



Annual Report 2023

SAMART
Digital

SAMART
Digital



Message from the Board of Directors

In the year 2023, the Thai economy continued to recover from 2022, driven by the recovery in private consumption and the expansion of services, particularly in the export sector. Private sector investment accelerated, and despite a slowdown in government consumption and public sector investment, the tourism sector continued to expand in some countries. This was observed in both international and domestic tourism, facilitated by the relaxation of COVID-19 measures and tourism promotion policies in various provinces. However, the overall economy still faced pressure from the interest rate policies of major economies, including the United States, Canada, the European Union, and the United Kingdom. Additionally, the People's Bank of China maintained a coordinated interest rate policy with efforts to inject liquidity into the system, reaching its highest level in seven years to support the domestic economy.

In 2024, it is expected that the Thai economy will continue its recovery, with various economic indicators returning to or surpassing pre-COVID-19 levels, especially in terms of consumption and household income. Thailand is poised to benefit less from the global economic recovery than in the past due to reduced competitiveness and structural issues. This situation is expected to increase the role of technology in Thai businesses, particularly Generative AI. While Thailand is still in the early stages of adopting AI, 2024 is anticipated to be a year where businesses explore ways to leverage AI to enhance organizational efficiency.

To accomplish the common goal for the Board of Directors, the Executive Board, executives, and all employees in delivery of stable and sustainable growth, the Company therefore determines to conduct business under good governance and risk management with considerations, responsibility, and responding to all stakeholders suitably together with social responsibility and reduction of environmental impacts. In the past year, the Company has constantly conducted several social and environmental activities under the guideline of “Develop Quality People and Promote Moral Society”, abided accordingly by the company for a long time. Emphasizing “Develop Quality People” on both internal and external resources and encourages its employees to continually learn and improve their competency. For “Promote Moral Society”, the Company encourages its employee to initiate value creations to society by stimulating mindset of volunteering, helping, sharing, and passing merit to society.

On behalf of Samart Digital Public Company Limited, the Board of Directors would like to express our sincere gratitude to all shareholders, customers, business partners, executives, employees and all stakeholders for their support and trust. This is the driving force behind the Company's business. In return for every trust, the Board of Directors, executives and employees will commit with full capabilities in delivery of products and services that focus on creating technological innovation and value for customers to meet various customer needs as well as support to promote good relations with customers and business partners for sustainable mutual growth. The Board of Directors will oversee business operations in accordance with the Company's strategy and policy with regard to all stakeholders under the principles of good corporate governance together with participation in social and environmental responsibility for sustainable growth of business.



(Mr. Piyapan Champasut)
Chairman of the Board of Directors
Samart Digital Public Company Limited



(Mr. Watchai Vilailuck)
Executive Chairman
Samart Digital Public Company Limited

Board of Directors

as of December 31, 2023



Mr. Piyapan Champasut

- Chairman of the Board of Directors
- Independent Director
- Audit Committee Member



Dr. Chotivid Chayavadhanangkur

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



Mr. Kunthit Arunyananda

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



Mr. Charoenrath Vilailuck

- Director
- Risk Management Committee Member



Mr. Watchai Vilailuck

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



Mr. Supavas Prohmvitak

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



Miss Boonrut Mongkolratanakorn

- Authorized Director
- Nominating and Compensation Committee Member
- Corporate Governance Committee Member

Vision

Sustainable growth through Integrated Broadband Communication to ease everyday life

Mission

- Focusing on great customer experience on products through all touch points including software solutions and service to create beyond customer expectation
- Creating innovative content and application platform through various digital mediums in order to serve customer needs where as seeking for developing mutual sustainable growth with potential partners

Corporate Culture

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

Business Direction

Focusing on updated digital business development to harmonize consumer rapid trend with new distribution channel and new content media channel continuously

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Please find more details of the Company's information from the attachments shown on the website * www.smartdigital.com



Attachment 1 Directors, Executives, Controlling Persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision and Company Secretary

Attachment 2 Committees and Directors of Subsidiaries

Attachment 3 Head of Internal Audit and Compliance Units

Attachment 4 Assets used in Business Operation

Attachment 5 Corporate Governance Policy, Business Ethics and Charter of the Board of Directors and Committees

* In case this Annual Report (Form 56-1 One Report) references information disclosed on the Company's website, the disclosed information shall be deemed to be part of Form 56-1 One Report. The Board of Directors certifies the correctness and completeness of disclosed information and annual information disclosure in Form 56-1 One Report.

Report of the Audit Committee

Dear Shareholders

The Audit Committee of Samart Digital Public Company Limited, consisted of 3 independent directors with combined skills and expertise. All members possess adequate qualifications as prescribed in the charter of the Audit, prepared in accordance with the guidance and the regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board. The Audit Committee held 4 meetings in 2023, the Company's management, Internal Audit including Auditor jointly attended all meetings.

