuck
Teda Co., Ltd.	Samart U-Trans Co., Ltd. holds a 94.35% stake.	Mr. Thananan Vilailuck
Transec Power Services Co., Ltd.	Teda Co., Ltd. holds a 99.99% stake.	Mr. Thananan Vilailuck

Connected Companies	Relationship	List of Joint Committees
One To One Cambodia Co., Ltd. <sup>(1)</sup>	One to One Contracts Pcl. holds a 100% stake.	-
One To One Professional Co., Ltd. <sup>(1)</sup>	One to One Contracts Pcl. holds a 99.99% stake.	-
Siam Sport Television Co., Ltd.	I-Sport Co., Ltd. holds a 99.99% stake.	Mr. Watchai Vilailuck Mr. Thananan Vilailuck
Samart Green Energy Co., Ltd.	Samart U-Trans Co., Ltd. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck
Samart U-Trans (Myanmar) Co., Ltd. <sup>(2)</sup>	Samart U-Trans Co., Ltd. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck
Samart Aviation Solutions Pcl.	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
SIM2Asset 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
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
Thai Ticket Pro Co., Ltd.	Related Director is Mr. Watchai Vilailuck (the connection ends on 2 June 2020)	-
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.	-

*Remarks: <sup>(1)</sup> Samart Corporation Public Company Limited, the parent company disposed all of ordinary shares held in One To One Contacts Public Company Limited to third parties who are not connected persons on December 9, 2020, resulting that One To One (Cambodia) Co., Ltd. and One To One Professional Co., Ltd. are not subsidiaries of the Samart Corporation Public Company Limited from that day;*

*<sup>(2)</sup> Under the process of closing company.*



**Connected Transactions**

1) Rental and Services Fee

Nature of major transactions	Value (Million Baht)		Justification of Transactions
	For the year ended 31 December 2020	For the year ended 31 December 2019	
1. Samart Telcoms Pcl. rent the office at Software Park Building and used the public utilities services with area 817.19, 830.79 sq. meter from Samart Corporation Pcl.	7.57	5.99	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 with area 770.38 sq. meter. from Vilailuck International Holding Co., Ltd.	5.51	5.51	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 with area 727.22 sq.meter. from Samart Corporation Pcl.	5.20	5.20	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 101/4 Moo 20, Phaholyothin Rd. Klomg 1, Klomgluang, Pathumthanee with area 721.23 sq. meter. from Samart Corporation Pcl.	-	0.26	The building is rented to be used as 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 2019 with area 19.83, 86.92, 546.93 sq. meter. and for the year 2020 with area 19.83, 86.92, 54.67, 546.93 sq. meter. from Vilailuck International Holding Co., Ltd.	4.52	4.68	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 with area 288 sq. meter. from CSV Asset Co., Ltd.	1.56	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. Klomg 1, Klomgluang, Pathumthanee and used the public utilities services for the year 2019 with area 199.40, 55.68 sq. meter. and for the year 2020 with area 199.40, 211.86 sq. meter. from Samart Corporation Pcl.	0.20	0.05	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 2019 with area 841.35, 1,059.05 sq. meter. and for the year 2020 with area 841.35 sq. meter. from Samart Corporation Pcl.	6.02	7.45	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 2020	For the year ended 31 December 2019	
9. Posnet Co., Ltd. rent the office at Smart One Building, and used the public utilities services with area 48, 118 sq.meter. from CSV Asset Co., Ltd.	-	0.60	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.
10. Posnet Co., Ltd. rent the office at Software Park Building and used the public utilities services with area 128.50 sq. meter. from Vilailuck International Holding Co., Ltd.	0.86	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.
11. Samart Comtech Co., Ltd. rent the office at Software Park Building and used the public utilities services with area 374.72 sq. meter. from Samart Corporation Pcl.	2.68	2.68	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 with area 830 sq. meter. from Samart Corporation Pcl.	0.80	-	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 with area 1,476.41 sq. meter. from Vilailuck International Holding Co., Ltd.	10.56	10.56	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.
14. Secureinfo Co., Ltd. rent the office at Software Park Building and used the public utilities services with area 1,366.86 sq. meter. from Vilailuck International Holding Co., Ltd.	9.78	9.78	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 with area 48 sq. meter. from Samart Corporation Pcl.	0.34	0.34	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 2019 with area 139.29 sq. meter. and for the year 2020 with area 116.44 sq. meter. from Samart Corporation Pcl.	0.83	0.98	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 2020	For the year ended 31 December 2019
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 127.78 Interest income 11.23	Finance lease receivables 212.31 Interest income 15.54

## 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 2020	For the year ended 31 December 2019
1. Samart Telcoms Pcl.	Samart U-Trans Co., Ltd.	-	0.60
	Samart Aviation Pcl.	0.46	-
	Vision and Security System Co., Ltd.	0.05	-
2. Samart Communication Services Co., Ltd.	Samart Corporation Pcl.	-	10.49
	Samart Digital Pcl.	5.15	12.99
	Vision and Security System Co., Ltd.	1.40	1.40
	Thai Best Station Co., Ltd.	-	0.14
3. Thai Trade Net Co., Ltd.	Samart Corporation Pcl.	0.03	0.05
	I.Q Wine Co., Ltd.	-	0.02
4. Samart Comtech Co., Ltd.	Samart Corporation Pcl.	9.42	3.20
	Samart U-Trans Co., Ltd.	0.51	0.28
	Samart Digital Pcl.	18.26	33.36
	Vision and Security System Co., Ltd.	2.14	-
5. Secureinfo Co., Ltd.	Samart Corporation Pcl.	3.00	-
6. Smarterware Co., Ltd.	Samart Corporation Pcl.	1.68	0.97
7. Samart Infonet Co., Ltd.	Samart Corporation Pcl.	3.03	5.25
	Samart Digital Pcl.	1.69	1.80
	One to One Contracts Pcl.	2.64	3.92
	Samart Engineering Co., Ltd.	0.17	0.17
	I.Q Wine Co., Ltd.	0.26	0.27
	Phuphatara Co., Ltd.	-	0.77
	Le Votel Khaoyai Co., Ltd.	0.43	0.58
	Gate Way Service Co., Ltd.	-	0.46

Sellers of Goods / Services	Buyers of Goods / Services	Value (Million Baht)	
		For the year ended 31 December	For the year ended 31 December
		2020	2019
8. Samart Corporation Pcl. (IT Data Center services)	Samart Telcoms Pcl.	13.91	13.91
	Samart Communication Services Co., Ltd.	26.93	23.93
	Posnet Co., Ltd.	6.25	6.25
	Thai Trade Net Co., Ltd.	1.11	1.11
	Samart Comtech Co., Ltd.	14.29	17.29
	Samart Infonet Co., Ltd.	1.25	1.25
	Portalnet Co., Ltd.	3.12	3.12
9. Samart Corporation Pcl. (Management Fee)	Samart Telcoms Pcl.	30.00	30.00
10. Samart Corporation Pcl.	Smarterware Co., Ltd.	0.09	0.06
	Samart Infonet Co., Ltd.	1.54	1.57
	Thai Trade Net Co., Ltd.	1.21	1.22
	Samart Comtech Co., Ltd.	1.90	1.98
	Secureinfo Co., Ltd.	0.25	0.07
	Portalnet Co., Ltd.	-	3.37
	Samart Ed Tech Co., Ltd.	0.03	-
	Posnet Co., Ltd.	0.16	-
11. Samart Digital Media Co., Ltd.	Samart Comtech Co., Ltd.	-	0.02
12. Samart Digital Pcl.	Samart Telcoms Pcl.	0.04	1.90
	Samart Communication Services Co., Ltd.	3.01	0.02
	Samart Comtech Co., Ltd.	2.16	4.02
	Portalnet Co., Ltd.	-	10.93
13. Samart Engineering Co., Ltd.	Samart Telcoms Pcl.	1.46	0.01
	Samart Communication Services Co., Ltd	0.19	0.01
	Samart Comtech Co., Ltd.	7.04	2.33
	Samart Infonet Co., Ltd.	-	0.01
14. One to One Contracts Pcl.	Samart Telcoms Pcl.	0.07	0.24
	Samart Communication Services Co., Ltd.	1.20	1.21
	Thai Trade Net Co., Ltd.	0.15	0.15
	Posnet Co., Ltd	0.06	0.02
	Samart Comtech Co., Ltd.	0.26	0.23
	Samart Infonet Co., Ltd.	0.04	0.04
	Smarterware Co., Ltd.	0.01	0.01
15. Vision and Security System Co., Ltd.	Samart Communication Services Co., Ltd	1.26	1.26
	Samart Comtech Co., Ltd.	61.18	217.71
	Portalnet Co., Ltd.	-	0.22
16. Vilailuck International Holding Co., Ltd.	Portalnet Co., Ltd.	0.01	0.03
	Samart Communication Services Co., Ltd	0.01	-
17. CSV Asset Co., Ltd.	Samart Communication Services Co., Ltd	0.02	-

Sellers of Goods / Services	Buyers of Goods / Services	Value (Million Baht)	
		For the year ended 31 December	For the year ended 31 December
		2020	2019
18. I.Q Wine Co., Ltd.	Samart Telcoms Pcl.	0.29	0.69
	Samart Comtech Co., Ltd.	0.02	0.18
	Samart Communication Services Co., Ltd.	0.01	-
19. Portalnet Co., Ltd.	Samart Corporation Pcl.	4.45	15.24
20. Vilailuck Development Co., Ltd.	Samart Infonet Co., Ltd.	-	0.27
21. Thai Ticket Pro Co., Ltd.	Samart Telcoms Pcl.	-	0.14
	Samart Communication Services Co., Ltd.	-	0.23
	Samart Comtech Co., Ltd.	-	0.05
22. Thai Base Station Company Limited.	Samart Communication Services Co., Ltd.	23.97	37.89
23. Suvarnabhumi Environment care Co., Ltd.	Samart Comtech Co., Ltd.	-	0.01
24. S 39 Fish Market Co., Ltd.	Portalnet Co., Ltd.	0.02	-

#### 4) Miscellaneous Normal Business Transactions

Nature of Major Transactions	Value (Million Baht)		Justification
	For the year ended 31 December	For the year ended 31 December	
	2020	2019	
1. Samart Telcoms Pcl. paid for the equipment rental, services charges, and miscellaneous expenses to Samart Corporation Pcl.	0.01	0.28	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.	0.36	0.44	Normal business transaction at market price.
3. Samart Telcoms Pcl. paid for miscellaneous expenses to Le Votel Khaoyai Co., Ltd.	-	0.02	Normal business transaction at market price.
4. Samart Telcoms Pcl. paid for miscellaneous expenses to Samart Digital Media Co., Ltd.	-	0.01	Normal business transaction at market price.
5. Samart Telcoms Pcl. paid for miscellaneous expenses to Phuphatara Co., Ltd.	0.17	0.23	Normal business transaction at market price.
6. Samart Telcoms Pcl. paid for miscellaneous expenses to Siam Sport Television Co., Ltd.	-	0.01	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.	0.76	0.76	Normal business transaction at market price.
8. Samart Communication Services Co., Ltd. paid for the miscellaneous expenses to CSV Asset Co., Ltd.	0.46	0.47	Normal business transaction at market price.
9. Samart Communication Services Co., Ltd. paid for the miscellaneous goods and service expenses to Samart Corporation Pcl.	0.01	0.06	Normal business transaction at market price.

Nature of Major Transactions	Value (Million Baht)		Justification
	For the year ended 31 December 2020	For the year ended 31 December 2019	
10. Samart Communication Services Co., Ltd. paid for the miscellaneous goods and service expenses to One to One professional Co., Ltd.	0.01	-	Normal business transaction at market price.
11. Samart Communication Services Co., Ltd. paid for miscellaneous expenses to I.Q Wine Co., Ltd.	0.01	-	Normal business transaction at market price.
12. Posnet Co., Ltd. paid for miscellaneous expenses to Samart Corporation Pcl.	0.01	0.01	Normal business transaction at market price.
13. Posnet Co., Ltd. paid for miscellaneous expenses to CSV Asset Co., Ltd.	0.03	0.02	Normal business transaction at market price.
14. Posnet Co., Ltd. paid for miscellaneous expenses to Vilailuck International Holding Co., Ltd.	0.15	0.11	Normal business transaction at market price.
15. Posnet Co., Ltd. paid for miscellaneous expenses to One to One professional Co., Ltd.	0.01	-	Normal business transaction at market price.
16. Thai Trade Net Co., Ltd. paid for the telephone line rental and miscellaneous expenses to Samart Corporation Pcl.	-	0.01	Normal business transaction at market price.
17. Thai Trade Net Co., Ltd. paid for miscellaneous expenses to Vilailuck International Holding Co., Ltd.	0.06	0.05	Normal business transaction at market price.
18. Samart Comtech Co., Ltd. paid for the office supplies and the miscellaneous services to Samart Corporation Pcl.	0.01	0.04	Normal business transaction at market price.
19. Samart Comtech Co., Ltd. paid for the water, electricity, and car park rental to Vilailuck International Holding Co., Ltd.	0.85	0.87	Normal business transaction at market price.
20. Samart Comtech Co., Ltd. paid for miscellaneous expenses to Samart Engineering Co., Ltd.	0.08	-	Normal business transaction at market price.
21. Samart Infonet Co., Ltd. paid for miscellaneous expenses to Samart Corporation Pcl.	-	0.01	Normal business transaction at market price.
22. Samart Infonet Co., Ltd. paid for miscellaneous expenses to Vilailuck International Holding Co., Ltd.	0.06	0.09	Normal business transaction at market price.
23. Smarterware Co., Ltd. paid for miscellaneous expenses to Samart Corporation Pcl.	-	0.02	Normal business transaction at market price.
24. Smarterware Co., Ltd. paid for car park rental to Vilailuck International Holding Co., Ltd.	0.04	0.04	Normal business transaction at market price.
25. Samart Ed Tech Co., Ltd. paid for car park rental to Vilailuck International Holding Co., Ltd.	0.01	0.02	Normal business transaction at market price.
26. Secureinfo Co., Ltd. paid for miscellaneous expenses to Samart Corporation Pcl.	2.46	2.72	Normal business transaction at market price.
27. Secureinfo Co., Ltd. paid for the water, electricity, and car park rental to Vilailuck International Holding Co., Ltd.	0.64	0.64	Normal business transaction at market price.

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

### 2.1 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.

### 2.2 Measures and Steps of Approval for Connected Transactions

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

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

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

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

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

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

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

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



### 2.3 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)).*



# Financial Ratios

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

Unit: Baht Thousand

Transaction	As of December 31		
	2018	2019	2020
Cash and cash equivalents	324,280	389,143	625,285
Trade Account receivables - net	1,471,410	2,605,945	1,269,972
Inventories	152,050	110,896	110,867
Property, plant and equipment - net	2,154,431	1,249,179	719,377
Intangible asset	717,930	140,410	130,262
Total assets	8,900,940	9,454,466	6,971,752
Overdrafts and short-term loans from banks	2,215,636	3,040,271	1,462,810
Trade Account payables	710,892	572,249	527,621
Current portion of long - term loans from banks	-	-	-
Long-term loans from banks - net of current portion	-	-	-
Debentures	750,000	400,000	-
Total liabilities	5,222,807	5,668,812	3,667,851
Paid up capital	618,000	618,000	618,000
Retained earnings	2,557,011	2,650,510	2,168,992
Shareholders' equity	3,678,133	3,785,654	3,303,901
Revenues from sales, contract work, services and rental	7,679,302	9,073,519	5,431,237
Total revenues	7,691,707	9,091,422	5,509,745
Cost of sales, contract work, services and rental	6,564,310	7,783,805	5,071,493
Selling and admin expenses	611,157	655,517	548,246
Finance income	19,415	16,932	12,200
Finance Cost	107,624	137,057	73,951
Loss on impairment loss on financial assets (reversal)	-	-	(38,254)
Total costs and expenses	7,230,939	8,636,046	5,773,302
Net profit (loss)	351,391	451,176	(287,504)
Net profit (loss) per share (Baht / share)	0.57	0.73	(0.47)
Cash flow from operating activities	1,668,704	309,617	2,959,837
Cash flow from investing activities	(538,820)	(375,288)	(470,421)
Cash flow from financing activities	(1,396,393)	130,535	(2,253,275)
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)	5.99	6.17	5.39
Dividend per share (Baht / share)	0.50	0.52	-

## 2. Financial Ratios of Smart Telcoms Public Co., Ltd. and Its Subsidiaries

Financial Ratio		Smart Telcoms Pcl. and Subsidiaries		
		2018	2019	2020
<b>LIQUIDITY RATIO</b>				
Current ratio	(Times)	1.07	1.34	1.54
Acid test ratio	(Times)	0.36	0.55	0.57
Cash turnover	(Times)	0.32	0.06	0.67
Receivable turnover ratio	(Times)	4.98	4.38	2.74
Average collection period	(Days)	72	82	131
Inventory turnover ratio	(Times)	16.47	38.47	24.58
Days sales outstanding	(Days)	22	9	15
Payable turnover ratio	(Times)	10.73	12.13	9.22
Payment period	(Days)	34	30	39
Cash cycle	(Days)	60	61	107
<b>PROFITABILITY RATIO</b>				
Gross profit margin	(%)	14.52	14.21	6.62
Net profit margin	(%)	4.57	4.96	(5.22)
Return on equity	(%)	9.68	12.01	(8.05)
<b>EFFICIENCY RATIO</b>				
Return on assets	(%)	3.86	4.92	(3.50)
Return on fixed assets <sup>(1)</sup>	(%)	48.30	79.14	57.50
Asset turnover	(Times)	0.85	0.99	0.67
<b>FINANCIAL POLICY RATIO</b>				
Debt to equity	(Times)	1.42	1.50	1.11
Interest coverage	(Times)	4.49	3.47	(3.67)
Debt serviceability	(Times)	1.28	0.39	3.92
Dividend payout ratio <sup>(2)</sup>	(%)	71.91 <sup>(2)</sup>	114.24 <sup>(2)</sup>	-

*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.