The Audit Committee has carried out its duties independently within the scope specified in the Charter of the Audit Committee as summarized below:

1. Financial Report

The Audit Committee has reviewed the quarterly and annual separate and consolidated financial statements, including the disclosure in the notes to the financial statements. The Audit Committee has also discussed significant matters with the auditor and Management to ensure that the preparation of the Company's financial reports including the disclosure in the notes to the financial statement are conducted in accordance with the financial reporting standards with adequate disclosure of information. As a result, the Audit Committee has concurred on the financial statements that the auditor has reviewed, audited, and issued an unqualified opinion. In addition, the Audit Committee held a private meeting with the auditor without the participation of management to discuss independently on how the auditor obtained information, independence in performing duties, and recommendations for the internal controls over financial reports.

2. Connected transactions or Transactions that may conflict with the Company's interests

The Audit Committee has reviewed connected transactions or any transactions that may conflict with the Company's interests on a quarterly basis and concluded that such transactions were reasonable with the best interests to the Company and disclosed to the Stock Exchange of Thailand according to the relevant regulations.

3. Legality

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

4. Internal Control System and Internal Audit

The Audit Committee has reviewed the effectiveness and adequacy of the internal control system from the internal audit reports. The Audit Committee has consistently considered and monitored results pertaining to the recommendations addressed in the internal audit and external audit reports to acknowledge root causes and provide suggestions to Management to prevent potential loss. The Audit Committee has assessed the Company's internal control systems using the Securities and Exchange Commission's recommended evaluation form.

5. Appointment of Auditor and Audit Fee

The Audit Committee took into consideration the nomination and appointment of auditor and the annual audit fee based on the assessment of qualification, competency, experience, performance, and independence in auditing, as well as the appropriateness of the audit fee to ensure its independence. After careful consideration, the Audit Committee therefore proposed to the Board of Directors to seek approval to appoint the external auditor from EY Company Limited as the Company's auditor at the Shareholders' Meeting.

6. Performance of the Audit Committee

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

In conclusion, the Audit Committee has carried out its duties according to the responsibilities delegated by the Board of Directors, with expertise and due professional care. In addition, the Audit Committee has demonstrated independence in performing its duties and has full access to all pertinent information from management, employees and associated parties. The Audit Committee has also provided opinions and recommendations for continuously improving governance, and internal control system for all stakeholders' interest.



(Dr. Chotivid Chayavadhanangkur)
Chairman of the Audit Committee
Samart Digital Public Company Limited

Report of the Executive Committee

Dear Shareholders

The Company strongly believes in the importance of managing the business operations according to the Company's business policies and plans, including any initiatives mandated by the resolutions of the Board of Directors and Shareholders meetings. All such implementations needed to be done have to be executed in strict adherence to the Company's Corporate Governance Policy and Business Ethics. Consequently, the Board of Directors appointed the Executive Committee to analyze and appraise numerous important issues prior to further consideration by the Board of Directors. Moreover, as a written guideline, the charter of the Executive Committee has been provided in order to clearly specify composition, qualification, term of post, roles and responsibilities of the Executive Board as well as details of meeting arrangement and report to the Board of Directors of the Company.

In 2023, the Executive Committee conducted 12 meetings. All directors had attended every meeting to consider numerous matters concerning the Company. Results from the meeting, including the comments and recommendations, have been reported to the Board of Directors for consideration. The significant matters considered during the year were summarized below:

- Establish strategy and plan of the Company and its subsidiaries including problem resolution guidelines for each line of business operations on a quarterly basis. Every year, the Company arranges at least 2 management meetings where the participants are the manager level onwards to convey its operation plans and strategies to the management and the employees for their acknowledgement and compliance.
- Review and monitor business operations of the Company and its subsidiaries and provided advices for any problems may have to achieve business target.
- Analyze and assess annual salary increment and bonus. The salary increase and bonus allocation are in line with the Company's operating performance and commensurate with the industry's average remuneration. This recommendation was submitted to the Nominating & Compensation Committee for further consideration.
- Review the duties and responsibilities of the Executive Committee in accordance with the situation.
- Analyze and appraise numerous important issues mandated by the Board of Directors such as investment, fiscal year budget as well as consideration on promotion and new hire manpower.

The Executive Committee is intent to perform its duties to the utmost honesty, caution, and thoroughness with the objectives of ensuring the Company's highest benefits, equity and fairness to all shareholders and stakeholders. To be sure, the Executive Committee seeks monitors all company's systems to ensure the strictest adherence to all rules and regulations, Company's Objectives and Articles of Association, and comply with the good corporate governance principle in order to fulfill the targets on enhancement of stability and growth on continued basis which can further lead to the sustainable growth of business.



(Mr. Watchai Vilailuck)
Executive Chairman
Samart Digital Public Company Limited

Report of the Corporate Governance Committee

Dear Shareholders

The Company realizes on the importance and utmost emphasizes on corporate governance, code of business conduct, and Company's framework of sustainable development to improve corporate governance for greater efficiency. The Board of Directors has established written Corporate Governance Policy and Business Ethics for practices of directors, executives and employees in order to create more transparency, competitiveness and strengthen the confidence to shareholders, investors and all related parties. Hence, the Corporate Governance Committee, which the Chairman is an Independence Director, is assigned to oversee and monitor the business operations in compliance with the Corporate Governance Principles.

In 2023, the Corporate Governance Committee conducted 2 meetings. All directors had attended every meeting to follow up and consider various matters to support and promote the Company's Good Corporate Governance Practices. The Corporate Governance Committee had subsequently reported to the Board of Directors, which could be summarized below:

- Review the Company's corporate governance policy and business ethics to comply with the Principle of Good Corporate Governance. The Corporate Governance Committee has considered and reviewed the appropriateness of applying good corporate governance principles by means that are suitable for the Company's business to ensure that the Corporate Governance Policy conforms to related rules, regulations and international corporate governance criteria as well as beneficial to creating value for sustainable business.
- Review all committee charters to comply with the Principle of Good Corporate Governance, other related regulations and the Company policies.
- Monitor performances of the Committees to ensure the compliance with the Company's corporate governance policy and the Principle of Good Corporate Governance by specifying that all Committees should from time to time report their performances to the Board of Directors and provide annual performances report to shareholders in the Annual Report.
- Encourage the minority shareholders to propose the agenda and submitted any enquiries for consideration in the Annual General Meeting of Shareholders to comply with the Securities and Exchange Act and the Principle of Good Corporate Governance.
- Encourage the Board of Directors to conduct self-assessment of the Board of Directors, individual director, committees including CEO assessment and Corporate Secretary Assessment annually. Results and recommendations from such assessments will be considered for further improvement.
- Review the Company's Corporate Governance Report disclosed in the Annual Report to comply with the regulations of the SEC and the SET.

The Corporate Governance Committee carries out duties and responsibilities as assigned by the Board of Directors, and continues to review, update and develop the Company's Corporate Governance as well as emphasizes and recognizes the importance of the rights of all stakeholders equitably to achieve the objective and target with accuracy and transparency. Due to the continual monitor and development of the Company's Corporate Governance Practices, the Company scored "Excellent" or "5 Stars" in the 2023 Corporate Governance Report surveyed by Thai Institute of Directors Association (IOD). In addition, the Company scored "Very Good" (4TIA) from the survey on quality in convening the 2023 AGM surveyed by Thai Investors Association.



(Dr. Chotivid Chayavadhanangkur)
Chairman of the Corporate Governance Committee
Samart Digital Public Company Limited

Report of the Nominating and Compensation Committee

Dear Shareholders

The Company realizes the importance of recruiting candidates to assume the positions of directors and top level executives as well as their appropriate remuneration packages. Consequently, the Board of Directors has appointed the Nominating and Compensation Committee, of which the Chairman is an Independence Director, to be responsible for screening and nominating candidates who are highly knowledgeable in their fields, capability, and have appropriate qualifications for director and top level executive positions, and setting policies and guidelines for remuneration package for directors, committee members and top executives.

In 2023, the Nominating and Compensation Committee conducted 3 meetings. All directors had attended every meeting to consider numerous matters concerning the Company. The member who has an interest in any agenda shall be refrained from voting and not attend the meeting to consider that agenda. Results from the meeting, including the comments and recommendations, have been reported to the Board of Directors for consideration. The significant matters considered during the year were summarized below:

- Nominate and propose candidates who had knowledge and experience in business related to the Company's operation, and had full qualifications as the regulations of the SEC and the SET in order to assume the position of the Company's directors and committees in case of retiring by rotation and vacancy.
- Screen the remuneration packages for directors and committees, any directors who have been assigned to take more responsibilities in any committee would receive additional compensation as appropriated and in line with the industry rate.
- Consider criteria of annual salary increment and bonus in consultation with the Human Resource Department and the Executive Committee at an appropriate level and consistent with the strategy and goals of the Company including the Company's operating results and market conditions at all times to propose to the board for approval.
- Conduct self-assessment of the Nominating and Compensation Committee and reported to the Board of Directors for development.
- Review the duties and responsibilities of the Nominating and Compensation Committee in accordance with the situation.
- Review criteria and procedures for nominating directors, committees and executives including succession plan to propose to the board for approval.
- Report performance to the Board of Directors and provided annual performances report to shareholders in the Annual Report.

The Nominating and Compensation Committee performs duties carefully, prudently, reasonably, transparency and independence as well as a commitment based on principles of equality, justice, transparency and accountability for comply with the principles of good corporate governance and international recognition for the highest benefits to shareholders and all stakeholders. The remuneration of the directors and management is considered at the appropriate level to create incentive to obtain work efficiency as well as retain knowledgeable and capable persons to work with the Company. The consideration is based on the authority, assigned responsibility, and operating results, as well as growth and the Company's performance, business liquidity and factors which may affect the Company or overall economic situation. The methods are in accordance with the Charter and related regulations and be comparable to other companies in the same industry.