# Management Discussion and Analysis

## 1. Operating Results Overview

### 2020 Operating Results Overview

In 2020, the Company reported the consolidated total revenues of Baht 5,510 million, decreased from 2019 by Baht 3,582 million or 39.4%. Revenue from sales, contract work, services and rental was Baht 5,431 million, decreased by Baht 3,642 million or 40.1% comparing to 2019 year, major decreased is caused by the situation of COVID-19 outbreak has had significant impacts on tourism and aviation industry affecting the Company's direct revenue from the project such as Airport related businesses, which its revenue is mainly based on the number of passengers. The number of passengers decreased by Baht 922 million compared with 2019. Furthermore, in 2019, the Company recognized more revenue from implementation progress of large project such as the project of Design, Supply, Development, Implementation and Maintenance of Core Business Software was Baht 2,074 million, resulting in decrease in the Company's performance compared with 2019. Other income was Baht 79 million, increased by Baht 61 million from 2019.

Cost of sales, contract work, services was Baht 5,071 million, decreased from 2019 by Baht 2,712 million or 34.8%. Gross profit was Baht 360 million, decreased by Baht 930 million or 72.1%. Gross profit margin was 6.6% decrease from 14.2% in 2019.

Selling expenses, administrative expenses, and other expenses were Baht 740 million, decreased from 2019 by Baht 112 million or 13.2%, mainly due to decrease in salary and other employee benefits and other expenses. (Impairment loss for project equipment).

Finance income was Baht 12 million, decreased by Baht 5 million or 27.9%. Finance cost was Baht 74 million, decreased from 2019 by Baht 63 million or 46.0%, mainly from decrease in bank loan and debentures.

Corporate income tax income was Baht 76 million, decreased by Baht 40 million.

As a result, the consolidated net loss attributable to equity holders of the Company was Baht 288 million, decreased by Baht 739 million or 163.7% from 2019. Net loss was 5.21%, decrease from net profit 4.95% in 2019.

### Operating Results of the Company and Its Subsidiaries

The revenue structure breakdown by Business Group as of December 31, 2020 and 2019 are as follows:

Business Group	Revenue (Million Baht)		Growth Rate
	Y 2020	Y 2019	
1. Network Solutions	1,428.5	1,753.0	-18.5%
2. Enhanced Technology Solutions	2,666.8	3,762.1	-29.1%
3. Business Application	1,414.4	3,576.3	-60.5%
<b>Total</b>	<b>5,509.7</b>	<b>9,091.4</b>	<b>-39.4%</b>

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

### Network Solutions Business Group

In 2020, revenue were Baht 1,428.5 million, decreased by Baht 324.5 million or 18.5% compared to Baht 1,753.0 million in 2019. The decrease was mainly resulted from revenue recognition of contract work.

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

In 2020, revenue were Baht 2,666.8 million, decreased by Baht 1,095.3 million or 29.1% compared to Baht 3,762.1 million in 2019. The decrease was mainly resulted from revenue recognition of services.

### **Business Application Business Group**

In 2020, revenue were Baht 1,414.4 million, decreased by Baht 2,162.9 million or 60.5% compared to Baht 3,576.3 million in 2019. The increase was mainly resulted from revenue recognition of contract work.

## 2. Financial Statement

### **Assets**

As of December 31 2020, total assets were Baht 6,972 million, decreased by Baht 2,483 million or 26.3% from the end of 2019, mainly resulted from a decrease of trade and other receivables and accrued income.

Total assets consist of current assets of Baht 5,121 million, representing 73.5% of total assets, decreased by Baht 2,176 million compared with Baht 7,296 million, representing 77.2% of total assets in 2019. The major current assets were accrued revenue and trade and other receivables, representing 33.7% and 19.5% of total assets respectively.

Non-current assets were Baht 1,851 million, representing 26.5% of total assets, decreased by Baht 307 million compared with Baht 2,158 million, representing 22.8% of total assets in 2019. The major non-current assets were property plant and equipment, representing 10.3% of total assets.

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

The Company had net trade receivable of Baht 1,270 million, a decrease of Baht 1,336 million or 51.3%, compared with Baht 2,606 million at the end of 2019. The allowance for doubtful accounts is set for debts overdue 6 - 12 months at 50%, debts overdue 12 months or more at 100%. As of 31 December 2020, the allowance was set up by Baht 51 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 2020, the net inventory was Baht 111 million, an equal to at the end of 2019.

### **Liquidity**

The current ratio in 2020 was 1.54, which decreased from 2019. 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, 2020, cash and cash equivalents were Baht 625 million, increased by Baht 236 million, or 60.7% from the end of 2019. The detail of sources and uses of fund are as follows:

- Cash flow from operating activities was Baht 2,960 million, mainly resulted from decrease in trade and other receivables and accrued income.
- Cash flow used in investing activities was Baht 470 million, mainly resulted from capital invested to support project.
- Cash flow used in financing activities was Baht 2,253 million, mainly resulted from loans from financial institutions.





### Sources of Fund

As of December 31 2020, total liabilities were Baht 3,668 million decreased by Baht 2,001 million or 35.3% from the end of 2019, mainly due to a decrease in loans from financial institutions to support projects and debentures.

The shareholders' equity as at 31 December 2020 equals to Baht 3,304 million, decreased by Baht 482 million or 12.7% from the end of 2019. Net loss in 2020 was Baht 288 million.

Regarding the above liabilities and shareholders' equity, the Company's debt to equity ratio as at 31 December 2020 was 1.11 times decreased from 1.5 times at the end of 2019.

As of December 31, 2020, debt service coverage ratio was 1.49 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.

### 3. Factors Affecting Financial Status or Performance Significantly in the Future

The Company plan to bid many large projects in year 2021, 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.

# Report of the Board of Directors’ Responsibilities for the Financial Reports

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 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 acknowledgment 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 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 Company Annual 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, 2020, 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



# 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 2020, 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 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matter

I draw attention to Note 7 to the financial statements that Samart Telcoms Public Company Limited and its subsidiaries had significant business transactions with the related parties, relating to purchase and sales of goods, services and loans. Such transactions have been conducted on the terms and basis mutually agreed by Samart Telcoms Public Company Limited and those related parties. My opinion is not modified in respect of this matter.

### 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 relating to long-term contracts

The Group has disclosed its policies on revenue recognition for services provided under long-term contracts, cost estimates for projects under long-term contracts, provision for the delay penalties and provision for loss on projects under long-term contracts in Note 5.1, 6.1 and 28 to the financial statements. I identified revenue recognition and estimation of provision for the delay penalties and possible losses from long-term contracts to be areas of significant risk in the audit. This is because the amount of revenue recognises from such contracts in each period forms a significant portion of the Group's total revenue. In addition, the process of measurement, the determination of appropriate timing of recognition and the estimation of provision for the delay penalties and possible losses are areas

requiring management to exercise significant judgement to assess the percentage of completion, the probability of loss, and the measurement of possible loss. The Group might also enter into side agreements that may affect the terms of the main contracts. There are risks with respect to amount and timing of the recognition of revenue, provision for the delay penalties, and provisions from long-term contracts, therefore I focused on the revenue recognition under long-term contract.

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.

I also selected long-term contracts made with major customers and randomly selected to read the contracts to consider the conditions relating to revenue recognition and made enquiries as to whether any side contracts were made directly with customers. I inquired with the management about the terms of and risks associated with these contracts relevant to revenue recognition and estimates of the delay penalties and possible loss. In addition, I made enquiries of responsible executives, gained an understanding of the Group's process to assess the percentage of completion and cost estimates for projects, compared estimates of project costs to the project budgets approved by authorised person. On a sampling basis, I examined relevant documents, considered the rationale for budget revisions, compared past estimates with actual project costs to assess the project management's competency in estimating project costs, and compared actual costs with supporting documents including testing the calculation of the percentage of completion based on actual costs incurred. I evaluated the possible losses on projects assessed by the management through an analysis of the ratio of actual cost incurred against cost estimates for projects for each significant cost component. I also examined the accounting transactions related to revenue recognition that were recorded through journal vouchers, in order to detect any irregularities. Moreover, I reviewed the disclosures made in the notes to the financial statements with respect to the basis of revenue recognition and the estimation of possible losses.

### **Goodwill**

I have focused my audit on the consideration of the impairment of goodwill as discussed in Notes 18 to the financial statements, because the assessment of impairment of goodwill is a significant accounting estimate requiring management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of goodwill.

I assessed the identification of cash generating units and the financial models selected by management by gaining an understanding of management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections. I also evaluated the discount rate applied by management through analysis of the moving average finance costs of the Group and of the industry, tested the calculation of the realisable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rates. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill.

### **Allowance for expected credit losses of trade accounts receivables**

As at 31 December 2020, the Group had significant balances of trade accounts receivables (accounting for 18% and 6% of total assets in consolidated financial statements and separate financial statements, respectively). Determining the net realisable value of trade accounts receivable, as disclosed in Note 5.17, 6.3 and 9 to the financial statements, required significant judgement of management, particularly with regard to the estimated losses that may be incurred from uncollectible debts and the timing of debt collection. These impact the amounts of allowance for expected credit losses of trade accounts receivables to be set aside. I therefore gave significant attention to expected credit losses of trade accounts receivables.



I assessed and gained an understanding of the internal controls of the Group relevant to the determination of allowance for expected credit losses of trade accounts receivables by making enquiry of the responsible executives and gaining an understanding of the basis applied in determining the allowance for expected credit losses. I also reviewed the debtor aging analysis report, tested the correctness of aging therein, considered the credit terms given and assessed the collectability by taking into account historical debt collection experience and payment pattern of each project. In addition, I analysed financial information of debtor to assess the financial status of major and long outstanding trade accounts receivable and considered subsequent collections after the period-end date, tested the calculation of the allowance for expected credit losses according to the policy set by management, considered the reasonableness of estimated timing of debt collection and discount rate used for discount the expected loss to reflect time value of money.

#### **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



Sarinda Hirunprasurtwutti

Certified Public Accountant (Thailand) No. 4799

EY Office Limited

Bangkok: 23 February 2021



# Statement of financial position

Smart Telcoms Public Company Limited and its subsidiaries

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December 2020	As at 31 December 2019	As at 31 December 2020	As at 31 December 2019
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	8	625,285,081	389,143,355	151,829,210	87,474,038
Short-term investments in trading securities	4, 13	-	24,104,464	-	24,104,464
Trade and other receivables	7, 9	1,362,571,381	2,705,772,812	323,923,238	550,003,018
Accrued income	7, 28.2	2,348,287,585	3,373,240,739	460,115,819	405,558,525
Current portion of finance lease receivables	7, 10	78,561,249	73,300,068	-	-
Short-term loans to related parties	7	-	-	1,577,000,000	1,040,300,000
Inventories	11	110,866,829	110,895,668	96,040,678	94,044,376
Withholding tax deducted at source	12	200,723,661	255,957,400	29,189,569	33,755,964
Other current financial assets	13	111,188,528	-	34,977,538	-
Other current assets	7, 14	283,292,345	364,001,720	73,741,165	34,508,000
<b>Total current assets</b>		<b>5,120,776,659</b>	<b>7,296,416,226</b>	<b>2,746,817,217</b>	<b>2,269,748,385</b>
<b>Non-current assets</b>					
Other non-current financial assets	13	90,553,513	-	6,611,484	-
Investments in subsidiaries	15	-	-	1,780,511,068	1,780,511,068
Finance lease receivable - net of current portion	7, 10	42,364,481	120,925,730	-	-
Property, plant and equipment	16	719,377,368	1,249,178,893	504,929,647	219,539,844
Right-of-use assets	21	206,709,691	-	94,303,352	-
Intangible assets	17	130,262,229	140,410,126	1,089,033	16,407,692
Goodwill	18	108,095,942	108,095,942	-	-
Deferred tax assets	33	398,600,808	321,181,360	59,536,270	63,977,110
Other non-current assets	7	155,011,165	218,257,476	124,346,467	122,892,605
<b>Total non-current assets</b>		<b>1,850,975,197</b>	<b>2,158,049,527</b>	<b>2,571,327,321</b>	<b>2,203,328,319</b>
<b>Total assets</b>		<b>6,971,751,856</b>	<b>9,454,465,753</b>	<b>5,318,144,538</b>	<b>4,473,076,704</b>

The accompanying notes are an integral part of the financial statements.

# Statement of financial position (continued)

Smart Telcoms Public Company Limited and its subsidiaries

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December 2020	As at 31 December 2019	As at 31 December 2020	As at 31 December 2019
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from banks	19	1,462,809,828	3,040,271,219	495,519,160	560,921,000
Trade and other payables	7, 20	673,568,803	767,447,500	178,332,963	115,401,699
Current portion of liabilities under finance lease agreements	4, 21	-	4,030,411	-	2,058,801
Current portion of liabilities under lease agreements	4, 7, 21	69,626,685	-	46,310,314	-
Current portion of debentures	22	-	400,000,000	-	400,000,000
Short-term loans from related parties	7	-	-	1,891,500,000	557,000,000
Unearned revenue	28.2	24,853,326	14,968,931	4,397,846	1,390,000
Income tax payable		80,482	6,922,733	-	-
Accrued project cost	7	957,926,995	1,041,290,434	339,695,048	465,017,521
Short-term provision	23	53,794,777	62,151,475	19,278,042	22,059,379
Other current liabilities	24	74,445,030	115,893,642	17,735,982	16,745,995
<b>Total current liabilities</b>		<b>3,317,105,926</b>	<b>5,452,976,345</b>	<b>2,992,769,355</b>	<b>2,140,594,395</b>
<b>Non-current liabilities</b>					
Liabilities under finance lease agreements - net of current portion	4, 21	-	16,065,015	-	8,458,635
Liabilities under lease agreements - net of current portion	4, 7, 21	149,779,524	-	53,787,741	-
Long-term provision	23	30,649,588	26,744,117	3,181,727	978,850
Provision for long-term employee benefits	25	167,556,507	169,446,107	41,982,515	41,875,297
Other non-current liabilities		2,759,403	3,579,963	-	-
<b>Total non-current liabilities</b>		<b>350,745,022</b>	<b>215,835,202</b>	<b>98,951,983</b>	<b>51,312,782</b>
<b>Total liabilities</b>		<b>3,667,850,948</b>	<b>5,668,811,547</b>	<b>3,091,721,338</b>	<b>2,191,907,177</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 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December 2020	As at 31 December 2019	As at 31 December 2020	As at 31 December 2019
<b>Liabilities and shareholders' equity (continued)</b>					
<b>Shareholders' equity</b>					
Share capital					
Registered					
738,000,000 ordinary shares of Baht 1 each		738,000,000	738,000,000	738,000,000	738,000,000
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		2,095,192,269	2,576,710,245	256,931,516	311,677,843
Other components of shareholders' equity	26	41,792,383	41,792,383	38,831,183	38,831,183
Equity attributable to owners of the Company					
		3,330,067,511	3,811,585,487	2,226,423,200	2,281,169,527
Non-controlling interests of the subsidiaries					
		(26,166,603)	(25,931,281)	-	-
<b>Total shareholders' equity</b>					
		3,303,900,908	3,785,654,206	2,226,423,200	2,281,169,527
<b>Total liabilities and shareholders' equity</b>					
		6,971,751,856	9,454,465,753	5,318,144,538	4,473,076,704

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 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Revenues</b>					
Revenues from sales		256,396,981	354,801,628	187,642,681	120,721,428
Revenues from contract work		2,982,442,479	5,246,759,631	220,175,149	393,235,681
Service and rental income	28.1	2,192,397,328	3,471,957,624	473,229,869	503,767,972
Other income	29	78,507,927	17,902,860	227,349,135	400,552,351
<b>Total revenues</b>		<b>5,509,744,715</b>	<b>9,091,421,743</b>	<b>1,108,396,834</b>	<b>1,418,277,432</b>
<b>Expenses</b>	32				
Cost of sales		171,696,641	234,660,228	130,935,270	96,881,718
Cost of contract work	28.5	2,461,323,982	4,710,644,628	200,171,532	347,262,685
Cost of services and rental	28.5	2,438,471,919	2,838,499,945	411,276,701	441,024,906
Selling and distribution expenses		161,715,467	152,033,888	39,147,544	46,474,167
Administrative expenses		386,530,293	503,483,257	168,473,638	194,966,266
Other expenses		153,563,788	196,724,331	-	11,577,344
<b>Total expenses</b>		<b>5,773,302,090</b>	<b>8,636,046,277</b>	<b>950,004,685</b>	<b>1,138,187,086</b>
<b>Profit (loss) from operating activities</b>		<b>(263,557,375)</b>	<b>455,375,466</b>	<b>158,392,149</b>	<b>280,090,346</b>
Finance income	30	12,199,846	16,931,581	43,649,117	36,949,419
Finance cost	31	(73,950,559)	(137,057,211)	(55,124,740)	(43,097,049)
Loss on impairment loss on financial assets (reversal)		(38,254,203)	-	856,073	-
<b>Profit (loss) before income tax income (expenses)</b>		<b>(363,562,291)</b>	<b>335,249,836</b>	<b>147,772,599</b>	<b>273,942,716</b>
Income tax income (expenses)	33	76,055,929	115,823,071	(4,504,752)	7,351,672
<b>Profit (loss) for the year</b>		<b>(287,506,362)</b>	<b>451,072,907</b>	<b>143,267,847</b>	<b>281,294,388</b>
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		(287,504,179)	451,176,084	143,267,847	281,294,388
Non-controlling interests of the subsidiaries		(2,183)	(103,177)		
		(287,506,362)	451,072,907		
<b>Basic earnings (loss) per share</b>					
Profit (loss) attributable to equity holders of the Company	35	(0.47)	0.73	0.23	0.46
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 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Profit (loss) for the year</b>		(287,506,362)	451,072,907	143,267,847	281,294,388
<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	25	4,695,006	(22,634,270)	(319,558)	(2,432,831)
Income tax effect	33	(937,965)	4,739,248	63,912	486,566
		3,757,041	(17,895,022)	(255,646)	(1,946,265)
Revaluation surplus on land		-	17,801,500	-	14,100,000
Income tax effect	33	-	(3,560,300)	-	(2,820,000)
	26	-	14,241,200	-	11,280,000
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax</b>		3,757,041	(3,653,822)	(255,646)	9,333,735
<b>Other comprehensive income for the year, net of tax</b>		3,757,041	(3,653,822)	(255,646)	9,333,735
<b>Total comprehensive income for the year</b>		(283,749,321)	447,419,085	143,012,201	290,628,123
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		(283,759,448)	447,636,221	143,012,201	290,628,123
Non-controlling interests of the subsidiaries		10,127	(217,136)		
		(283,749,321)	447,419,085		