(Mr. Kunthit Arunyananda)

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

Report of the Risk Management Committee

Dear Shareholders

The Company's Risk Management Committee, which has been appointed by the Board of Directors, comprised of the Company's Executive Chairman as the Chairman and 2 directors as the committee members. The Risk Management Committee has duties and responsibilities in formulating policies, risk management framework and supervise the operation of risk management in accordance with the Company's strategy and goals as well as provide recommendations for risk management guidelines to the Company's management. It is confident that the strategic operations of the Company move forward to the achievement of the objectives and goals and there is an efficient and effective prevention of potential losses.

The Risk Management Committee fulfilled its duties as mandated by the Risk Management Committee Charter. In 2023, the Risk Management Committee held 3 meetings. All directors had attended every meeting to consider material matters as summarized below:

- Identified and analyzed main risks of the Company, i.e. financial risk, business risk and operational risk, which may impact to the Company's business operations in order to keep the Company's targets achieve as per specified.
- Supervise to ensure that the risk management policies are thoroughly communicated and employees have complied completely and continuously.
- Followed up and reviewed risk management to ensure that risk management plans and strategies could be able to manage risks at acceptable level, in time with the changing situations and conform to the Company's work plans.
- Support and encourage for improvement and development of internal risk management system so that the Company can manage material risks at acceptable level.

In 2023, the Risk Management Committee had the opinion that the Company has an effective risk management system and material risks have been supervised to ensure continuous risk management and consistent with the changing situations.



(Mr. Watchai Vilailuck)

Chairman of the Risk Management Committee
Samart Digital Public Company Limited

Report of the Sustainable Development Committee

Dear Shareholders

The Board of Directors of Samart Digital Public Company Limited recognizes the importance of sustainable development that will lead to the business' sustainable growth and must develop in parallel with the recognition of social and environmental responsibility as well as corporate governance taking into account the benefits of all groups of stakeholders. Thus, the Board of Directors has appointed the Sustainable Development Committee to formulate policy framework and operational guideline regarding social and environmental responsibility of the Company.

In 2023, the Sustainable Development Committee conducted 2 meetings. All directors had attended every meeting to follow up and consider various matters to ensure the compliance with the sustainable development policy and charter of the committee by taking into account society, the environment and corporate governance (ESG). The significant matters considered during the year were summarized below:

- Review the Company's sustainable development policy.
- Build up corporate culture that could encourage all employees to had conscious mind and devoted their efforts and personal time for benefits of communities as a whole, and promoted and educated the employees at all levels on social and environmental awareness to serve as guidelines on social and environmental conservation and development throughout the organization.
- Follow up the Corporate Social Responsibility activities during the year.
- Conduct self-assessment of the Sustainable Development Committee and reported to the Board of Directors for development.
- Review the duties and responsibilities of the Sustainable Development Committee in accordance with the situation.
- Report performance to the Board of Directors and provided annual performances report to shareholders in the Annual Report.

The Sustainable Development Committee carries out the duties and responsibilities as assigned by the Board of Directors with utmost effort and focuses on developing the Corporate Social Responsibility activities coupled with managing the Company's business with the recognition of the Principles of Good Corporate Governance. The implementation of the sustainable development will not meet the target unless the valuable support from all stakeholders; shareholders, directors, management and employees including community and society associated with the operation of the Company ultimately leading to the sustainable growth of business.



(Mr. Supavas Prohmvitak)

Chairman of the Sustainable Development Committee
Samart Digital Public Company Limited

Industry and Competition

The overall global economy in 2023 is expected to expand by 3.1 percent, slightly decreasing from 3.2 percent in 2022, due to the impact of geopolitical conflicts which continue to affect the volatile prices of commodities in the energy and food sectors leading many countries to implement tight monetary policies to deal with inflation and cause volatility in financial sector. As for the Thai economy, it expanded by 1.9 percent, slowing down from 2.5 percent in 2022, as a result of slowed demand from major trading partner economies. The situation of the Thai Baht has been volatile, and public investment has continued to contract by 4.6 percent compared to a contraction of 3.9 percent in 2022, while public consumption contracted by 4.6 percent compared to a slight growth of 0.1 percent in 2022. On the other hand, private sector consumption expanded by 7.1 percent, up from 6.2 percent in 2022, and private investment grew by 3.2 percent, slowing down from 4.7 percent in 2022. The current account registered a surplus of 1.3 percent of Gross Domestic Product (GDP) compared to a deficit of 3.2 percent in 2022. The average general inflation rate significantly dropping to 1.2 percent compared to 6.1 percent in 2022.

Global economy in 2024 is projected to expand by 3.1 percent (including a growth of 3.2 percent in 2025). Meanwhile, the Thai economy is expected to grow by 2.7 percent (within the forecast range of 2.2 percent to 3.2 percent), supported by the continuous recovery of the tourism sector. Global market demand will continue to expand, albeit at a decelerated rate, leading to a 2.9 percent expansion in the value of exports. Private sector consumption and investment are expected to grow by 3.0 percent and 3.5 percent respectively, along with a 1.5 percent expansion in public sector consumption. However, public investment is expected to continue contracting at 1.8 percent, with investment expenditure decreasing due to delays of the fiscal year 2024 budget. The average general inflation rate is expected to rise, ranging between 0.9 percent and 1.9 percent.

In 2023, a survey by Gartner on worldwide IT spending, which includes the value of Communication Services, indicated an expansion of 3.3 percent from 2022, with a total value of \$4.68 trillion. Gartner considered this growth modest, resulting from various companies delaying technological changes or postponing long-term service engagements with providers due to potential uncertainties arising from economic volatility.

Gartner has forecasted that global spending in 2024 will reach \$4.99 trillion, an accelerated expansion of 6.8 percent. This is divided into different sectors, listed in order of market value: IT Services at \$1.50 trillion with a growth of 8.7 percent, Communications Services at \$1.47 trillion expanding by 2.3 percent, Software, which will see the highest growth, valued at \$1.03 trillion or increasing by 12.7 percent, IT Devices at \$730 billion growing by 4.6 percent, and Data Center Systems at \$260 billion, increasing by 7.5 percent.

Gartner's analysis indicated that the growth in Software and IT Services sectors stems from organizations seeking to enhance efficiency and viewing such technologies as essential for generating revenue. This investment is crucial during economic uncertainties. Moreover, while Generative AI (GenAI) has been a significant trend in 2023, it will not yet significantly impact IT spending, similar to IoT and Blockchain technologies. However, organizations will invest in planning how to utilize GenAI. Although the overall trend in ICT spending is positive, there are limitations related to profitability, labor, and continued wave of change fatigue.

Krungsri Research indicates that over the next three years, technologies playing a significant role in driving business and various industries to compete for value creation include Artificial Intelligence (AI), particularly GenAI, which can help organizations analyze and creatively generate applicable outcomes across diverse industries, Internet of Things (IoT) connecting data from various sensors for analysis and management, Robotics enhancing efficiency in the manufacturing and service sectors, Blockchain increasingly used in finance, banking, entertainment, and online gaming, Drones deploying in survey and commercial transports, Carbon Capture and Storage technology capturing carbon emissions from being released into the atmosphere and separating carbon for underground storage.

Furthermore, Gartner also identified trends in technology and applications for 2024, such as AI that will assist software engineers in rapidly developing applications, the creation of Intelligent Applications that enable applications to learn and adapt autonomously, Machine Customers or Custobots, which are non-human customers capable of negotiating, analyzing, and automatically purchasing goods and services, Sustainable Technology, which uses digital solutions in organizations to achieve goals related to governance, society, and environment, and Industry cloud platforms, which are cloud platforms with functions tailored specifically for each industry.

For 2024, Gartner estimated that the total value of IT spending in Thailand will exceed 1 trillion baht, growing by 5.8 percent from 2023. Software is expected to gain the highest growth, with an anticipated expansion of 15.9 percent in 2024.

Given the diverse technology trends, applications in various industries, and estimates of IT spending, the ICT and digital industries in Thailand are expected to experience considerable growth in 2024. This growth is also supported by government policies, such as the policy to drive the digital economy and society with the goal of promoting value added of the digital technology industry to 30 percent of GDP by 2027. The government is also pushing the country to become ASEAN Digital Hub according to the 13th National Economic and Social Development Plan. The acceleration of digital government development with secure infrastructure, digital management, and the drive for various digital services through super apps, cloud services promotion, AI infrastructure development, the Bio-Circular-Green Economy (BCG) policy that uses digital technology as a supporting platform, and Smart Cities policy are part of these initiatives. Additionally, the private sector is applying technologies to enhance operational efficiency, service quality, and competitiveness with continuing Digital Transformation efforts. In addition to, organizations are exploring AI applications in various forms, Big Data Analytics, Internet of Things (IoT) technologies, Robotic Process Automation (RPA), and Immersive Technologies to adapt for their businesses. Organizations are also increasingly prioritizing cyber security and technologies to protect personal data, essential for all organizations, leading to increased service usage. Furthermore, the application of technology for sustainable development, especially technologies aimed at minimizing environmental impact, will increasingly become an integral part of organizational operations.

For 2024, key factors to watch affecting the growth of the ICT and digital industries include global economic and financial uncertainties, as well as Thailand's economic expansion conditions. If the overall economy grows slowly, organizations might delay investments or reduce ICT spending, negatively impacting the industry and leading to increased market competition. Moreover, the execution of various government ICT policies is something to watch, as well as the trade war between the United States and China, which could intensify competition among service providers and product owners, allowing foreign providers to compete in Thailand's ICT market, both directly and through business partnerships. Additionally, ICT providers will adapt to compete in innovation, value creation, and quality, along with flexible business models to cope with high competition among existing market providers and new entrants from various industries transitioning into technology companies, including banking, retail, transport and logistics, and media. Cooperation among businesses will be fostered to create strengths and collectively offer innovations and the application of new technologies to swiftly meet customer needs, making the industry's competition highly challenging. It is crucial for ICT and digital service providers to quickly adapt to this heightened competition by developing suitable marketing strategies, innovating, adding value to products and services, improving internal processes for higher efficiency, adopting flexible business models, and being responsible to customers, society, and the environment. All these efforts aim to compete in delivering great experiences and customer satisfactions, which will help providers maintain and expand their customer base in the long term.