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 2020

(Unit: Baht)

	Consolidated financial statements										
	Equity attributable to owners of the Company										
	Issued and paid-up share capital	Share premium	Deficit on changes in percentage of shareholding in subsidiary	Retained earnings		Other components of shareholders' equity			Total equity attributable to owners of the Company	Non-controlling interests of the subsidiaries	Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated	Other comprehensive income (loss)	Revaluation surplus on land	Total other components of shareholders' equity			
<b>Balance as at 31 December 2018</b>	618,000,000	1,238,860,501	(737,577,642)	73,800,000	2,483,211,375	27,551,183	27,551,183	3,703,845,417	(25,712,374)	3,678,133,043	
Profit for the year	-	-	-	-	451,176,084	-	-	451,176,084	(103,177)	451,072,907	
Other comprehensive income for the year	-	-	-	-	(17,779,764)	14,241,200	14,241,200	(3,538,564)	(115,258)	(3,653,822)	
Total comprehensive income for the year	-	-	-	-	433,396,320	14,241,200	14,241,200	447,637,520	(218,435)	447,419,085	
Dividend paid (Note 38)	-	-	-	-	(339,897,450)	-	-	(339,897,450)	-	(339,897,450)	
Decrease in non-controlling interest of the subsidiaries from dividend payment	-	-	-	-	-	-	-	-	(472)	(472)	
<b>Balance as at 31 December 2019</b>	618,000,000	1,238,860,501	(737,577,642)	73,800,000	2,576,710,245	41,792,383	41,792,383	3,811,585,487	(25,931,281)	3,785,654,206	
<b>Balance as at 31 December 2019</b>	618,000,000	1,238,860,501	(737,577,642)	73,800,000	2,576,710,245	41,792,383	41,792,383	3,811,585,487	(25,931,281)	3,785,654,206	
Loss for the year	-	-	-	-	(287,504,179)	-	-	(287,504,179)	(2,183)	(287,506,362)	
Other comprehensive income for the year	-	-	-	-	3,744,731	-	-	3,744,731	12,310	3,757,041	
Total comprehensive income for the year	-	-	-	-	(283,759,448)	-	-	(283,759,448)	10,127	(283,749,321)	
Dividend paid (Note 38)	-	-	-	-	(197,758,528)	-	-	(197,758,528)	-	(197,758,528)	
Decrease in non-controlling interest of the subsidiary from decrease in share capital	-	-	-	-	-	-	-	-	(244,143)	(244,143)	
Decrease in non-controlling interest of the subsidiaries from dividend payment	-	-	-	-	-	-	-	-	(1,306)	(1,306)	
<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	

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 2020

(Unit: Baht)

	Separate financial statements							Total shareholders' equity
	Issued and paid-up share capital	Share premium	Retained earnings		Other comprehensive income	Revaluation surplus on land	Total shareholders' equity	
			Earnings					
			Appropriated - statutory reserve	Unappropriated				
<b>Balance as at 31 December 2018</b>	618,000,000	1,238,860,501	73,800,000	372,227,170	27,551,183	2,330,438,854		
Profit for the year	-	-	-	281,294,388	-	281,294,388		
Other comprehensive income for the year	-	-	-	(1,946,265)	11,280,000	9,333,735		
Total comprehensive income for the year	-	-	-	279,348,123	11,280,000	290,628,123		
Dividend paid (Note 38)	-	-	-	(339,897,450)	-	(339,897,450)		
<b>Balance as at 31 December 2019</b>	618,000,000	1,238,860,501	73,800,000	311,677,843	38,831,183	2,281,169,527		
<b>Balance as at 31 December 2019</b>	618,000,000	1,238,860,501	73,800,000	311,677,843	38,831,183	2,281,169,527		
Profit for the year	-	-	-	143,267,847	-	143,267,847		
Other comprehensive income for the year	-	-	-	(255,646)	-	(255,646)		
Total comprehensive income for the year	-	-	-	143,012,201	-	143,012,201		
Dividend paid (Note 38)	-	-	-	(197,758,528)	-	(197,758,528)		
<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		

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 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Cash flows from operating activities</b>					
Profit (loss) before tax		(363,562,291)	335,249,836	147,772,599	273,942,716
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:					
Unrealised (gains) losses on exchange rate		2,129	(222,020)	1,222	47,765
(Gain) losses on change in value of listed equity investments at fair value through profit or loss	13	(10,873,074)	9,972,344	(10,873,074)	9,972,344
Bad debts and doubtful debts		-	7,575,478	-	1,605,000
Increase (decrease) in allowance for expected credit losses of trade receivables		36,110,336	-	(1,609,102)	-
Write-off of withholding tax deducted at source		269,156	-	-	-
Increase in allowance for expected credit losses of other non-current financial assets		1,481,964	-	753,028	-
Reversal of accrued project cost		(39,758,380)	-	-	-
Reduce cost of inventory to net realisable value (reversal)	11	(11,186,922)	2,740,403	(14,513,943)	417,823
Transfer assets to cost of contract work	17	-	550,000,000	-	-
Gains on compensation receipt from insurance		(60,913)	(272,066)	-	-
Gains on disposals of equipments		(1,430,741)	(549,600)	(1,097,379)	(693)
Allowance for impairment loss on assets		151,689,370	176,956,636	-	-
Depreciation and amortisation	16, 17, 21	1,007,665,828	1,235,252,943	101,953,160	34,684,387
Reversal of allowance for diminution in value of withholding deducted at sources	12	-	(3,025)	-	-
Amortisation of deferred interest expense under finance lease agreements	31	-	569,600	-	292,749
Amortisation of deferred interest under lease agreements	31	11,163,869	-	5,449,249	-
Amortisation of unearned interest income under finance lease agreements	30	(11,227,079)	(15,537,627)	-	-
Provision for warranties (reversal)		(4,451,227)	(1,819,370)	(578,460)	2,944,840
Provision for long-term employee benefits	25	10,721,674	44,835,410	2,987,660	12,033,970
Dividend received		(259,600)	(155,200)	(122,658,294)	(320,929,728)
Interest income	30	(972,767)	(1,393,953)	(43,649,117)	(36,949,419)
Interest expense	31	60,733,865	131,416,205	48,047,787	37,730,411
Profit before changes in operating assets and liabilities		836,055,197	2,474,615,994	111,985,336	15,792,165

The accompanying notes are an integral part of the financial statements.



# Cash flows statement (continued)

Smart Telcoms Public Company Limited and its subsidiaries

For the year ended 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Cash flows from operating activities (continued)</b>					
Decrease (increase) in operating assets:					
Trade and other receivables		1,307,091,095	(1,121,931,078)	138,711,005	(241,433,421)
Accrued income		1,024,953,154	(747,066,002)	(54,557,294)	147,961,203
Inventories		8,467,944	22,740,972	12,517,641	(35,848,243)
Other current financial assets		(76,210,990)	-	-	-
Other current assets		16,383,476	(11,279,105)	(39,233,165)	30,639,349
Other non-current financial assets		(289,482)	-	(578,269)	-
Other non-current assets		35,827,438	(28,762,118)	(8,240,105)	2,766,723
Increase (decrease) in operating liabilities:					
Trade and other payables		(88,166,874)	(94,123,283)	75,226,878	(34,525,727)
Unearned revenue		9,884,395	(29,381,101)	3,007,846	-
Accrued project cost		(43,605,059)	4,605,393	(125,322,473)	(251,076,071)
Other current liabilities		(41,448,612)	24,913,425	989,987	3,695,413
Other non-current liabilities		(820,560)	(4,749,440)	-	-
Cash from (used in) operating activities		2,988,121,122	489,583,657	114,507,387	(362,028,609)
Employee benefits paid during the year	25	(7,916,268)	(282,700)	(3,200,000)	-
Dividend income from investments in marketable equity securities		259,600	155,200	259,600	155,200
Cash paid for interest expenses		(66,447,817)	(136,662,525)	(60,344,623)	(43,800,319)
Cash paid for income tax		(124,545,881)	(141,851,604)	(13,763,522)	(15,426,047)
Cash received from refund withholding tax deducted at source	12	170,366,729	98,674,804	18,329,917	11,228,074
<b>Net cash from (used in) operating activities</b>		<b>2,959,837,485</b>	<b>309,616,832</b>	<b>55,788,759</b>	<b>(409,871,701)</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 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Cash flows from investing activities</b>					
Cash received from settlement of short-term loan to related parties	7	-	-	307,300,000	270,000,000
Cash paid to provide short-term loans to related parties	7	-	-	(844,000,000)	(350,100,000)
Cash received from finance lease receivable agreement		84,527,147	62,325,572	-	-
Dividend received from subsidiaries		-	-	202,273,517	440,399,638
Cash received from capital reduction in subsidiary		-	-	-	269,999,910
Decrease in non-controlling interest of the subsidiaries from capital reduction		(244,143)	-	-	-
Purchase of equipment and intangible assets	16, 17	(557,289,792)	(439,925,025)	(333,877,886)	(136,065,980)
Proceeds from sales of equipments		1,552,583	560,505	1,148,024	748
Cash received from insurance claims for equipment		62,000	355,612	-	-
Cash received from interest received		971,545	1,395,070	52,752,171	232,862,966
<b>Net cash from (used in) investing activities</b>		<b>(470,420,660)</b>	<b>(375,288,266)</b>	<b>(614,404,174)</b>	<b>727,097,282</b>
<b>Cash flows from financing activities</b>					
Decrease in bank overdrafts		(2,442)	(3,812)	-	-
Proceeds from short-term loans from banks		2,214,760,258	5,852,750,000	1,188,500,000	2,443,000,000
Cash paid to settle short-term loans from banks		(3,231,432,958)	(5,219,293,814)	(1,304,872,700)	(2,338,360,944)
Increase (decrease) in trust receipts		(560,786,249)	191,182,959	50,970,860	(22,929,900)
Cash received from short-term loans from related parties	7	-	-	1,384,500,000	345,000,000
Repayment of short-term loans from related parties	7	-	-	(50,000,000)	-
Cash received from debentures	22	400,000,000	1,500,000,000	400,000,000	1,500,000,000
Cash paid for debenture redemption	22	(800,000,000)	(1,850,000,000)	(800,000,000)	(1,850,000,000)
Payment of liabilities under finance lease agreements		-	(4,202,334)	-	(2,036,705)
Payment of liabilities under lease agreements		(78,053,874)	-	(48,369,045)	-
Dividend paid	38	(197,758,528)	(339,897,450)	(197,758,528)	(339,897,450)
Decrease in non-controlling interests of the subsidiaries from dividend payment		(1,306)	(472)	-	-
<b>Net cash from (used in) financing activities</b>		<b>(2,253,275,099)</b>	<b>130,535,077</b>	<b>622,970,587</b>	<b>(265,224,999)</b>
<b>Net increase in cash and cash equivalents</b>		<b>236,141,726</b>	<b>64,863,643</b>	<b>64,355,172</b>	<b>52,000,582</b>
Cash and cash equivalents at beginning of year		389,143,355	324,279,712	87,474,038	35,473,456
<b>Cash and cash equivalents at end of year</b>		<b>625,285,081</b>	<b>389,143,355</b>	<b>151,829,210</b>	<b>87,474,038</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 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Supplemental cash flows information</b>					
Non-cash items:					
Dividend receivable from subsidiary		-	-	-	71,874,823
Transfer from inventory to equipment	16	2,747,817	15,672,472	-	7,495,563
Purchase equipment under finance lease agreement		-	6,133,350	-	6,133,350
Purchase equipment under lease agreements	21	266,200,788	-	132,500,415	-
Increase in finance lease receivables		-	552,315	-	-

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 2020

## 1. General information

### 1.1 Corporate 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 Klong-Nueng, Amphur Klong-Luang, Pathumthani.

### 1.2 Coronavirus disease 2019 Pandemic

A second wave of the Coronavirus disease 2019 pandemic has slowed down the economic recovery, impacting most business and industries. This situation significantly affects the Group’s business activities in terms of supply chains, limit provision of services, and operational delays, and this is significantly impacting the Group’s financial position, operating results, and cash flows at present, and is expected to do so in the future. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

## 2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

### 2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Samart Telcoms Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”).



**Subsidiaries directly held by the Company**

Company's name	Nature of business	Country of incorporation	Percentage of direct shareholding	
			2020 Percent	2019 Percent
Samart Communication Services Co., Ltd.	Design and installation of communication, network public rural telephone project	Thailand	100	100
Posnet Co., Ltd.	Electronic fund transfer	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	
			2020 Percent	2019 Percent
<b>Subsidiary held by Samart Broadband Services Co., Ltd.</b>				
IT Absolute Co., Ltd.	Distribution of information system and communications equipment	Thailand	100	100
<b>Subsidiaries held by Samart Comtech Co., Ltd.</b>				
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
<b>Subsidiary held by Samart Communication Services Co., Ltd.</b>				
SLA Asia Co., Ltd.	Operate on installation of telecommunication network project	Thailand	90	90

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

#### a) Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. 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. However, the new standard involves changes to key principles, which are summarised below:

#### Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The cumulative effect of the change is described in Note 4.

#### TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.



Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the balances as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

#### **Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic**

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impacts of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

During the period from the first quarter to the third quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach, impairment of assets, reversal of deferred tax assets.

In the fourth quarter of 2020, the Group has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of all temporary relief measures on accounting alternatives with no significant impact on the Group's financial statements.

#### **b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021**

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

## **4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards**

As described in Note 3 to the financial statements, during the current year, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to balances as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 December 2019	The impacts of		1 January 2020
		Financial reporting standards related to financial instruments	TFRS 16	
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
Short-term investments in trading securities	24,104	(24,104)	-	-
Other current financial assets	-	24,104	-	24,104
Other current assets	364,002	(64,327)	-	299,675
<b>Non-current assets</b>				
Other non-current financial assets	-	91,746	-	91,746
Property, plant and equipment	1,249,179	-	(16,946)	1,232,233
Right-of-use assets	-	-	286,168	286,168
Other non-current assets	218,258	(27,419)	-	190,839
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Current portion of finance lease liabilities	4,030	-	(4,030)	-
Current portion of lease liabilities	-	-	70,952	70,952
<b>Non-current liabilities</b>				
Finance lease liabilities, net of current portion	16,065	-	(16,065)	-
Lease liabilities, net of current portion	-	-	218,365	218,365

(Unit: Thousand Baht)

	Separate financial statements			
	31 December 2019	The impacts of		1 January 2020
		Financial reporting standards related to financial instruments	TFRS 16	
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
Short-term investments in trading securities	24,104	(24,104)	-	-
Other current financial assets	-	24,104	-	24,104
<b>Non-current assets</b>				
Other non-current financial assets	-	6,787	-	6,787
Property, plant and equipment	219,540	-	(9,699)	209,841
Right-of-use assets	-	-	149,475	149,475
Other non-current assets	122,893	(6,787)	-	116,106

(Unit: Thousand Baht)

	Separate financial statements			
	31 December 2019	The impacts of		1 January 2020
		Financial reporting standards related to financial instruments	TFRS 16	
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Current portion of finance lease liabilities	2,059	-	(2,059)	-
Current portion of lease liabilities	-	-	47,452	47,452
<b>Non-current liabilities</b>				
Finance lease liabilities, net of current portion	8,459	-	(8,459)	-
Lease liabilities, net of current portion	-	-	102,842	102,842

#### 4.1 Financial instruments

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through profit or loss	Amortised cost	Total
<b>Financial assets as at 1 January 2020</b>				
Cash and cash equivalents	389,143	-	389,143	389,143
Trade and other receivables	2,705,773	-	2,705,773	2,705,773
Accrued income	3,373,241	-	3,373,241	3,373,241
Current portion of finance lease receivables	73,300	-	73,300	73,300
Other current financial assets	24,104	24,104	-	24,104
Finance lease receivable - net of current portion	120,926	-	120,926	120,926
Other non-current financial assets	91,746	-	91,746	91,746
<b>Total financial assets</b>	<b>6,778,233</b>	<b>24,104</b>	<b>6,754,129</b>	<b>6,778,233</b>



(Unit: Thousand Baht)

	Separate financial statements			
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through profit or loss	Amortised cost	Total
<b>Financial assets as at 1 January 2020</b>				
Cash and cash equivalents	87,474	-	87,474	87,474
Trade and other receivables	550,003	-	550,003	550,003
Accrued income	405,559	-	405,559	405,559
Short-term loans to related parties	1,040,300	-	1,040,300	1,040,300
Other current financial assets	24,104	24,104	-	24,104
Other non-current financial assets	6,787	-	6,787	6,787
<b>Total financial assets</b>	<b>2,114,227</b>	<b>24,104</b>	<b>2,090,123</b>	<b>2,114,227</b>

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

#### 4.2 Leases

Upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	70,321	30,617
Add: Option to extend lease term	253,838	126,387
Less: Contracts reassessed as service agreements	(15,877)	(3,166)
Less: Others	(1,078)	-
Less: Deferred interest expenses	(37,982)	(14,062)
Increase in lease liabilities due to TFRS 16 first time adoption	269,222	139,776
Liabilities under finance lease agreements as at 31 December 2019	20,095	10,518
Lease liabilities as at 1 January 2020	289,317	150,294
Weighted average incremental borrowing rate (percent per annum)	3.97	3.86
Comprise of:		
Current lease liabilities	70,952	47,452
Non-current lease liabilities	218,365	102,842
	289,317	150,294

The adjustments of right-of-use assets due to TFRS 16 first time adoption as at 1 January 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Buildings and building improvement	140,166	23,603
Telecommunication and tooling equipment	116,173	116,173
Motor vehicles	29,829	9,699
<b>Total right-of-use assets</b>	<b>286,168</b>	<b>149,475</b>

## 5. Significant accounting policies

### 5.1 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 costs incurred to date bear to the estimated total cost of the contracts. Provision for the total anticipated loss on the projects will be made in the accounts as soon as the possibility of loss is ascertained.

The likelihood of contract variations, claims and liquidated damages, delays in delivery or contractual penalties is taken into account in determining the revenue to be recognised, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the value and stage of completion of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

The service-type warranties provided customers with a service in addition to the assurance that the product complies with agreed-upon specifications are recognised as revenue over the periods in which the service is provided.

#### *Rendering of services*

Service revenue is recognised 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.