Section 1

Business Operation and Operating Results

1. Structure and Business Operation

1.1 Policy and Overview of Business

The Company is engaged in the distribution of communications and electronics equipment as well as provides integrated businesses in digital network and solution. In addition, the Company also provides interactive media and varieties of most updated information, news and edutainment contents in the form of voice and non-voice services. The Company has conducted 2 lines of business, Digital Network and Digital Content.

1.1.1 Vision, Mission, Corporate Culture and Business Direction

Vision

Sustainable growth through Integrated Broadband Communication to ease everyday life

Mission

- Focusing on great customer experience on products through all touch points including software solutions and service to create beyond customer expectation
- Creating innovative content and application platform through various digital mediums in order to serve customer needs where as seeking for developing mutual sustainable growth with potential partners

Corporate Culture

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

Business Direction

Focusing on updated digital business development to harmonize consumer rapid trend with new distribution channel and new content media channel continuously

1.1.2 Highlight of Change and Development

Samart Digital Public Company Limited (“SDC”), formerly known as Samart I-Mobile Public Company Limited, was established by Samart Corporation Public Company Limited (“SAMART”) in 1995 with a registered capital of Baht 50 million in the name of Samart Easy Pay Company Limited. The primary objective was to operate telecommunication business. The business operation of the Company has continually growth.

In 2003, the Company has changed the name to be Samart I-Mobile Company Limited and restructured its business and shareholding structures to facilitate the development to be fully integrated Mobile Multimedia services. On September 18, 2003, the Company’s par value was split from Baht 10 per share to Baht 1 per share. Additionally, the Company increased its registered capital of Baht 110 million by issuing 110 million new ordinary shares at a par value of Baht 1 totaling Baht 110 million for initial public offering. The new registered capital of the Company was Baht 430 million. The Company was approved to be a public company on September 30, 2003 and the Company’s ordinary shares were listed in the Stock Exchange of Thailand on December 9, 2003. On May 6, 2008, the Company approved the alteration of par value from par value of Baht 1.00 per share to Baht 0.10 per share in order to achieve greater liquidity in the Company’s stock trading as its price was higher than the other stocks in the same

type of business. The Company also approved the increase of its registered capital of Baht 14 million from Baht 430 million to Baht 444 million for the issuance of warrants offering to the Company's directors and the employees of the Company and its subsidiaries.

Since 2016, the Company has reorganized management structure in order to be competitive under the transition to the digital era, reduced the size of handset business and finally closed down in 2018, and then shift to complete digital services. The digital services include Digital Trunked Radio System ("DTRS") of which the target clients are state-owned enterprises and government agencies, and Co-Tower rentals for Mobile Operators in the Nationwide National Parks. These 2 projects are in collaboration with CAT Telecom Public Company Limited (Currently known as National Telecommunication Public Company Limited or NT). For content business, the Company has changed towards digital platform. The Company changed its name to Samart Digital Public Company Limited ("SDC") in 2017.

To support business changes and new business operations, the shareholders' meeting approved the increase in its registered share capital to be offered to the existing shareholders of the Company in proportion to their respective shareholdings (Rights Offering) and to accommodate the exercise of the warrants. The Company received money from the capital increase totaling Baht 2,077 million, therefore, the Company's issued and paid-up capital increased from Baht 440 million to Baht 1,132 million with shares premium of Baht 1,385 million. The 1,731,043,303 units of warrants (SDC-W1) were issued in this regard. The exercise ratio is 1 warrant: 1 share, with an exercise price of Baht 0.50 per 1 ordinary share. The warrants have a life of 5 years and are exercisable on the last business day of the June and December of each year throughout the life of the warrants. The first and last exercise date was set on December 28, 2018 and June 1, 2023 respectively. Subsequently, the Board of Directors approved to change the exercise period to 15th of March, June, September and December of each year throughout the life of the warrants.

Since the end of 2019, the COVID-19 pandemic has slowed down to the World's economic and adversely impacting most businesses and industries including the business activities of the Company and subsidiaries in terms of delay in commence of new projects and decrease or suspended of the provision of services. 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, including compliance with debt covenants. 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.

In the year 2019-2023, the Company has still focused on operating businesses with recurring income and closed down the business that do not generate income. The Company reorganized the workforce structure to be suitable for business operations and negotiated with various financial institutions for debt restructuring. In 2021-2023, the Shareholders' meeting approved the Company to issue convertible debentures by private placement to specific investors who are not related persons of the Company. The purpose of this issuance is for working capital and operations of the Company, investment in project and repayment of loan from banks.