**5.2 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.

**5.3 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.

**5.4 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.



## 5.5 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.

## 5.6 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

## 5.7 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.

## 5.8 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 a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	10 years

## 5.9 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.

## 5.10 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 associated companies and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

## 5.11 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

### Accounting policies adopted since 1 January 2020

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.



Accounting policies adopted before 1 January 2020

Leases of building or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of building or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss 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.

**5.12 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.

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.

**5.13 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.

#### **5.14 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 Company and its subsidiaries. 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.

#### **5.15 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.

Provision for losses on construction projects is made in the accounts in full when the possibility of loss is ascertained.

## 5.16 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.

## 5.17 Financial instruments

### *Accounting policies adopted since 1 January 2020*

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 neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

#### **Impairment of financial assets**

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due, and considers a financial asset in 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. It is 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.

#### Accounting policies adopted before 1 January 2020

#### **Trade accounts receivables**

Trade accounts receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

#### **Investments**

Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

In the event the Group reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

### **5.18 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.

### **5.19 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.

## 6. 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:

### 6.1 Revenue from contracts with customers

#### *Identification of performance obligations*

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

#### *Determination of timing of revenue recognition*

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Group recognises revenue over time in the following circumstances:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.



In calculating the revenue recognised over time, the management is required to use judgement regarding measuring progress towards complete satisfaction of a performance obligation, measuring based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion. Significant judgement is required in determining the contract costs incurred for work performed to date, estimated total contract revenue and construction costs, and the recoverability of the contract costs to complete, as well as assessing potential deductions from revenue due to delays in delivery or contractual penalties. In making these judgements, management relies on past experience, historical information and information from the project engineers or the work of specialists.

## 6.2 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.

## 6.3 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.

## 6.4 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.



## **6.5 Property plant and equipment/Depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Company measures land at revalued amounts. Such amounts are determined by the independent valuer using the market approach. The valuation involves certain assumptions and estimates as described in Note 16.

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.

## **6.6 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.

## **6.7 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.

## **6.8 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.

## **6.9 Litigation and delay penalty**

The subsidiaries have contingent liabilities as a result of litigation and delay penalty. The subsidiaries' 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.

# **7. 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	
	2020	2019	2020	2019
<u>Transactions with parent company</u>				
Sales and service income	22	35	-	-
Purchase of merchandise and service	7	6	-	-
Rental expenses	5	5	2	1
Other expenses	19	23	6	5
IT Service fee expense	67	67	14	14
Management fee expense	30	30	30	30
Dividend paid	139	239	139	239
<u>Transactions with subsidiaries</u> (eliminated from the consolidated financial statements)				
Sales and service income	-	-	24	8
Purchase of merchandise and service	-	-	298	303
Purchase of assets	-	-	21	13
Rental income	-	-	2	2
Management fee income	-	-	61	61
Guarantee fee income	-	-	3	6
Other income	-	-	6	6
Interest income	-	-	43	37
Other expenses	-	-	17	17
Interest expenses	-	-	26	4
Dividend income (Note 15.1)	-	-	122	321
<u>Transactions with related companies</u>				
Sales and service income	33	57	-	1
Purchase of merchandise and service	104	274	-	2
Purchase of assets	5	11	1	-
Rental expenses	9	9	2	2
Other expenses	22	23	5	5
Interest income	11	16	-	-
Dividend paid	1	2	1	2

As at 31 December 2020 and 2019, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Trade accounts receivable - related parties (Note 9)</b>				
Parent company	24,003	5,018	-	-
Subsidiaries	-	-	17,469	4,381
Related companies (related by shareholders or directors)	180,917	279,137	32	54
Total trade accounts receivable - related parties	204,920	284,155	17,501	4,435
<b>Amount due from - related parties (Note 9)</b>				
Parent company	-	16	-	16
Subsidiaries	-	-	11,930	124,712
Related companies (related by shareholders or directors)	1,408	85	225	-
Total amount due from - related parties	1,408	101	12,155	124,728
<b>Accrued income - related parties</b>				
Parent company	1,329	-	-	-
Related companies (related by shareholders or directors)	37,143	16,996	-	-
Total accrued income - related parties	38,472	16,996	-	-
<b>Finance lease receivables (Note 10)</b>				
Related company (related by shareholders or directors)	120,926	194,226	-	-
Total finance lease receivables	120,926	194,226	-	-
<b>Prepaid expenses - related parties</b>				
Parent company	96	-	-	-
Subsidiaries	-	-	39,934	31,925
Related companies (related by shareholders or directors)	70	-	-	-
Total prepaid expenses - related parties	166	-	39,934	31,925
<b>Trade accounts payable - related parties (Note 20)</b>				
Parent company	585	409	-	-
Subsidiaries	-	-	62,436	54,289
Related companies (related by shareholders or directors)	53,569	9,824	-	2,060
Total trade accounts payable - related parties	54,154	10,233	62,436	56,349
<b>Other payables - related parties (Note 20)</b>				
Parent company	12,675	14,635	4,544	5,681
Subsidiaries	-	-	6,919	1,259
Related companies (related by shareholders or directors)	1,176	4,212	106	442
Total other payables - related parties	13,851	18,847	11,569	7,382
<b>Accrued project cost - related parties</b>				
Parent company	289	283	-	-
Subsidiaries	-	-	88,290	58,738
Related companies (related by shareholders or directors)	92	181,487	-	71
Total accrued project cost - related parties	381	181,770	88,290	58,809
<b>Long-term lease liabilities- related parties</b>				
Parent company	68,362	-	16,981	-
Related companies (related by shareholders or directors)	25,502	-	4,226	-
Total long-term lease liabilities- related parties	93,864	-	21,207	-

### Short-term loans to related parties and short-term loans from related parties

As at 31 December 2020 and 2019, 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 2019	During the year		Balance as at 31 December 2020
		Increase	Decrease	
<b>Short-term loans to related parties</b>				
<u>Subsidiaries</u>				
Samart Comtech Co., Ltd.	1,040,000	844,000	(307,000)	1,577,000
Samart Broadband Services Co., Ltd.	300	-	(300)	-
<b>Total short-term loans to related parties</b>	<b>1,040,300</b>	<b>844,000</b>	<b>(307,300)</b>	<b>1,577,000</b>
<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	10,000	(10,000)	94,000
Thai Trade Net Co., Ltd.	42,000	-	-	42,000
Posnet Co., Ltd.	30,000	20,000	(25,000)	25,000
Portalnet Co., Ltd.	120,000	1,325,000	-	1,445,000
Samart Broadband Services Co., Ltd.	-	14,500	-	14,500
Samart eD Tech Co., Ltd.	-	15,000	(15,000)	-
<b>Total short-term loans from related parties</b>	<b>557,000</b>	<b>1,384,500</b>	<b>(50,000)</b>	<b>1,891,500</b>

### Directors and management's benefits

During the year ended 31 December 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term employee benefits	28	34	18	21
Post-employment benefits	1	3	1	2
<b>Total</b>	<b>29</b>	<b>37</b>	<b>19</b>	<b>23</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 were expired in April 2020. Subsequently, the Group renewed the contracts for a period of 3 years expiring in April 2023. The Group is to pay a monthly rental and service fee approximately Baht 2 million (2019: Baht 2 million) (separate financial statements: Baht 0.6 million (2019: Baht 0.5 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 were expired in April 2020. Subsequently, the Group renewed the contracts for a period of 3 years expiring in April 2023. The Group has to pay a monthly rental and service fee of approximately Baht 3 million (2019: Baht 3 million) (separate financial statements: Baht 0.5 million (2019: Baht 0.5 million)).

**Service agreements**

- c) The Company entered into a one-year management contract with Samart Corporation Public Co., Ltd., the parent company. This contract was expired in April 2020. Subsequently, the Company renewed the contract expiring in April 2021. The Company is obligated to comply with performance conditions and pay a monthly service fee totaling approximately Baht 2.5 million (2019: Baht 2.5 million).
- d) The Company and eight 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. and Portalnet Co., Ltd.) entered into information technology management agreements with Samart Corporation Public Co., Ltd., the parent company which were expired in December 2020. Subsequently, the Company and its subsidiaries renewed the contracts expiring in December 2021. The Group has to pay a monthly service fees totaling approximately Baht 4 million (2019: Baht 6 million) (separate financial statements: Baht 1 million (2019: Baht 1 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.

## 8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash	1,879	1,766	53	82
Bank deposits	623,406	387,377	151,776	87,392
Total	625,285	389,143	151,829	87,474

As at 31 December 2020, bank deposits in saving accounts and fixed deposits carried interests between 0.1 and 1.0 percent per annum (2019: between 0.1 and 1.0 percent per annum).



## 9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Trade accounts receivable - related parties</u> (Note 7)				
Aged on the basis of due dates				
Not yet due	2,882	42,917	17,501	444
Past due				
Up to 3 months	7,019	4,001	-	-
3 - 6 months	3,145	1,011	-	-
6 - 12 months	20,680	1,484	-	-
Over 12 months	193,753	234,742	-	3,991
Total	227,479	284,155	17,501	4,435
Less: Allowance for expected credit losses	(22,559)	-	-	-
Total trade accounts receivable - related parties, net	204,920	284,155	17,501	4,435
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	296,313	1,476,509	165,184	395,113
Past due				
Up to 3 months	239,184	421,100	122,871	24,617
3 - 6 months	119,619	40,825	2,651	-
6 - 12 months	38,150	3,656	1,053	-
Over 12 months	422,325	416,919	8,020	8,024
Total	1,115,591	2,359,009	299,779	427,754
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	(50,539)	(37,219)	(6,390)	(7,999)
Total trade accounts receivable - unrelated parties, net	1,065,052	2,321,790	293,389	419,755
Total trade accounts receivable - net	1,269,972	2,605,945	310,890	424,190
<u>Other receivables</u>				
Advances	6,286	14,969	878	921
Securities business receivables	1,022,626	1,022,626	-	-
Other receivables - related parties (Note 7)	1,408	101	12,155	124,728
Other receivables - unrelated parties	162,267	161,889	-	164
Total	1,192,587	1,199,585	13,033	125,813
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	(1,099,988)	(1,099,757)	-	-
Total other receivables - net	92,599	99,828	13,033	125,813
Total trade and other receivables - net	1,362,571	2,705,773	323,923	550,003

Set out below is the movement in the allowance for expected credit losses of loans to related parties and accrued interest receivables.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
As at 1 January 2020	1,136,976	7,999
Provision for expected credit losses	38,575	-
Amount written off	(2,465)	(1,609)
As at 31 December 2020	1,173,086	6,390

- 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 2020, the balance of the above accounts receivable included the receivables that were transferred their collection rights to banks totaling approximately Baht 546 million (2019: Baht 1,824 million) (separate financial statements: Baht 122 million (2019: Baht 383 million)).
- b) As at 31 December 2020, trade accounts receivable of the Company included amounts of Baht 3 million (2019: Baht 3 million) receivable from financial institutions which were ordered to cease their operations by the authorities. The Company has already provided full allowance for expected credit losses for these amounts.
- c) Securities business receivables

As at 31 December 2020, 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 (2019: 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.

- d) Other than those mentioned in a) - c), as at 31 December 2020, 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 372 million (2019: Baht 380 million) and separate financial statements totaling Baht 1.6 million (2019: Baht 0.03 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 2020, 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 171 million (2019: Baht 235 million and separate financial statements of Baht 3 million). 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.

## 10. Finance lease receivables

(Unit: Thousand Baht)

	Consolidated financial statements	
	2020	2019
Finance lease receivables (contractual value)	338,665	338,665
Less: Receipts	(210,884)	(126,357)
Finance lease receivables	127,781	212,308
Less: Unearned interest income	(6,855)	(18,082)
Finance lease receivables - net of unearned interest income (Note 7)	120,926	194,226
Less: Current portion of finance lease receivables	(78,561)	(73,300)
Finance lease receivables - net of current portion	42,365	120,926

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 339 million, carries interest at 7.5 percent per annum and is valid for a period of 3 years expiring within 2020 and payable on a monthly basis. Subsequently, on 16 September 2019, the subsidiary company entered into a memorandum of amendment to finance lease agreement with lessee, in order to extend the payment period under the agreement by 2 years expiring within 2022.

The finance lease is guaranteed by I-Sport Co., Ltd., another related company.

## 11. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	73,809	80,921	(59,055)	(70,880)	14,754	10,041
Work in process	135,571	140,160	(43,474)	(42,835)	92,097	97,325
Supplies	2,751	2,559	(284)	(285)	2,467	2,274
Goods in transit	1,549	1,256	-	-	1,549	1,256
Total	213,680	224,896	(102,813)	(114,000)	110,867	110,896



(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	52,129	67,508	(47,985)	(63,137)	4,144	4,371
Work in process	108,852	104,863	(18,408)	(17,769)	90,444	87,094
Supplies	1,323	1,323	-	-	1,323	1,323
Goods in transit	130	1,256	-	-	130	1,256
Total	162,434	174,950	(66,393)	(80,906)	96,041	94,044

During the current year, the Group reversed the write-down of cost of inventories by Baht 11.2 million (separate financial statements: Baht 14.5 million), and reduced the amount of inventories recognised as expenses during the year. (2019: the Group reduced cost of inventories by Baht 2.7 million (separate financial statements: Baht 0.4 million) which was included in cost of sales, to reflect the net realisable value).

## 12. Withholding tax deducted at sources

The balance of withholding tax deducted at sources as at 31 December 2020 and 2019, aged on years, are summarised below.

(Unit: Thousand Baht)

Year	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Before 2011	2,437	2,437	-	-
2012	1	1	-	-
2013	-	7,082	-	-
2014	-	61,012	-	-
2016	-	31	-	-
2017	611	611	-	-
2018	1,260	103,676	-	18,331
2019	83,307	83,544	15,426	15,425
2020	115,545	-	13,764	-
Total	203,161	258,394	29,190	33,756
Less: Allowance for diminution in value of withholding tax deducted at sources	(2,437)	(2,437)	-	-
Total withholding tax deducted at sources - net	200,724	255,957	29,190	33,756

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 2020, the Group received such refund of the withholding tax of 2013 - 2018 approximately Baht 171 million (2019: the Group received refund of the withholding tax of 2016 - 2017 approximately Baht 99 million) (separate financial statements: the Company received refund of the withholding tax of 2018 approximately Baht 18 million (2019: the Company received such refund of the withholding tax of 2017 approximately Baht 11 million)).

As at 31 December 2020, the subsidiaries set up allowance for diminution in value of withholding tax deducted at sources totaling approximately Baht 2 million (2019: Baht 2 million). The management of the subsidiaries believe that the allowance for diminution in value of withholding tax deducted at sources is adequate.

### 13. Other financial assets

(Unit: Thousand Baht)

	31 December 2020	
	Consolidated financial statements	Separate financial statements
<b>Financial assets at fair value through profit or loss (Note 13.1)</b>		
Listed equity investments	34,977	34,977
<b>Financial assets at amortised cost</b>		
Retention receivables	142,154	-
Deposits	24,611	6,611
<b>Total other financial assets</b>	201,742	41,588
Current	111,189	34,977
Non-current	90,553	6,611
	201,742	41,588

13.1 Movements in the listed equity investments at fair value through profit or loss as at 31 December 2020 and short-term investments in trading securities account as at 31 December 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	2020	2019
<b>Balance at beginning of year</b>	24,104	34,077
Gain (loss) on change in value	10,873	(9,973)
<b>Balance at end of year</b>	34,977	24,104

As at 31 December 2019, the Group had short-term investments in trading securities amounting to Baht 24.1 million (separate financial statements: Baht 24.1 million).

(Unit: Thousand Baht)

	31 December 2019	
	Consolidated financial statements/ Separate financial statements	
	Cost	Fair value
Common stock and warrants	113,407	24,104
Add: Change in value	(89,303)	
<b>Total short-term investment in trading securities</b>	24,104	

## 14. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Advance to supplier	110,056	144,567	1,139	2,155
Prepaid expense	104,176	114,082	33,161	17,030
Retention receivable (Note 13)	-	64,327	-	-
Input tax refundable	63,170	32,960	32,728	8,644
Undue input tax	2,920	4,317	4,673	3,891
Others	2,970	3,749	2,040	2,788
<b>Total other current assets</b>	<b>283,292</b>	<b>364,002</b>	<b>73,741</b>	<b>34,508</b>

## 15. Investments in subsidiaries

15.1 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	
	2020	2019	2020	2019	2020	2019	2020	2019
	(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	-	43,200
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	-	178,875
Smarterware Co., Ltd.	10	10	100	100	9,999	9,999	14,999	-
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	15,000	-
Portalnet Co., Ltd.	2,100	2,100	100	100	208,000	208,000	92,400	98,700
<b>Total investments in subsidiaries</b>					<b>1,780,511</b>	<b>1,780,511</b>	<b>122,399</b>	<b>320,775</b>

15.2 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	
	2020	2019	2020	2019	2020	2019
	(Percent)	(Percent)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
Net Services (Thailand) Co., Ltd. (Subsidiary company of Samart Comtech Co., Ltd.)	40	40	(28)	(28)	-	-
SLA Asia Co., Ltd. (Subsidiary company of Samart Communication Services Co., Ltd.)	10	10	1	1	-	-



15.3 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.		SLA Asia Co., Ltd.	
	2020	2019	2020	2019
Current assets	29	30	10	10
Current liabilities	96	97	2	-
Non-current liabilities	10	3	-	-

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December			
	Net Services (Thailand) Co., Ltd.		SLA Asia Co., Ltd.	
	2020	2019	2020	2019
Revenue	44	44	-	-
Loss	-	-	-	-

Summarised information about cash flow

(Unit: Million Baht)

	For the year ended 31 December			
	Net Services (Thailand) Co., Ltd.		SLA Asia Co., Ltd.	
	2020	2019	2020	2019
Cash flow used in operating activities	(3)	(2)	-	-
Cash flow from financing activities	-	6	-	-
Net increase (decrease) in cash and cash equivalents	(3)	4	-	-

15.4 On 16 October 2020, the Extraordinary General Meeting of the shareholders of SLA Asia Co., Ltd.'s, a subsidiary company, passed a resolution approving a decrease in the subsidiary's registered share capital from Baht 30 million (300,000 ordinary shares of Baht 100 per share) to Baht 7.5 million (75,000 ordinary shares of Baht 100 per share). The subsidiary company registered the decrease in share capital with the Ministry of Commerce on 23 November 2020.



## 16. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statement						
	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 2018	66,484	96,684	13,824,663	297,307	91,909	13,041	14,390,088
Additions	-	-	249,613	4,433	7,104	144,422	405,572
Revaluations	17,802	-	-	-	-	-	17,802
Disposals and write-off	-	-	(18,023)	(621)	(2,804)	-	(21,448)
Transfer in/Transfer out	-	811	24,655	-	-	(9,793)	15,673
31 December 2019	84,286	97,495	14,080,908	301,119	96,209	147,670	14,807,687
Transfer to right-of-use assets	-	-	-	-	(32,080)	-	(32,080)
Additions	-	301	440,466	6,622	2,175	40,373	489,937
Disposals and write-off	-	-	(59)	(454)	(5,140)	-	(5,653)
Transfer in/Transfer out	-	-	128,379	-	-	(125,631)	2,748
31 December 2020	84,286	97,796	14,649,694	307,287	61,164	62,412	15,262,639
<b>Accumulated depreciation:</b>							
31 December 2018	-	70,965	9,401,033	186,850	66,336	-	9,725,184
Depreciation for the year	-	4,314	1,123,730	29,339	9,865	-	1,167,248
Accumulated depreciation on disposals and write-off	-	-	(17,937)	(612)	(2,804)	-	(21,353)
31 December 2019	-	75,279	10,506,826	215,577	73,397	-	10,871,079
Accumulated depreciation on transfer to right-of-use assets	-	-	-	-	(15,133)	-	(15,133)
Depreciation for the year	-	4,409	820,578	25,101	3,645	-	853,733
Accumulated depreciation on disposals	-	-	(25)	(370)	(5,140)	-	(5,535)
31 December 2020	-	79,688	11,327,379	240,308	56,769	-	11,704,144
<b>Allowance for impairment loss:</b>							
31 December 2018	-	-	2,497,551	-	-	12,922	2,510,473
Increase during the year	-	-	176,956	-	-	-	176,956
31 December 2019	-	-	2,674,507	-	-	12,922	2,687,429
Increase during the year	-	-	151,689	-	-	-	151,689
31 December 2020	-	-	2,826,196	-	-	12,922	2,839,118
<b>Net book value:</b>							
31 December 2019	84,286	22,216	899,575	85,542	22,812	134,748	1,249,179
31 December 2020	84,286	18,108	496,119	66,979	4,395	49,490	719,377
<b>Depreciation for the year</b>							
2019 (Baht 1,132 million included in cost of services, and the balance in selling and administrative expenses)							1,167,248
2020 (Baht 829 million included in cost of services and cost of rental, and the balance in selling and administrative expenses)							853,733

(Unit: Thousand Baht)

	Separate financial statement						
	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 2018	61,100	54,411	1,176,327	21,895	24,259	119	1,338,111
Additions	-	-	-	944	6,635	134,494	142,073
Revaluations	14,100	-	-	-	-	-	14,100
Disposals and write-off	-	-	-	(178)	-	-	(178)
Transfer in (out)	-	-	16,478	-	-	(8,982)	7,496
31 December 2019	75,200	54,411	1,192,805	22,661	30,894	125,631	1,501,602
Transfer to right-of-use assets	-	-	-	-	(18,183)	-	(18,183)
Additions	-	34	298,653	385	-	33,858	332,930
Disposals and write-off	-	-	(45)	(70)	(3,860)	-	(3,975)
Transfer in (out)	-	-	125,631	-	-	(125,631)	-
31 December 2020	75,200	54,445	1,617,044	22,976	8,851	33,858	1,812,374
<b>Accumulated depreciation:</b>							
31 December 2018	-	54,247	1,173,153	20,635	15,882	-	1,263,917
Depreciation for the year	-	87	13,213	512	4,511	-	18,323
Accumulated depreciation on disposals and write-off	-	-	-	(178)	-	-	(178)
31 December 2019	-	54,334	1,186,366	20,969	20,393	-	1,282,062
Accumulated depreciation on transfer to right-of-use assets	-	-	-	-	(8,484)	-	(8,484)
Depreciation for the year	-	67	36,641	606	477	-	37,791
Accumulated depreciation on disposals and write-off	-	-	(14)	(51)	(3,860)	-	(3,925)
31 December 2020	-	54,401	1,222,993	21,524	8,526	-	1,307,444
<b>Net book value:</b>							
31 December 2019	75,200	77	6,439	1,692	10,501	125,631	219,540
31 December 2020	75,200	44	394,051	1,452	325	33,858	504,930
<b>Depreciation for the year</b>							
2019 (Baht 13 million included in cost of services, and the balance in selling and administrative expenses)							18,323
2020 (Baht 37 million included in cost of services and cost of rental, and the balance in selling and administrative expenses)							37,791

16.1 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 2020 and 2019 would have been as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Land	32,045	32,045	26,661	26,661

16.2 As at 31 December 2020, 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 13,583 million (2019: Baht 10,937 million) (separate financial statements: Baht 1,227 million (2019: Baht 1,216 million)).

16.3 During the year 2020, the Group recognised an impairment loss for equipment amounting to Baht 152 million (separate financial statements: nil) to reduce the carrying amount of the assets to their recoverable amounts. The Group has determined the recoverable amounts of its assets based on value in use using cash flow projections from financial estimation approved by management.

Key assumptions used in value in use calculations are as follows:

(Unit: Percent per annum)

	2020
Pre-tax discount rate	8%
Growth rate	0%

## 17. Intangible assets

The net book value of intangible assets as at 31 December 2020 and 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements
	Computer software
<b>Cost</b>	
31 December 2018	885,977
Addition	40,485
Transfer to project cost	(550,000)
31 December 2019	376,462
Addition	67,352
Disposals	(15)
31 December 2020	443,799
<b>Accumulated amortisation</b>	
31 December 2018	168,047
Amortisation	68,005
31 December 2019	236,052
Amortisation	77,495
Accumulated amortisation on disposals	(10)
31 December 2020	313,537
<b>Net book value</b>	
31 December 2019	140,410
31 December 2020	130,262
<b>Amortisation for the year</b>	
2019 (Baht 41 million included in cost of services, and the balance in selling and administrative expenses)	68,005
2020 (Baht 52 million included in cost of services, and the balance in selling and administrative expenses)	77,495

(Unit: Thousand Baht)

	Separate financial statements
	Computer software
<b>Cost</b>	
31 December 2018	72,316
Addition	127
31 December 2019	72,443
Addition	947
31 December 2020	73,390
<b>Accumulated amortisation</b>	
31 December 2018	39,673
Amortisation	16,362
31 December 2019	56,035
Amortisation	16,266
31 December 2020	72,301
<b>Net book value</b>	
31 December 2019	16,408
31 December 2020	1,089
<b>Amortisation for the year</b>	
2019 (Amortisation for the year included in selling and administrative expenses)	16,362
2020 (Amortisation for the year included in selling and administrative expenses)	16,266

## 18. 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)

	2020	2019
Terminal growth rate	0%	0%
Discount rate (WACC)	11%	9%

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 2020 and 2019, the management has considered and believed that no impairment was required for goodwill.



## 19. Bank overdrafts and short-term loans from banks

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019	2020	2019
Bank overdrafts	-	MOR, MOR minus fixed rate per annum	-	2	-	-
Short-term loans from banks	MMR	MMR, twelve- month fixed deposit plus fixed rate per annum	1,368,548	2,385,221	444,548	560,921
Trust receipts	MMR	MMR	94,262	655,048	50,971	-
Total			1,462,810	3,040,271	495,519	560,921

Bank overdrafts and 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.

## 20. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade accounts payable - related parties (Note 7)	54,154	10,233	62,436	56,349
Trade accounts payable - unrelated parties	473,467	562,016	90,901	24,522
Other payables - related parties (Note 7)	13,851	18,847	11,569	7,382
Other payables - unrelated parties	15,406	21,541	1,329	2,470
Accrued expenses	116,491	148,897	12,023	19,549
Interest payables	200	5,914	75	5,130
Total trade and other payables	673,569	767,448	178,333	115,402



## 21. Leases

### 21.1 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 year ended 31 December 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Buildings improvement	Telecommunication and tooling equipment	Motor vehicles	Total
31 December 2019	-	-	-	-
Adjustments of right-of-use assets due to first time adoption of TFRS 16	140,166	116,173	12,882	269,221
Transfer from equipment (Note 16)	-	-	16,947	16,947
1 January 2020 (Note 4.2)	140,166	116,173	29,829	286,168
Additions (decrease)	(7,248)	(10,408)	14,635	(3,021)
Depreciation for the year	(25,752)	(40,222)	(10,463)	(76,437)
31 December 2020	107,166	65,543	34,001	206,710

(Unit: Thousand Baht)

	Separate financial statements			
	Buildings improvement	Telecommunication and tooling equipment	Motor vehicles	Total
31 December 2019	-	-	-	-
Adjustments of right-of-use assets due to first time adoption of TFRS 16	23,603	116,173	-	139,776
Transfer from equipment (Note 16)	-	-	9,699	9,699
1 January 2020 (Note 4.2)	23,603	116,173	9,699	149,475
Additions (decrease)	-	(10,408)	3,132	(7,276)
Depreciation for the year	(3,663)	(40,222)	(4,011)	(47,896)
31 December 2020	19,940	65,543	8,820	94,303



**b) Lease liabilities**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Lease payments	246,903	20,898	109,027	10,996
Less: Deferred interest expenses	(27,497)	(803)	(8,929)	(478)
Total	219,406	20,095	100,098	10,518
Less: Portion due within one year	(69,627)	(4,030)	(46,310)	(2,059)
Lease liabilities - net of current portion	149,779	16,065	53,788	8,459

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)

	For the year ended 31 December 2020	
	Consolidated financial statements	Separate financial statements
Depreciation expense of right-of-use assets	76,437	47,896
Interest expense on lease liabilities	11,164	5,449
Expense relating to leases of low-value assets	79	-

**d) Others**

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 89 million (the Company only: Baht 54 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. Moreover, the Group had non-cash additions to right-of-use assets and lease liabilities of 266 million (the Company only: Baht 133 million).

**21.2 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 2020 as follows:

(Unit: Thousand Baht)

	Consolidated and Separate financial statements
Within 1 year	184,104
Over 1 and up to 5 years	671,329
Total	855,433

## 22. Debentures

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	2020	2019
Debentures	-	400,000
Less: Current portion of debentures	-	(400,000)
Debentures - net of current portion	-	-

Movements in the debenture account for the year ended 31 December 2020 and 2019 were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	2020	2019
<b>Balance at beginning of year</b>	400,000	750,000
Add: Debentures issued during the year	400,000	1,500,000
Less: Redemption of debentures during the year	(800,000)	(1,850,000)
<b>Balance at end of year</b>	-	400,000

As at 31 December 2019, debentures are unsubordinated, unsecured debentures with registered name and carried fixed interests rate per annum as stipulated in each debenture. The debentures were payable within 2020.

## 23. Provisions

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
	Maintenance warranties	Maintenance warranties
1 January 2019	90,715	20,093
Increase during the year	25,031	2,969
Utilised	(22,467)	(24)
Reversal	(4,383)	-
31 December 2019	88,896	23,038
Increase during the year	14,501	3,786
Utilised	(13,518)	-
Reversal	(5,435)	(4,364)
31 December 2020	84,444	22,460
<b>2019</b>		
Current	62,152	22,059
Non-current	26,744	979
	88,896	23,038
<b>2020</b>		
Current	53,795	19,278
Non-current	30,649	3,182
	84,444	22,460

### 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.

## 24. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Value added tax payable	575	8,641	-	-
Withholding Tax deduct at source	7,572	13,012	2,619	3,865
Undue output VAT	42,517	73,924	10,379	8,539
Others	23,781	20,317	4,738	4,342
<b>Total other current liabilities</b>	<b>74,445</b>	<b>115,894</b>	<b>17,736</b>	<b>16,746</b>

## 25. 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	
	2020	2019	2020	2019
<b>Provision for long-term employee benefits at beginning of year</b>	<b>169,446</b>	<b>102,259</b>	<b>41,875</b>	<b>27,408</b>
Included in profit or loss:				
Current service cost	12,991	8,342	3,149	1,985
Interest cost	2,562	2,668	540	607
Past service cost	-	34,022	-	9,228
Increase (decrease) from employee transfer during the year	52	(196)	540	214
Gain on settlement	(4,883)	-	(1,241)	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	-	1,841	-	148
Financial assumptions changes	4,314	15,270	1,050	2,319
Experience adjustments	(9,009)	5,523	(730)	(34)
Benefits paid during the year	(7,916)	(283)	(3,200)	-
<b>Provision for long-term employee benefits at end of year</b>	<b>167,557</b>	<b>169,446</b>	<b>41,983</b>	<b>41,875</b>

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change was considered a post-employment benefits plan amendment and the Group had additional long-term employee benefit liabilities of Baht 34 million (The Company only: Baht 9 million) as a result. The Group reflected the effect of the change by recognising past service costs as expenses in the income statement of the year 2019.

The Group does not expect to pay long-term employee benefits during the next year (2019: Baht 7.9 million, separate financial statements: Baht 3.2 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 10 - 20 years (separate financial statements: 10 years) (2019: 10 - 20 years (separate financial statements: 10 years)).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate	0.81 - 1.81	1.40 - 1.97	0.81	1.40
Salary increase rate	3.5 - 6.0	3.5 - 6.0	3.5 - 6.0	3.5 - 6.0
Turnover rate	2 - 24	2 - 24	2 - 24	2 - 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 2020 and 2019 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%	
	2020	2019	2020	2019	2020	2019	2020	2019
Discount rate	(17)	(17)	20	20	(3)	(3)	3	3
Salary increase rate	17	19	(15)	(17)	2	3	(2)	(2)
	Increase 20%		Decrease 20%		Increase 20%		Decrease 20%	
	2020	2019	2020	2019	2020	2019	2020	2019
Turnover rate	(18)	(20)	22	22	(2)	(2)	3	3

## 26. Surplus on revaluation of land

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Balance at beginning of year</b>	41,792	27,551	38,831	27,551
Add: Surplus arising from revaluation - net of income tax	-	14,241	-	11,280
<b>Balance at end of year</b>	41,792	41,792	38,831	38,831

The revaluation surplus cannot be used to offset deficit or for dividend payment.



## 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 2020 and 2019 summarised as followings:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Type-two telecom license without its own network	73,556	81,124	73,556	81,124
Type-one internet license	104,781	103,948	-	-
Other service income	1,948,973	3,286,886	334,587	422,644
Equipment rental income	65,087	-	65,087	-
Total service and rental income	2,192,397	3,471,958	473,230	503,768

### 28.2 Contract balances

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Contract assets				
Accrued income	2,348,288	3,373,241	460,116	405,559
Retention receivable	144,029	66,547	-	-
Total contract assets	2,492,317	3,439,788	460,116	405,559
Less: Allowance for impairment loss	(1,875)	(2,220)	-	-
Total contract assets, net	2,490,442	3,437,568	460,116	405,559
Contract liabilities				
Unearned revenue	(24,853)	(14,969)	(4,398)	(1,390)
Total contract liabilities	(24,853)	(14,969)	(4,398)	(1,390)

During the current year, the Group reversed provision for expected credit losses on contract assets by Baht 0.3 million (2019: the Group recognised provision for expected credit losses on contract assets by Baht 2.2 million) (separate financial statements: nil (2019: nil)).



### 28.3 Revenue recognised in relation to contract balances

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Revenue recognised that was included in contract liabilities at the beginning of the year	12,523	61,278	-	599

### 28.4 Revenue to be recognised for the remaining performance obligations

As at 31 December 2020, revenue aggregating to Baht 6,110 million (2019: Baht 5,572 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 1,703 million (2019: Baht 1,915 million)). The Group expects to satisfy the performance obligations within 4 years.