Change and development during the past 3 years

2023

- On April 27, 2023, the Annual General Meeting of shareholders of the Company passed the following resolutions:
 1. Approving the issuance and offering of new convertible debentures of the Company, totaling not exceeding Baht 160 million, to specific investors, namely Advance Opportunities Fund and Advance Opportunities Fund 1, who are not considered connected persons. The purpose of this issuance is to secure working capital for the Company, invest in projects and repay loans from financial institutions. The convertible debentures are unsubordinated and unsecured, and will mature in 3 years with an interest rate of 0.50% per annum.

2. Approving the increase in the Company's registered capital of Baht 309,434,611.40, from Baht 1,715,097,937.80 to Baht 2,024,532,549.20, by issuing 3,094,346,114 newly issued ordinary shares with a par value of Baht 0.10 each. The purpose of the issuance is to (1) accommodate the conversion rights of the convertible debentures and (2) allocate the newly issued ordinary shares by private placement. The Company has already registered the increase in share capital with the Ministry of Commerce on 19 May 2023.
 3. Approving the allocation of not exceeding 1,207,549,703 newly issued ordinary shares with a par value of Baht 0.10 each to accommodate the conversion rights of the convertible debentures and approve the Company determining the conversion price of convertible debentures to be issued in private placement, which may be lower than the par value but not less than Baht 0.01 per share.
 4. Approving the issuance and allocation of not exceeding 1,886,796,411 newly issued ordinary shares with a par value of Baht 0.10 each by way of private placement, to be offered to specific investors, including Echelon Capital Holdings Limited, who is not considered a connected person, and/or other investors as determined by the subsidiary for additional private placement. In addition, the resolution approved the subsidiary determining the offering price of the newly issued ordinary shares for private placement, which may be lower than the par value but not less than Baht 0.01 per share. The conversation price is not less than 90 percent of weighted average price of the subsidiary's share trading for not less than 7 consecutive business days but not more than 15 consecutive business days prior to the date the offering price is determined.
- On November 28, 2023, an extraordinary general meeting of the Company's shareholders passed the following resolutions:
 1. Approving the decrease of the Company's registered capital of Baht 361,783,921.40, from the existing registered capital of Baht 2,024,532,549.20 to the new registered capital of Baht 1,662,748,627.80 by canceling 3,617,839,214 unissued shares with a par value of Baht 0.10 per share, which remained from the share allocation to accommodate (1) the exercise of warrants to purchase ordinary shares of the Company (SDC-W1) allocated to existing shareholders who subscribed and had been allocated the newly issued ordinary shares issued and offered to existing shareholders in proportion to their shareholding (Right Offering) per the resolution of the Annual General Meeting of Shareholders for the year 2018 held on April 27, 2018, and (2) the issuance and allocation of the newly issued ordinary shares through a private placement, i.e., Echelon Capital Holdings Limited, who is not considered a connected person, and/or other investors who are considered private placement, per the resolution of the Annual General Meeting of Shareholders for the year 2023. The Company registered the decrease in share capital with the Ministry of Commerce on November 29, 2023.
 2. Approving the issuance and offering of newly issued convertible debentures for use as working capital of the Company for project investments and loan settlement with banks. The total offered value will not exceed Baht 650,000,000, and the offering will be made to specific investors that are Advance Opportunities Fund and Advance Opportunities Fund 1. These funds are identified as not being connected persons of the Company.
 3. Approving the increase of the Company's registered capital of Baht 3,403,209,625.60, from the existing registered capital of Baht 1,662,748,627.80 to the new registered capital of Baht 5,065,958,253.40 by issuing 34,032,096,256 ordinary shares with a par value of Baht 0.10 to accommodate (1) the conversion rights of the convertible debentures issued to specific investors, and (2) allocation the newly issued ordinary shares to the existing shareholders in proportion to their shareholding (Right Offering). The Company registered the increase in share capital with the Ministry of Commerce on November 30, 2023.
 4. Approving the allocation of newly issued ordinary shares not exceeding 2,855,926,276 shares with a par value of Baht 0.10 per share to accommodate the conversion rights of the convertible debentures issued and offered to Advance Opportunities Fund and Advance Opportunities Fund 1, which are not connected persons of the Company. Additionally, the Company is approved to designate the conversion price of the convertible debentures, which may be lower than the par value of the Company but not less than Baht 0.01 per share.

5. Approving the allocation of the newly issued ordinary shares not exceeding 31,176,169,980 shares, with a par value of Baht 0.10 per share, to offer to existing shareholders in proportion to their shareholding (Right Offering), whether once or several times. The allocation ratio is set at 1 existing ordinary share to 2 newly issued ordinary shares, with fractions resulting from the calculation of such allocation being disregarded, at the offering price of Baht 0.05 per share.
 6. Approving the designation of the conversion price of the convertible debentures issued and offered in accordance with the resolution of the Extraordinary General Meeting of Shareholders held on March 18, 2022. The designated conversion price may be lower than the par value of the Company but not less than Baht 0.01 per share.
- On December 7, 2023, the Board of Directors' meeting of I-Sport Company Limited, a subsidiary company, approved the disposal of the entire investment in the ordinary shares of Siam Sport Television Company Limited to unrelated person. The subsidiary sold its entire investment in the ordinary shares of Siam Sport Television Company Limited to the aforementioned person, totaling 23.5 million shares, for total amount of Baht 0.2 million. The subsidiary registered the share transfer and received the payment in full on December 25, 2023.