### 28.5 Cost to be incurred to completion of work under customer contracts

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Net book value at beginning of year	97,325	100,944	87,094	52,037
Addition	4,845,251	7,545,526	565,481	823,345
Transfer to cost	(4,849,840)	(7,548,908)	(561,492)	(788,051)
Impairment loss	(639)	(237)	(639)	(237)
Net book value at end of year	92,097	97,325	90,444	87,094

## 29. Other income

Other income for the years ended 31 December 2020 and 2019 consist of:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Gain on exchange rate	-	6,103	324	512
Dividend income from subsidiaries (Note 15.1)	-	-	122,399	320,775
Management fee income (Note 7)	-	-	61,200	61,200
Gain on compensation receipt from insurance	-	272	-	-
Gain on change in value of listed equity investments	10,873	-	10,873	-
Gain on reversal of accrued project cost	39,758	-	-	-
Other	27,877	11,527	32,553	18,065
Total other income	78,508	17,902	227,349	400,552



### 30. Finance income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Interest income on bank deposits	973	16,932	223	293
Interest income on loans to related parties	-	-	43,426	36,656
Interest income on lease	11,227	-	-	-
Total	12,200	16,932	43,649	36,949

### 31. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Interest expense on:				
Bank loans, overdrafts and trust receipts	60,734	130,847	21,908	33,495
Loans from related parties	-	-	26,140	4,235
Liabilities under lease agreements (2019: Liabilities under finance lease agreements)	11,164	569	5,449	293
Total interest expenses	71,898	131,416	53,497	38,023
Bank charges	2,053	5,641	1,628	5,074
Total finance cost	73,951	137,057	55,125	43,097

### 32. Expenses by nature

Significant expenses classified by nature are as follow:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Raw materials, equipment and cost of project used	2,558,516	5,945,961	345,621	443,727
Salaries, wages and other employee benefits	832,872	918,739	131,345	123,919
Depreciation and amortisation	1,007,665	1,235,253	101,953	34,684
Rental expenses from operating lease agreements	79	122,346	-	11,856
(Increase) decrease in changes in inventories of finished goods and work in progress	11,700	39,621	11,392	(27,374)
Advertising and marketing expense	11,617	9,260	5,532	5,374

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 for the years ended 31 December 2020 and 2019 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Current income tax:</b>				
Current income tax charge	2,159	65,562	-	-
Adjustment of corporate income tax expense from prior year	142	26	-	26
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(78,357)	(181,411)	4,505	(7,378)
<b>Income tax (income) expense reported in the income statement</b>	<b>(76,056)</b>	<b>(115,823)</b>	<b>4,505</b>	<b>(7,352)</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax relating to revaluation surplus on land	-	3,560	-	2,820
Deferred tax relating to actuarial loss on defined benefit plan	938	(4,739)	(64)	(487)
<b>Income tax (income) expense charged to other comprehensive income</b>	<b>938</b>	<b>(1,179)</b>	<b>(64)</b>	<b>2,333</b>

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2020 and 2019

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Accounting profit before tax	(363,562)	335,250	147,773	273,943
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	(72,712)	67,050	29,554	54,789
Adjustment of corporate income tax expense from prior year	142	26	-	26
Effects of:				
Promotional privileges	-	(4,349)	-	-
Utilisation of tax loss carry forward	(1,064)	(348)	-	-
Income not subject to tax	(52)	(31)	(24,532)	(64,186)
Non-deductible expenses	3,852	6,240	827	2,355
Additional expense deductions allowed	(1,196)	(55,784)	(177)	(336)
Total	1,540	(54,272)	(23,882)	(62,167)
Deferred tax assets not recognised	8,242	22,814	-	-
Additional recognition of deferred tax assets from tax losses	-	(14,403)	-	-
Decrease in deferred tax assets not recognised	(13,268)	(137,038)	(1,167)	-
<b>Income tax (income) expenses reported in profit or loss</b>	<b>(76,056)</b>	<b>(115,823)</b>	<b>4,505</b>	<b>(7,352)</b>

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	
	2020	2019	2020	2019
<b>Deferred tax assets</b>				
Allowance for expected credit losses (2019: Allowance for doubtful accounts)	21,815	13,616	1,277	432
Allowance for diminution in value of inventories	20,562	22,800	13,278	16,181
Allowance for non-financial assets impairment	56,535	42,800	2,425	2,425
Profit in outstanding inventories	5,658	913	-	-
Profit in outstanding equipments	22,344	70,924	-	-
Deferred cost	356	453	-	-
Accumulated depreciation - equipment	108,844	77,984	5,853	9,744
Assets under finance lease agreements	1,601	1,260	-	234
Right-of-use assets	1,200	-	1,183	-
Allowance for expected credit losses of non-current financial assets	837	443	151	-
Provision for long-term employee benefits	25,283	27,037	7,043	7,086
Accrued vacation leave	878	706	144	126
Actuarial loss	7,584	6,335	1,353	1,289
Unrealised loss from revaluation of trading investment	15,686	17,861	15,686	17,861
Unused tax loss	137,431	66,061	20,851	18,307
<b>Total</b>	<b>426,614</b>	<b>349,193</b>	<b>69,244</b>	<b>73,685</b>
<b>Deferred tax liabilities</b>				
Other receivables - unrelated parties	17,564	17,564	-	-
Revaluation surplus on land	10,448	10,448	9,708	9,708
Actuarial gain	1	-	-	-
<b>Total</b>	<b>28,013</b>	<b>28,012</b>	<b>9,708</b>	<b>9,708</b>
<b>Deferred tax-net</b>	<b>398,601</b>	<b>321,181</b>	<b>59,536</b>	<b>63,977</b>

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	
	2020	2019	2020	2019
Deferred tax assets	398,601	321,181	59,536	63,977
Deferred tax - net	398,601	321,181	59,536	63,977

As at 31 December 2020, the subsidiary company has deductible temporary differences and unused tax losses totaling Baht 210 million (2019: Baht 209 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 loss are summarised as below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
31 December 2020	-	35,167	-	-
31 December 2021	33,170	33,170	-	-
31 December 2022	19,230	19,530	-	-
31 December 2023	42,162	42,462	-	-
31 December 2024	75,479	78,485	-	-
31 December 2025	40,036	-	-	-
	210,077	208,814	-	-

### 34. Promotional privileges

Subsidiaries have been granted promotional privileges under the Investment Promotion Act B.E. 2520 by the Board of Investment under certain significant conditions. Significant privileges of the Company are as follows:

Details	Smarterware Co., Ltd.	Samart eD Tech Co., Ltd.
1. Certificate No.	59-1099-1-00-2-0	1713(7)/2553
2. Promotional privileges for	Software	Software
3. The significant privileges are:		
3.1 Exemption from corporate income tax on net income from promoted operations commencing as from the date of first earning operating income. Furthermore, accumulated losses incurred during the corporate income tax exemption period, the subsidiary is allowed to utilise the losses as a deduction against net income for a period of 5 years after the expiry of the tax exemption period, whether from any one year or from several years.	For a period of 5 years until 28 September 2022	For a period of 8 years until 21 June 2019
3.2 Exemption from income tax on dividends paid from the income of the promoted operations for which corporate income tax is exempted, throughout the corporate income tax exemption.	Granted	Granted
3.3 Exemption from import duty on imported machinery for use in production as approved by the Board.	Ended on 24 February 2019	Throughout the period of promoted
4. Date of first earning operating income	29 September 2017	22 June 2011

Revenues of Smarterware Co., Ltd. and Samart eD Tech 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)

	2020	2019
BOI promoted	5,194	42,975
Non-BOI promoted	63,117	43,163
Total service income	68,311	86,138



## 35. Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

## 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 7 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 2020 and 2019, respectively.

(Unit: Million Baht)

	Network infrastructure solutions		Enhanced technology solutions		Business application		Adjustments and eliminations		Consolidated financial statements	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenues from sales, contract work and services										
- Related parties	369	431	179	181	66	170	(560)	(690)	54	92
- Third parties	1,379	1,710	2,590	3,721	1,408	3,551	-	-	5,377	8,982
Total revenues from sales, contract work, services and rental	1,748	2,141	2,769	3,902	1,474	3,721	(560)	(690)	5,431	9,074
Cost of sales, contract work, services and rental	1,470	1,875	3,017	3,359	1,254	3,456	(669)	(906)	5,072	7,784
Gross profit (loss)	278	266	(248)	543	220	265	109	216	359	1,290
Other income									79	18
Selling and distribution expenses									(162)	(152)
Administrative expenses									(386)	(504)
Other expense									(154)	(197)
Finance income									12	17
Finance cost									(74)	(137)
Impairment loss on financial assets									(38)	-
Income tax income									76	116
Profit (loss) for the year									(288)	451

### 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	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Assets										
Trade accounts receivable	620	569	960	2,078	774	1,749	(1,084)	(1,790)	1,270	2,606
Accrued income	403	463	1,709	1,897	401	1,127	(165)	(114)	2,348	3,373
Inventories	26	32	4	5	85	79	(4)	(5)	111	111
Property, plant and equipment	589	385	110	812	43	94	(23)	(42)	719	1,249
Others									2,524	2,115
Total assets									6,972	9,454
Total liabilities	3,026	2,546	4,508	5,701	967	1,160	(4,833)	(3,738)	3,668	5,669
Additions (decrease) to non-current assets other than financial instruments and deferred tax assets	323	1	(870)	(752)	(72)	(1,000)	223	297	(396)	(1,455)

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Revenue from contracts with customers</b>				
Revenue from sales	256	355	188	121
Revenue from contract work	2,982	5,247	220	393
Services income (excluding the revenue from Type-two telecom license)	2,055	3,391	335	423
Total revenue from contracts with customers	5,293	8,993	743	937
Revenue from Type-two telecom license	73	81	73	81
Rental income	65	-	65	-
Total service income	5,431	9,074	881	1,018
<b>Timing of revenue recognition:</b>				
Revenue recognised at a point in time	256	355	188	121
Revenue recognised over time	5,037	8,638	555	816
Total revenues from contracts with customers	5,293	8,993	743	937

#### 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 2020, the Group has revenue from three major customers in amount of Baht 1,321 million arising from sales by enhanced technology solutions segments, Baht 1,004 million from sales by business application segments, and Baht 34 million from sales network solutions segments (2019: Baht 723 million arising from sales by enhanced technology solutions segments and Baht 437 million from sales by business application 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 2020 amounting to approximately Baht 33 million (2019: Baht 37 million) (separate financial statements: Baht 6 million (2019: Baht 6 million)) were recognised as expenses.

## 38. Dividends

	Approved by	Total dividends	Dividend per share	Paid on
		(Million Baht)	(Baht)	
<b>2020</b>				
Final dividend on 2019 income	Board of Director Meeting on 9 April 2020 and Annual General Meeting of the shareholders on 14 July 2020	321.4	0.52	11 September 2019
Less: Interim dividend paid in 2019		(123.6)	(0.20)	
<b>Total dividends paid for the year 2020</b>		197.8	0.32	5 May 2020
<b>2019</b>				
Final dividend on 2018 income	Annual General Meeting of the shareholders on 26 April 2019	309.0	0.50	12 September 2018
Less: Interim dividend paid in 2018		(92.7)	(0.15)	
Interim dividend paid on earnings for six-month period of 2019	Board of Director Meeting on 13 August 2019	216.3	0.35	21 May 2019
<b>Total dividends paid for the year 2019</b>		123.6	0.20	11 September 2019
		339.9	0.55	

## 39. Commitments and contingent liabilities

The Group have 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 (2019: Baht 0.1 million per month).
- 39.1.2 Posnet Co., Ltd., a subsidiary company, entered into two agreements with a private limited company to provide system maintenance services. During the year 2015, that company charged a penalty and compensatory damages totaling of Baht 8 million to the subsidiary under these two agreements, for breaches of the conditions stipulated therein. Subsequently, the subsidiary has negotiated and received details of the penalties and compensatory damages from such company which the penalties and compensatory damages were changed to be Baht 4 million. However, the subsidiary's management has considered the matters and still believes that the subsidiary will not have to pay the penalty and compensatory damages, and therefore, as at 31 December 2020, the subsidiary company has not set aside any provision in its accounts.

- 39.1.3 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 2020, the subsidiary is obligated to pay for equipment and service fee totaling approximately Baht 467 million (31 December 2019: Baht 567 million).
- 39.1.4 Samart Comtech Co., Ltd., a subsidiary company, entered into purchase and equipment installation agreements for Digital Trunked Radio System (DTRS). As at 31 December 2020, the subsidiary is obligated pay for equipment and service fees totaling approximately Baht 24 million (31 December 2019: Baht 28 million).
- 39.1.5 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 2020, the subsidiary is obligated to pay for equipment and service fee amounting to Baht 107 million, EUR 2 million and USD 0.4 million or equivalent to Baht 181 million (31 December 2019: Baht 414 million).
- 39.1.6 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	
	2020	2019
Payable:		
In up to 1 year	227	55
In over 1 and up to 5 years	738	-

- 39.1.7 As at 31 December 2020, The Company has outstanding commitment totaling approximately Baht 56 million (2019: Baht 56 million) in respect of the uncalled portion of their investments in its subsidiaries.
- 39.1.8 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	
	2020	2019	2020	2019
Performance guarantees	2,932	4,073	612	606
Guarantee electricity use, among others	141	73	75	54
	3,073	4,146	687	660

### 39.3 Related party guarantees

As at 31 December 2020, the Company was guarantor of credit facilities and rental of equipment of its subsidiary companies from banks and a leasing company amounting to Baht 6,592 million (2019: Baht 9,819 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 2020		
	Level 1	Level 2	Total
<b>Assets measured at fair value</b>			
Financial assets measured at FVTPL			
Listed equity investments	35	-	35
Land	-	84	84

(Unit: Million Baht)

	Separate Financial Statements		
	As at 31 December 2020		
	Level 1	Level 2	Total
<b>Assets measured at fair value</b>			
Financial assets measured at FVTPL			
Listed equity investments	35	-	35
Land	-	75	75



(Unit: Million Baht)

	Consolidated Financial Statements		
	As at 31 December 2019		
	Level 1	Level 2	Total
<b>Assets measured at fair value</b>			
Held for trade investments - Equity investments	24	-	24
Land	-	84	84
<b>Liability measured at fair value</b>			
Debenture	-	400	400

(Unit: Million Baht)

	Separate Financial Statements		
	As at 31 December 2019		
	Level 1	Level 2	Total
<b>Assets measured at fair value</b>			
Held for trade investments - Equity investments	24	-	24
Land	-	75	75
<b>Liability measured at fair value</b>			
Debenture	-	400	400

## 41. Financial instruments

### 41.1 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. As at 31 December 2020 and 2019, the Group had no outstanding forward contract.

From the analysis of foreign currency sensitivity, the Group's exposure of foreign currency changes is not material.

#### Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, bank overdrafts, short-term borrowings and debentures. 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 2020 and 2019, 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		Non-interest		Total	
	Within 1 year		1 - 5 years		interest rate		bearing			
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Financial Assets</b>										
Cash and cash equivalents	-	-	-	-	578	305	47	84	625	389
Temporary investments in trading securities	-	-	-	-	-	-	-	24	-	24
Trade and other receivables	-	-	-	-	-	-	1,363	2,706	1,363	2,706
Finance lease receivables	79	73	42	121	-	-	-	-	121	194
Other current financial assets	-	-	-	-	-	-	111	-	111	-
Other non-current financial assets	-	-	-	-	-	-	91	-	91	-
	79	73	42	121	578	305	1,612	2,814	2,311	3,313
<b>Financial liabilities</b>										
Loans from banks	-	-	-	-	1,369	2,385	-	-	1,369	2,385
Trust receipts	-	-	-	-	94	655	-	-	94	655
Trade and other payables	-	-	-	-	-	-	674	767	674	767
Liabilities under finance lease agreements	-	4	-	16	-	-	-	-	-	20
Liabilities under lease agreements	70	-	150	-	-	-	-	-	220	-
Debentures	-	400	-	-	-	-	-	-	-	400
	70	404	150	16	1,463	3,040	674	767	2,357	4,227

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			
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Financial Assets</b>										
Cash and cash equivalents	-	-	-	-	148	87	4	-	152	87
Temporary investments in trading securities	-	-	-	-	-	-	-	24	-	24
Trade and other receivables	-	-	-	-	-	-	324	550	324	550
Short-term loans to related parties	-	-	-	-	1,577	1,040	-	-	1,577	1,040
Other current financial assets	-	-	-	-	-	-	35	-	35	-
Other non-current financial assets	-	-	-	-	-	-	7	-	7	-
	-	-	-	-	1,725	1,127	370	574	2,095	1,701
<b>Financial liabilities</b>										
Loans from banks	-	-	-	-	445	561	-	-	445	561
Trust receipts	-	-	-	-	51	-	-	-	51	-
Trade and other payables	-	-	-	-	-	-	178	115	178	115
Short-term loans from related parties	-	-	-	-	1,892	557	-	-	1,892	557
Liabilities under finance lease agreements	-	2	-	8	-	-	-	-	-	10
Liabilities under lease agreements	46	-	54	-	-	-	-	-	100	-
Debentures	-	400	-	-	-	-	-	-	-	400
	46	402	54	8	2,388	1,118	178	115	2,666	1,643

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 and issues debentures 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 financial liabilities as at 31 December 2020 based on contractual undiscounted cash flows.

(Unit: Thousand Baht)

	Consolidated financial statements				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Bank overdraft and short-term loans from banks	-	1,468,513	-	-	1,468,513
Trade and other payables	-	673,569	-	-	673,569
Lease liabilities	-	78,268	140,409	28,226	246,903
<b>Total</b>	-	2,220,350	140,409	28,226	2,388,985

(Unit: Thousand Baht)

	Separate financial statements				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Bank overdraft and short-term loans from financial institutions	-	497,525	-	-	497,525
Trade and other payables	-	178,333	-	-	178,333
Short-term loan from related parties	1,891,500	-	-	-	1,891,500
Lease liabilities	-	50,113	51,853	7,061	109,027
<b>Total</b>	1,891,500	725,971	51,853	7,061	2,676,385

#### 41.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature and the loans bear floating interest rates, 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 2020, the Group's debt-to-equity ratio was 1.1:1 (2019: 1.5:1) and the Company's was 1.4:1 (2019: 1.0:1).

## 43. Events after the reporting period

On 23 February 2021, a meeting of the Board of Directors of the Company passed a resolution to increase in registered share capital and propose the warrant issuance to the ordinary general meeting of shareholders which will be held on 27 April 2021, 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).

#### 44. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised Directors on 23 February 2021.

# Remuneration of the Auditors

## 1. Audit Fee

In 2020, 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, 2020 of the Company was Baht 2,800,000 of which excluded other miscellaneous payment of Baht 48,270 (i.e. auditors' traveling expenses, photo copy expenses etc.).
- Audit Fee for accounting period ended December 31, 2020 of the subsidiaries companies pay to audit firm or other persons of firms that related to the audit firm were Baht 5,700,000 of which excluded other miscellaneous payment of Baht 142,080 (i.e. auditors' traveling expenses, photo expenses etc.).

## 2. Non-Audit Fee

In 2020, the Company's 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, 2020 at Baht 40,000.
- Smart Infonet Co., Ltd., a 99.62% 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, 2020 at Baht 40,000.



# Directors, Managements, Controlling Person, The Person Taking The Highest Responsibility in Accounting and Finance, The Person Supervising Accounting and Company Secretary

## • Directors as of December 31, 2020

Name-Surname / Position / Date of appointment	Age	Education / Training (%)	Shareholding in Company <sup>(1)</sup>	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>1. General Sumpun Boonyanun</b> <ul style="list-style-type: none"> <li>• Independent Director</li> <li>• Authorized Director</li> <li>• Chairman</li> <li>• Chairman of the Nominating &amp; Compensation Committee</li> <li>• Audit Committee Member</li> </ul> <p>(To be appointed as a director on April 24, 2008)</p>	77	<ul style="list-style-type: none"> <li>- Bachelor Degree in Science, Chulachomkiao Royal Military Academy, Class 15</li> <li>- The regular main course, Command and General Staff College, Class 55</li> <li>- National Defence Course (Class 35), National Defence College of Thailand</li> <li>- <b>Training courses from Thai Institute of Directors Association (IOD):</b> <ul style="list-style-type: none"> <li>• Director Certification Program (DCP) in 2009</li> <li>• Director Accreditation Program (DAP) in 2008</li> <li>• Role of Compensation Committee (RCC) in 2008</li> <li>• Audit Certification Program (ACP) in 2008</li> <li>• Anti-Corruption for Executive Program (ACEP) in 2014</li> </ul> </li> </ul>	0.016% (100,000 Shares)	-	2017-Present 2008-Present 2017-Present 2008-Present  2008-2017 2008-2017	Chairman Independent Director Audit Committee Member Chairman of the Nominating & Compensation Committee Chairman of the Audit Committee Corporate Governance Committee Member  <b>Position in other listed companies</b>  <b>Position in non-listed companies</b> Director Consulting	Smart Telcoms Pci. Smart Telcoms Pci. Smart Telcoms Pci. Smart Telcoms Pci.  Smart Telcoms Pci. Smart Telcoms Pci.
					2016-Present 2016-Present	Director Consulting	Tipwarin Watana Co., Ltd. GML Exhibition (Thailand) Co., Ltd.

Remark: <sup>(1)</sup> Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the topic of the "4. Disclosure and Transparency") % of total number of voting rights.



Name-Surname / Position / Date of appointment	Age	Education / Training (%)	Shareholding in Company <sup>(1)</sup>	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>2. Mr. Vichai Pokasamrit</b> <ul style="list-style-type: none"> <li>• Independent Director</li> <li>• Chairman of the Audit Committee</li> <li>• Chairman of the Corporate Governance Committee</li> <li>• Nominating &amp; Compensation Committee Member</li> </ul> <p><i>(To be appointed as a director on April 21, 2011)</i></p>	71	<ul style="list-style-type: none"> <li>- Master of Arts in Political Science, Western Michigan University, U.S.A.</li> <li>- Bachelor Degree in Laws, Thammasat University</li> <li>- National Defence Program for Government, Public and Political Sectors, The National Defence College in 2004</li> <li>- Certificate of Urban Development Management, Australia</li> <li>- <b>Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2011</b></li> </ul>	0.016% (100,000 Shares)	-	2011-Present 2017-Present 2011-Present 2012-Present 2011-2017	Independent Director Chairman of the Audit Committee Nominating & Compensation Committee Member Chairman of the Corporate Governance Committee Audit Committee Member <u>Position in other listed companies</u> - <u>Position in non-listed companies</u> -	Samart Telcoms Pci. Samart Telcoms Pci. Samart Telcoms Pci. Samart Telcoms Pci. Samart Telcoms Pci. Samart Telcoms Pci.

Remark: <sup>(1)</sup> Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the topic of the "4. Disclosure and Transparency")  
 % of total number of voting rights.



Name-Surname / Position / Date of appointment	Age	Education / Training (%)	Shareholding in Company <sup>(1)</sup>	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<p><b>3. Miss Rapepan Luangaramrut</b></p> <ul style="list-style-type: none"> <li>• Independent Director</li> <li>• Audit Committee Member</li> <li>• Corporate Governance Committee Member</li> <li>• Nominating &amp; Compensation Committee Member</li> </ul> <p>(To be appointed as a director on April 24, 2008)</p>	64	<ul style="list-style-type: none"> <li>- Master of Business Administration, Chulalongkorn University</li> <li>- Bachelor Degree in Business Administration, Silpakorn University</li> <li>- Certificate of Competition &amp; Strategy Program, Harvard Business School, USA.</li> <li>- Certificate of Advanced Management Program (AMP), Harvard Business School, USA.</li> <li>- <b>Certificate in Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2003</b></li> <li>- Leadership Program (Class 9), Capital Market Academy</li> <li>- National Defence Course (Class 22), National Defence College of Thailand</li> <li>- Advanced Political and Electoral Development Institute (Class 3)</li> <li>- Chief Executive Course for Urban Development Management, Class 1, Urban Green Development Institute Bangkok</li> <li>- The 4<sup>th</sup> Training Course on Administrative Justice for Executive, Institute of Administrative Justice</li> <li>- Top Executive Program in Energy Literacy for a Sustainable Future, (Class 6), Thailand Energy Academy (TEA)</li> <li>- RE-CU CEO-PREMIUM IN MODERN REAL-ESTATE BUSINESS (Class 2) The Real Estate Executive Association of Chulalongkorn University</li> </ul>	-	-	<p>2008-Present Independent Director / Audit Committee Member</p> <p>2013-Present Nominating &amp; Compensation Committee Member</p> <p>2017-Present Corporate Governance Committee Member</p> <p><b>Position in other listed companies</b></p> <p>2004-Present Food Consultant</p> <p>2010-Present Director</p> <p>2013-Present Consulting</p> <p>2016-Present Consulting</p> <p><b>Position in non-listed companies</b></p> <p>2012-Present Director</p> <p>2005-Present Director</p> <p>2004-Present Executive Chairman</p> <p>2000-Present Executive Chairman</p> <p>2005-Present Director</p> <p>2013-2019 Consulting President</p>	<p>Samart Telcoms Pcl.</p> <p>Samart Telcoms Pcl.</p> <p>Samart Telcoms Pcl.</p> <p>CP All Pcl.</p> <p>TPT Petrochemicals Pcl.</p> <p>Union Auction Pcl.</p> <p>Gunkul Engineering Pcl.</p> <p>Entertainment Tree Co., Ltd.</p> <p>R Property Co., Ltd.</p> <p>Khun Reed Corporation Co., Ltd.</p> <p>110 Vipra Co., Ltd.</p> <p>Siam Solvay Foundation.</p> <p>Dream House Co., Ltd.</p>	

Remark: <sup>(1)</sup> Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the topic of the "4. Disclosure and Transparency") % of total number of voting rights.

Name-Surname / Position / Date of appointment	Age	Education / Training (%)	Shareholding in Company <sup>(1)</sup>	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
3. Miss Rapeepan Luangaramrut (cont.)		<ul style="list-style-type: none"> <li>- Advanced Master of Management Program (AMM) (Class 1), Public Administration, National Institute of Development Administration (NIDA)</li> <li>- Certificate of NACC/IACA International Anti-Corruption Academy (NACC) (Class 1), Sanya Dharmasakti National Anti-Corruption Institute</li> </ul>					
4. Mr. Sirichai Rasameechan <ul style="list-style-type: none"> <li>• Independent Director</li> <li>• Corporate Governance Committee Member</li> <li>• Nominating &amp; Compensation Committee Member</li> </ul> <i>(To be appointed as a director on July 1, 1998)</i>	70	<ul style="list-style-type: none"> <li>- Master of Accounting, Thammasat University</li> <li>- Bachelor Degree in Accounting, Thammasat University</li> <li>- <b>Training courses from Thai Institute of Directors Association (IOD):</b> <ul style="list-style-type: none"> <li>• Director Certification Program (DCP) in 2000</li> <li>• Finance for Non-Finance Director in 2000</li> </ul> </li> </ul>	0.024% (150,000 Shares)	-	<ul style="list-style-type: none"> <li>Aug. 2020-Present 2017-Present Aug. 2020-Present 1998-Aug. 2020 2000-2017 2016-2017</li> <li>1996-Present 2005-Present 2000-2017 2004-2017 2013-2017 2008-2016 2013-Dec. 2020 2013- 2019 2013-2017</li> </ul>	<ul style="list-style-type: none"> <li>Independent Director</li> <li>Corporate Governance Committee Member</li> <li>Nominating &amp; Compensation Committee Member</li> <li>Director</li> <li>Executive Director</li> <li>Risk Management Committee Member</li> <li><b>Position in other listed companies</b></li> <li>Director</li> <li>Corporate Governance Committee Member</li> <li>Executive Vice Chairman</li> <li>Risk Management Committee Member</li> <li>Vice Chairman of the Sustainable Development Committee</li> <li>Nominating &amp; Compensation Committee Member</li> <li>Director / Corporate Governance Committee Member</li> <li>Risk Management Committee Member</li> <li>Executive Director</li> </ul>	<ul style="list-style-type: none"> <li>Samart Telcoms Pci.</li> <li>Samart Telcoms Pci.</li> <li>Samart Telcoms Pci.</li> <li>Samart Telcoms Pci.</li> <li>Samart Telcoms Pci.</li> <li>Samart Telcoms Pci.</li> <li>Samart Telcoms Pci.</li> <li>Samart Corporation Pci.</li> <li>Samart Corporation Pci.</li> <li>Samart Corporation Pci.</li> <li>Samart Corporation Pci.</li> <li>Samart Corporation Pci.</li> <li>Samart Digital Pci.</li> <li>One to One Contacts Pci.</li> <li>One to One Contacts Pci.</li> <li>One to One Contacts Pci.</li> </ul>

Remark: <sup>(1)</sup> Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the topic of the "4. Disclosure and Transparency") % of total number of voting rights.

Name-Surname / Position / Date of appointment	Age	Education / Training (%)	Shareholding in Company <sup>(1)</sup>	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
4. Mr. Sirichai Rasameechan (cont.)					2019-Present	Position in non-listed companies Director	Samart Aviation Solution Pcl. (On process of being listed in set)
					Present	Speaker	Thai Institute of Directors Association (IOD)
5. Mr. Kajornvut Tayanukorn	65	- Master of Business Administration, Thammasat University - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) in 2005	0.081% (500,000 Shares)	-	2004-Present 2013-Present	Director Corporate Governance Committee Member	Samart Telcoms Pcl. Samart Telcoms Pcl.
• Director • Corporate Governance Committee Member (To be appointed as a director on April 29, 2004)					2001-Present	Position in other listed companies Executive Vice President	Bangkok Bank Pcl.
					2013-Present	Position in non-listed companies Executive Director	Processing Center Co., Ltd.

Remark: <sup>(1)</sup> Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the topic of the "4. Disclosure and Transparency")  
% of total number of voting rights.

Name-Surname / Position / Date of appointment	Age	Education / Training (%)	Shareholding in Company <sup>(1)</sup>	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<p><b>6. Mr. Charoenrath Vilailuck</b></p> <ul style="list-style-type: none"> <li>• Authorized Director</li> <li>• Executive Director</li> <li>• Risk Management Committee Member</li> </ul> <p>(To be appointed as a director on July 26, 1996)</p>	60	<ul style="list-style-type: none"> <li>- Bachelor Degree in Engineering (Electrical Engineering), The University of Newcastle, Australia</li> <li>- Certificate in Advance Master Management Program (AMM), (Class 1), Public Administration, NIDA</li> <li>- Leadership Program (Class 19), Capital Market Academy (CMA) in 2014</li> <li>- Chief Executive Course for Urban Development Management, Class 1, Urban Green Development Institute Bangkok in 2012</li> <li>- National Defence course for the joint State-Private Sectors (Class 18), National Defence College of Thailand in 2005-2006</li> <li>- Top Executive Program in Energy Literacy for a Sustainable Future (Class 10), Thailand Energy Academy (TEA) in 2017</li> <li>- Health Ambassador (Class 2), Chulabhorn Royal Academy, Chulabhorn Research Institute in Aug. 2019-Mar. 2020</li> <li>- Certificate of NACC/IACA International Anti-Corruption Academy (NACC) (Class 11), Sanya Dharmasakti National Anti-Corruption Institute in Jan. - Sep. 2020</li> <li>- <b>Training courses from Thai Institute of Directors Association (IOD):</b> <ul style="list-style-type: none"> <li>• Director Certification Program (DCP) in 2004</li> <li>• Director Accreditation Program (DAP) in 2004</li> </ul> </li> </ul>	0.462% (2,854,600 Shares)	Mr. Watchai's and Mr. Thananan's elder brother	<p>1996-Present 2016-Present</p> <p>1993-Present 1993-Present 1998-Present 2008-Present</p> <p>2003-Present 2016-Present</p> <p>2013-2019</p> <p>2018-Present</p> <p>Present</p> <p>Present</p>	<p>Director / Executive Director Risk Management Committee Member</p> <p><b>Position in other listed companies</b> Director Executive Chairman Chief Executive Officer Chairman of the Risk Management Committee Director Risk Management Committee Member Director / Executive Director / Risk Management Committee Member</p> <p><b>Position in non-listed companies</b> Director / Executive Director Director Director</p>	<p>Samart Telcoms Pcl. Samart Telcoms Pcl.</p> <p>Samart Corporation Pcl. Samart Corporation Pcl. Samart Corporation Pcl. Samart Corporation Pcl.</p> <p>Samart Digital Pcl. Samart Digital Pcl.</p> <p>One to One Contacts Pcl.</p> <p>Samart Aviation Solutions Pcl. (On process of being listed in SET) Subsidiaries and Related Companies (as details in the Directors and Managements in Subsidiaries and Related Companies) Vilailuck International Holding Co., Ltd. and its subsidiaries.</p>

Remark: <sup>(1)</sup> Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the topic of the "4. Disclosure and Transparency") % of total number of voting rights.

Name-Surname / Position / Date of appointment	Age	Education / Training (%)	Shareholding in Company <sup>(1)</sup>	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<p>7. <b>Mr. Watchai Vilailuck</b></p> <ul style="list-style-type: none"> <li>• Authorized Director</li> <li>• Executive Chairman &amp; Chief Executive Officer</li> <li>• Chairman of the Risk Management Committee</li> </ul> <p>(To be appointed as a director on July 26, 1996)</p>	58	<ul style="list-style-type: none"> <li>- Bachelor Degree in Accounting Faculty of Commerce and Accounting, Thammasat University</li> <li>- Certificate of Management Program, United Kingdom in 1985</li> <li>- Certificate of Strategic Planning &amp; Implementation, University of Michigan Business School, Singapore in 2000</li> <li>- <b>Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) in 2004</b></li> <li>- Diploma in National Defence for The Joint State-Private Sector Course (Class 21), National Defence College of Thailand in 2008-2009</li> <li>- Leadership program (Class 11), Capital Market Academy (CMA) in 2010-2011</li> <li>- The Programme for Senior Executives on Justice Administration Batch 15, National Justice Academy, Office of Judiciary in 2011-2012</li> <li>- ASEAN Executive Management Programme (Class 2), The Secretariat of the Prime Minister, Office of the Civil Service Commission (OCSC), Office of the National Economic and Social Development Board, Ministry of Foreign Affairs and Sasin Graduate Institute of Business Administration, Chulalongkorn University in 2013</li> <li>- The 5<sup>th</sup> Training Course on Administrative Justice for Executives, Institute of Administrative Justice, The Office of the Administrative Courts of Thailand in 2013-Aug. 2014</li> <li>- Top Executive Program in Energy Literacy for a Sustainable Future (Class 6), Thailand Energy Academy (TEA) in 2015</li> <li>- Top Executive Program in Industrial development and Investment (Class 2), Institute of Business and Industrial Development (IBID) in 2015</li> <li>- Academy of Business Creativity (ABC) (Class 6), Sripatum University in 2017</li> </ul>	0.267% (1,650,010 Shares)	<p>Mr. Charoenrath's younger brother and Mr. Thananan's elder brother</p>	<p>1996-Present 2000-Present 2016-Present</p> <p>1993-Present 2000-Present 2004-Present</p> <p>2013-Present</p> <p>2014-Dec. 2020</p> <p>2016-Present Present</p> <p>2003-Present 2016-Present</p> <p>2013-Jan. 2021</p> <p>2016-Jan. 2021 2013-2016</p> <p>2018-Present</p> <p>Present</p> <p>Present</p>	<p>Director Executive Chairman &amp; Chief Executive Officer Chairman of the Risk Management Committee</p> <p><b>Position in other listed companies</b> Director / Executive Director President Risk Management Committee Member Chairman of the Sustainable Development Committee Acting Chief Operating Officer of Call Center LOB Head of Digital LOB Acting Chief Operating Officer of Technology Related Services LOB Director Chief Executive Officer / Executive Chairman / Chairman of the Risk Management Committee Director Chairman of the Risk Management Committee Executive Director Executive Chairman</p> <p><b>Position in non-listed companies</b> Director / Executive Director Director Director</p>	<p>Samart Telcoms Pcl. Samart Telcoms Pcl. Samart Telcoms Pcl.</p> <p>Samart Corporation Pcl. Samart Corporation Pcl. Samart Corporation Pcl.</p> <p>Samart Corporation Pcl. Samart Corporation Pcl. Samart Corporation Pcl.</p> <p>Samart Corporation Pcl. Samart Corporation Pcl. Samart Corporation Pcl.</p> <p>Samart Digital Pcl. Samart Digital Pcl.</p> <p>One to One Contacts Pcl. One to One Contacts Pcl. One to One Contacts Pcl.</p> <p>Samart Aviation Solutions Pcl. (On process of being listed in SET) Subsidiaries and Related Companies (as details in the Directors and Managements in Subsidiaries and Related Companies) Vilailuck International Holding Co., Ltd. and its subsidiaries.</p>

Remark: <sup>(1)</sup> Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the topic of the "4. Disclosure and Transparency") % of total number of voting rights.

Name-Surname / Position / Date of appointment	Age	Education / Training (%)	Shareholding in Company <sup>(1)</sup>	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
7. Mr. Watchai Vilailuck (cont.)		<ul style="list-style-type: none"> <li>- CMA-GMS International Program Class 2017, Third Batch Jul.-Aug. 2017, Capital Market Academy</li> <li>- Investment Training Course, Ultra Wealth Group (Class 4) in Jan.-May. 2018</li> <li>- Top Executive Program in Commerce and Trade (TepCot) (Class 11), Commerce Academy, University of the Thai Chamber of Commerce (UTCC) in Mar.-Sep. 2018</li> <li>- Advanced Master of Management Program (AMM) (Class 2), National Institute of Development Administration (NIDA) in Aug.-Dec. 2018</li> <li>- Top Executive Program for Creative &amp; Amazing Thai Services (Class 1), The University of the Thai Chamber of Commerce in 2019</li> <li>- The Story (The Ultimate Leadership Tool) (Class 4), Sripatum University in Jan.-Aug. 2020</li> <li>- Digital Edge Fusion (DEF) (Class 5), Sripatum University in Aug.-Nov. 2020</li> <li>- WING in the Mind of the Disruptors (Class 4) in Nov. 2020-Feb. 2021</li> </ul>					

Remark: <sup>(1)</sup> Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the topic of the "4. Disclosure and Transparency") % of total number of voting rights.





Name-Surname / Position / Date of appointment	Age	Education / Training (%)	Shareholding in Company <sup>(1)</sup>	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<p><b>8. Mr. Thananan Vialiluck</b></p> <ul style="list-style-type: none"> <li>• Director</li> <li>• Executive Director</li> <li>• Risk Management Committee Member</li> </ul> <p><i>(To be appointed as a director on April 29, 2016)</i></p>	53	<ul style="list-style-type: none"> <li>- Master of Engineering, University of Florida, USA.</li> <li>- Bachelor Degree in Engineering, Kasetsart University</li> <li>- <b>Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) in 2004</b></li> <li>- The Joint State - Private Sector Course in Public Order Administration Police College Police Education Bureau (Class 4) in 2017</li> <li>- The National Defence Course (Class 62), National Defence College of Thailand in 2019-2020</li> <li>- Executive Development Program, Royal Thai Police in 2020</li> <li>- The 11<sup>th</sup> Training Course on Administrative Justice for Executives Office of Justice Affairs in 2020</li> </ul>	0.008% (50,000 Shares)	Mr. Charoenrath's and Mr. Watchai's younger brother	2016-Present 2016-Present  2007-Present 2009-Present  2013-Present  2015-Present  2016-Present 2003-2016 2013-Dec. 2020  2011-Present  Present  Present	Director / Executive Director Risk Management Committee Member  <b>Position in other listed companies</b> Executive Director Risk Management Committee Member Sustainable Development Committee Member Executive Vice Chairman - Corporate Strategy Director Director Director / Risk Management Committee Member Director  <b>Position in non-listed companies</b> Director  Director	Samart Telcoms Pcl. Samart Telcoms Pcl.  Samart Corporation Pcl. Samart Corporation Pcl.  Samart Corporation Pcl.  Samart Corporation Pcl.  Samart Corporation Pcl. Samart Corporation Pcl. Samart Digital Pcl. One To One Contacts Pcl.  Siam Sport Syndicate Pcl.  Related Companies (as details in the Directors and Managements in Subsidiaries and Related Companies). Vialiluck International Holding Co., Ltd. and its subsidiaries.

Remark: <sup>(1)</sup> Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the topic of the "4. Disclosure and Transparency") % of total number of voting rights.

Name-Surname / Position / Date of appointment	Age	Education / Training (%)	Shareholding in Company <sup>(1)</sup>	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>9. Mr. Jong Dioksoambat</b> <ul style="list-style-type: none"> <li>• Authorized Director</li> <li>• Executive Director</li> <li>• President</li> <li>• Chairman of the Sustainable Development Committee</li> <li>• Corporate Governance Committee Member</li> <li>• Risk Management Committee Member</li> </ul> <p>(Date of appointed as a director on January 11, 2012)</p>	61	<ul style="list-style-type: none"> <li>- Master of System Science, University of Louisville, USA.</li> <li>- Bachelor Degree in Electrical Engineering, Chulalongkorn University</li> <li>- Certificate of Strategic Planning &amp; Implementation, University of Michigan Business School Singapore in 2000</li> <li>- <b>Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) in 2004</b></li> <li>- Certificate of Executive Development Program, Faculty of Commerce and Accountancy, Thammasat University in 2005</li> <li>- Certificate of Crisis Management Master Class, VMAC Business Group-Premier Provider of Business Intelligence in 2009</li> <li>- Capital Market Leader Program, The Securities and Exchange Commission (SEC) and Sasin Graduate Institute of Business Administration of Chulalongkorn University in 2014</li> <li>- National Defence Course (Class 57), National Defence College of Thailand in 2015</li> <li>- Top Executive Program in Energy Literacy for a Sustainable Future, (Class 14), Thailand Energy Academy (TEA) in 2019</li> </ul>	0.065% (400,000 shares)	-	2012-Present Director / Executive Director / President / Corporate Governance Committee Member 2013-Present Chairman of the Sustainable Development Committee 2016-Present Risk Management Committee Member Nov. 2020-Present Acting Executive Vice President Network Solutions Business Group 2012-2016 Chairman of the Risk Management Committee 2012-Present Executive Director 2012-Present President of ICT Solutions and Service LOB 2013-Present Sustainable Development Committee Member 2009-2016 Risk Management Committee Member 2005-2016 Corporate Governance Committee Member Present Director	Samart Telcoms Pci.  Samart Telcoms Pci.  Samart Telcoms Pci.  Samart Telcoms Pci.  Samart Telcoms Pci.  Samart Telcoms Pci.  Samart Corporation Pci. Samart Corporation Pci.  Samart Corporation Pci.  Samart Corporation Pci.  Samart Digital Pci.  Subsidiaries and Related Companies (as details in Directors and Managements in Subsidiaries and Related Companies)	

Remark: <sup>(1)</sup> Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the topic of the "4. Disclosure and Transparency") % of total number of voting rights.



● **Managements as of December 31, 2020**

Name-Surname / Position / Date of appointment	Age	Education / Training (%)	Shareholding in Company <sup>(1)</sup>	Relationship	Working Experience last 5 years	
					During	Position / Company / Department
<b>1. Mr. Watchai Vilailuck</b>  <i>(To be appointed as a management on March 16, 2000)</i>						
- See details in "Directors" -						
<b>2. Mr. Jong Diloksoybat</b>  <i>(To be appointed as a management on January 11, 2012)</i>						
- See details in "Directors" -						
<b>3. Miss Chotika Kamloonsaruch</b> <ul style="list-style-type: none"> <li>● Executive Vice President - Enhanced Technology Solutions Business Group</li> <li>● Sustainable Development Committee Member</li> </ul> <i>(To be appointed as a management on March 15, 2016)</i>	53	- Master of Engineering, King Mongkut's University of Technology North Bangkok	0.023% (140,000 shares)	-	2016-Present 2019-Present 2013-Present 2010-2016 2018-Present Present	Samart Telcoms Pci. Samart Telcoms Pci. Samart Telcoms Pci. Samart Telcoms Pci. Samart Corporation Pci. Subsidiaries and Related Companies (as details in the Directors and Managements in Subsidiaries and Related Companies)

Remark: <sup>(1)</sup> Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the topic of the "4. Disclosure and Transparency") % of total number of voting rights.

Name-Surname / Position / Date of appointment	Age	Education / Training (%)	Shareholding in Company <sup>(1)</sup>	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>4. Mr. Suchart Duangthavee</b> <ul style="list-style-type: none"> <li>• Executive Vice President - Business Application Business Group</li> <li>• Sustainable Development Committee Member</li> </ul> <i>(To be appointed as a management on March 15, 2016)</i>	61	- Bachelor Degree of Engineering, King Mongkut's University of Technology North Bangkok	0.075% (466,000 shares)	-	2017-Present	Executive Vice President - Business Application Business Group	Samart Telcoms Pci.
					2016-2017	Senior Vice President - Business Application Business Group	Samart Telcoms Pci.
					2019-Present	Member in Executive Board	Samart Telcoms Pci.
					2016-Present	Sustainable Development Committee Member	Samart Telcoms Pci.
					2010-2016	Risk Management Committee Member	Samart Telcoms Pci.
					<u>Position in other listed companies</u>		
					<u>Position in non-listed companies</u>		
					Director		Subsidiaries (as details in Directors and Managements in Subsidiaries and Related Companies)
					Present		

Remark: <sup>(1)</sup> Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the topic of the "4. Disclosure and Transparency") % of total number of voting rights.



Name-Surname / Position / Date of appointment	Age	Education / Training (%)	Shareholding in Company <sup>(1)</sup>	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<p><b>5. Mr. Dhiokpat Nisamaneevong</b></p> <ul style="list-style-type: none"> <li>• Chief Financial Officer (CFO)</li> <li>• Sustainable Development Committee Member</li> </ul> <p><i>(To be appointed as a management on February 1, 2014)</i></p>	51	<ul style="list-style-type: none"> <li>- Master of Business Administration, Major Finance, Long Island University, School of Business, Booklyn campus, New York</li> <li>- Bachelor of Business Administration, concentration of Finance, Kasetsart University</li> <li>- Digital Economy for Management Course (Class 5), Institute of Research and Development for Public Enterprises (IRDP) in 2017</li> <li>- Leadership Program (Class 30), Capital Market Academy (CMA) in 2020</li> </ul>	0.002% (15,000 shares)	-	2018-Present 2019-Present 2018-Present  2014-2018  2014-2016	Chief Financial Officer (CFO) Member in Executive Board Sustainable Development Committee Member Vice President - Finance & Investor Relations Risk Management Committee Member  <b>Position in other listed companies</b>  <b>Position in non-listed companies</b> Director	Samart Telcoms Pci. Samart Telcoms Pci. Samart Telcoms Pci.  Samart Telcoms Pci.  Samart Telcoms Pci.
<p><b>6. Miss Sirichan Phiraprawit</b></p> <ul style="list-style-type: none"> <li>• Assistant Vice President - Accounting</li> </ul> <p><i>(To be appointed as a management on April 30, 2020)</i></p>	51	<ul style="list-style-type: none"> <li>- Master of Business Administration (Finance), National Institute of Development Administration</li> <li>- Bachelor of Business Administration (Accounting), Second class honors Ramkhamhaeng University</li> </ul>	-	-	Jan. 2020-Present  2005-Dec. 2019	Assistant Vice President - Accounting Senior Manager - Accounting  <b>Position in other listed companies</b>  <b>Position in non-listed companies</b>  -	Samart Telcoms Pci.  Samart Telcoms Pci.

Remark: <sup>(1)</sup> Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the topic of the "4. Disclosure and Transparency") % of total number of voting rights.

● The Person Taking The Highest Responsibility in Accounting and Finance and The Person Supervising Accounting as of December 31, 2020

Name-Surname / Position / Date of appointment	Age	Education / Training (%)	Shareholding in Company <sup>(1)</sup>	Relationship	Working Experience last 5 years			
					During	Position	Company / Department	
<b>1. Mr. Dhilokpat Nisamaneevong</b> <ul style="list-style-type: none"> <li>• Chief Financial Officer (CFO)</li> <li>• Sustainable Development Committee Member</li> </ul> <p><i>(To be appointed as a management on February 1, 2014)</i></p>								
- See details in "Managements" -								
<b>2. Miss Sirichan Phiraprawit</b> <ul style="list-style-type: none"> <li>• Assistant Vice President - Accounting</li> </ul> <p><i>(To be appointed as a management on April 30, 2020)</i></p>								
- See details in "Managements" -								

Remark: <sup>(1)</sup> Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the topic of the "4. Disclosure and Transparency") % of total number of voting rights.



● Company Secretary as of December 31, 2020

Name-Surname / Position / Date of appointment	Age	Education / Training (%)	Shareholding in Company <sup>(1)</sup>	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>Mr. Somchai Bunsupaporn</b> <ul style="list-style-type: none"> <li>Vice President - Internal Audit and Company Secretary</li> </ul> <p>(To be appointed as a Company Secretary on October 28, 2003)</p>	63	<ul style="list-style-type: none"> <li>Master of Business Administration, Kasetsart University</li> <li>Bachelor of Accounting, Chulalongkorn University</li> <li>Internal Audit operations Course 1 Class 27, The Institute of certified Accountants and Auditors of Thailand (Federation of Accounting Professions)</li> <li>Laws and regulations for company secretary course 3, Research Center for Law and Development Faculty of Law Chulalongkorn University</li> </ul>	0.018% (109,700 shares)	-	2017-Present Vice President - Internal Audit and Company Secretary Samart Telcoms Pcl.	2003-2017 Assistant Vice President - Internal Audit and Company Secretary Samart Telcoms Pcl.	2013-2016 Sustainable Development Committee Member Samart Telcoms Pcl.
						<u>Position in other listed companies</u>	
						<u>Position in non-listed companies</u>	

Remark: <sup>(1)</sup> Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the topic of the "4. Disclosure and Transparency")  
% of total number of voting rights.



# Company Secretary's Role and Responsibilities

**The Board of Directors has appointed Mr. Somchai Bunsupaporn as the Company Secretary.**

**Roles and responsibilities of the appointed Company Secretary are as follows:**

1. Perform his/her duty with accountability, duty of care and duty of loyalty as well as has to comply by laws and any other related regulation.
2. Support the Board of Directors for their activities included providing consultation in related to the Company's Articles of Association, and any other regulations from related authorities.
3. Arrange meetings for Board of Directors, Committees and Shareholders as well as coordinate to ensure all resolutions have been implemented complying with Company's Objectives, Articles of Association and the resolutions of the Board of Directors' and the shareholders' meetings as well as laws and related regulations.
4. Prepare and keep the Company's documents such as register of directors, notice calling directors' and shareholders' meetings as well as the minutes of such meetings and the annual report, etc.
5. Keep a report on interest filed by a director and executive as well as submit a copy of the report to the Chairman of the Board of Directors and the Audit Committee within 7 business days from the date on which the Company has received such report.

In case where the Company Secretary vacates her position or is incapable of performing her duty, the Nominating & Compensation Committee shall select a new Company Secretary to propose for consideration and approval of the Board of Directors to appoint the new Company Secretary within 90 days from the date on which the Company Secretary has vacated her position or has been incapable of performing her duty; in this regards the Board of Director shall be empowered to assign any director to perform the duty as the substitutes during such period.

**The Company has specified the qualifications of the Company Secretary as follows:**

1. Having well-rounded knowledge and understanding of the Company's businesses.
2. Understand roles and duties of the Company Secretary.
3. Having knowledge and understanding concerning legal matters, regulations of the Office of SEC and the Stock Exchange of Thailand.
4. Do not exploit the Company's business opportunity for personal benefits as well as preserve the confidential information of the Company.
5. Having good human relationship and can coordinate and contact with other agencies inside and outside the Company.
6. Possess English proficiency.
7. Having working experiences on the Company Secretary at least 3-5 years.

**During the past year, the Company Secretary has attended the training courses and seminars to strengthen knowledge as follows:**

- Social Enterprise Business Plan Presentation, SET Social Impact Gym 2020 Project of the Stock Exchange of Thailand;
- Online Training Course "Greenhouse Gas Reduction Policy: Opportunities, Challenges and Assessment Methods" of the Securities and Exchange Commission;
- Capital Market Conference: "SEC Capital Market Symposium 2020" of the Securities and Exchange Commission.





## Board of Directors & Committees' List

Directors of Sub-Committees	Board of Directors	Executive Board	Audit Committee	Risk Management Committee	Corporate Government Committee	Nominating & Compensation Committee	Sustainable Development Committee
1. General Sumpun Boonyanun	x		/			x	
2. Mr. Vichai Pokasamrit	/		x		x	/	
3. Miss Rapeepan Luangaramrut	/		/		/	/	
4. Mr. Sirichai Rasameechan	/				/	/	
5. Mr. Kajornvut Tayanukorn	/				/		
6. Mr. Charoenrath Vilailuck	/	/		/			
7. Mr. Watchai Vilailuck	/	x		x			
8. Mr. Thananan Vilailuck	/	/		/			
9. Mr. Jong Diloksombat	/	/		/	/		x
10. Miss Chotika Kamloonwesaruch		/					/
11. Mr. Suchart Duangthawee		/					/
12. Mr. Dhilokpat Nisamaneevong		/					/
13. Mrs. Nisachol Udomwongwiwat							/
14. Miss Kanokwan Chanswangpuvana							/

*Remark:* x = Chairman, / = Director, Committee Member

## Major Subsidiaries' Directors

Directors	Smart Communication Services Co., Ltd.	Smart Comtech Co., Ltd.	Portalnet Co., Ltd.
1. Mr. Charoenrath Vilailuck	x	x	x
2. Mr. Watchai Vilailuck	/	/	/
3. Mr. Jong Diloksombat	/	/	/
4. Mr. Suchart Duangthawee	/	/	/
5. Miss Chotika Kamloonwesaruch	/	/	
6. Mr. Dhilokpat Nisamaneevong	/	/	/
7. Miss Sirilak Chuenprasert			/

*Remark:* x = Chairman, / = Director



# Curriculum Vitae of Head of Internal Audit and Compliance of the Company

## Head of Internal Audit

Educational background and work experience of Mr. Somchai Bunsupaporn, Internal Audit is as follows:

- Education:**
- Master of Business Administration, Kasetsart University
  - Bachelor of Accounting, Chulalongkorn University

**Work Experience:**

2017-Present	Vice President - Internal Audit and Company Secretary	Samart Telcoms Pcl.
2003-2017	Assistant Vice President - Internal Audit and Company Secretary	Samart Telcoms Pcl.
2013-2016	Sustainable Development Committee Member	Samart Telcoms Pcl.

- Training:**
- Internal Audit operations Course 1 Class 27, The Institute of certified Accountants and Auditors of Thailand (Federation of Accounting Professions)
  - Laws and regulations for company secretary course 3, Research Center for Law and Development Faculty of Law Chulalongkorn University

**During the past year, the Head of Internal Audit has attended trainings and seminars concerning internal auditing as follows:**

-No-

## Head of Compliance

The Company has assigned the Company Secretary Division is a compliance unit to supervise and oversee the operation of the Company, directors and executives to ensure that they have been correctly complied with the regulations of the SET, the SEC, the Public Company Limited Act., and other related laws.

Further details of Company Secretary is shown in “Directors, Managements Controlling Person, The Person Taking The Highest Responsibility in Accounting and Finance, The Person Supervising Accounting and Company Secretary”.

## General and Other Information

### General Information

<b>Company</b>	:	<b>Samart Telcoms Public Company Limited</b>
Head Office	:	99/7 Moo 4 Software Park, 29 <sup>th</sup> Floor, Chaengwattana Road, Klong Gluar, Pak-kred, Nonthaburi 11120
Registration No.	:	0107538000631
Web site	:	<a href="http://www.samtel.com">http://www.samtel.com</a>
Telephone	:	0-2502-6000
Fax.	:	0-2583-8696
Registered Capital	:	738,000,000 Baht
Number of shares sold	:	618,000,000 Ordinary shares
Par Value	:	Baht 1 per share

### Other Information

<b>Registrar</b>	:	<b>Thailand Securities Depository Co., Ltd.</b>
Head Office	:	93 The Stock Exchange of Thailand Building, Ratchadaphisek Road, Dindaeng, Bangkok 10400 Telephone 0-2009-9000 Fax. 0-2009-9991
<b>Auditor</b>	:	<b>Mrs. Sarinda Hirunprasurtwutti</b>
Head Office	:	The Certified Public Accountant's License No. 4799 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
<b>Vice President-Internal Audit and Company Secretary</b>	:	<b>Mr. Somchai Bunsupaporn</b> Email <a href="mailto:Somchai.B@samtel.com">Somchai.B@samtel.com</a> Telephone 0-2502-6238 Fax. 0-2583-8696

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







**SAMART TELCOMS PUBLIC COMPANY LIMITED**

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Klong Gluar, Pak-Kred, Nonthaburi 11120 Thailand  
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