2022

- In 2022, the Company offered and issued the remaining Convertible Debentures totaling Baht 300 million, fully issued of Baht 1,000 million according to the resolution of the Extraordinary General Meeting of Shareholders No. 1/2021, held on June 8, 2021. The Debenture holders exercised their remaining conversion rights totaling Baht 330 million received 707,062,736 ordinary shares with the remaining 1,821,220,444 shares reserved for the exercise of the conversion rights. Therefore, the Company has decreased its registered capital of the remaining shares in the Extraordinary General Meeting of Shareholders No. 1/2022 held on March 18, 2022.
- The Extraordinary General Meeting of Shareholders No. 1/2022, held on March 18, 2022, passed a resolution to issue convertible debentures of not exceeding Baht 1,000 million by private placement to Advance Opportunities Fund ("AO Fund") and Advance Opportunities Fund 1 ("AO Fund 1") who are not related persons of the Company. The purpose of this issuance is for working capital and operations of the Company, investment in project and repayment of loan from banks. The Convertible Debentures are unsubordinated without warranty and has a maturity of 3 years with interest rate of 0.50% per annum. In addition, the meeting also passed a resolution to increase the Company's registered capital of Baht 221,302,959.70 by issuing 2,213,029,597 ordinary shares with par value of Baht 0.10 in order to reserve for the exercise of the conversion rights of the Convertible Debentures.

As of December 31, 2022, the Company offered and issued the Convertible Debentures totaling Baht 200 million. The Debenture holders exercised their conversion rights and the Company has registered the capital increase totaling Baht 159 million received 767,958,676 ordinary shares. The remaining ordinary shares reserved for the exercise of the conversion rights are 1,445,070,921 shares.

2021

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

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

- The National Telecommunication Public Company Limited signed a contract with Provincial Electricity Authority (“PEA”) to lease DTRS service for use in nine districts cover the Northern, Northeastern and Southern regions for a period of 48 months. NT also signed a contract to provide radio communication system for commanding of the Ministry of the Interior for a period of 36 months. The revenue sharing from airtime of the Company as a partner in the Business Alliance Agreement in order to enhance the capabilities in the provision of Digital Trunked Radio System Service (DTRS) with NT is approximately Baht 1,200 million including VAT. The Company will receive revenue sharing from airtime on a monthly basis throughout the contracts, the services will begin in 2022. The revenue will depend on the procurement and installation of equipment of the National Telecommunication Public Company and partners in the agreement. In addition, the Company expects to have revenue from sale of radio communication equipment from both projects approximately Baht 2,500 million including VAT, which will gradually recognize some of the revenue from the end of 2021.

1.1.3 Spending of the money obtained from the Convertible Debentures and Right Offering

The Extraordinary General Meeting of Shareholders No.1/2022 on March 18, 2022, approved Samart Digital Public Company Limited to issue and offer Convertible Debentures at the total amount of not exceeding Baht 1,000 million by way of private placement to Advance Opportunities Fund (“AO Fund”) and Advance Opportunities Fund 1 (“AO Fund 1”) who are not related persons of the Company. The Convertible Debentures can issue from time to time until the total amount reached the line. The Company issued the first lot of Convertible Debentures on June 10, 2022. The period of the issuance of Convertible Debentures is within 1 year after shareholder’s meeting approved the issuance. The Debenture holders can exercise their conversion rights before June 6, 2025. After 1 year from the shareholders’ meeting approved the issuance of Convertible Debentures, the Company issued Convertible Debentures amounting to Baht 290 million and the remaining Baht 710 million expired. Subsequently, the Annual General Meeting of Shareholders for 2023 on April 27, 2023 and the Extraordinary General Meeting of Shareholders No.1/2023 on November 28, 2023, approved the Company to issue and offer Convertible Debentures at the total amount of not exceeding Baht 160 and 650 million by way of private placement to existing specific investors with the same conditions.

In addition, the Extraordinary General Meeting of Shareholders No.1/2023 approved the issuance and allocation of the newly issued ordinary shares to the existing shareholders in proportion to their shareholding (Right Offering), whether once or several times, in the amount not exceeding 31,176,169,980 shares at par value of 0.10 Baht per share with the allocation ratio of 1 existing ordinary share to 2 newly issued ordinary shares at the offering price of 0.05 Baht per share. At the end of the subscription period, the shareholders subscribed 14,093,819,574 newly issued ordinary shares totaling capital increase of Baht 704,690,978.70.

The Company would like to report on the utilization of capital increase received from Convertible Debentures and Right Offering as follows:

Unit: Million Baht

Details	January-December 2023		
	Convertible Debentures	Right Offering	Total
Total capital increase received from Convertible Debentures	150.00	0.00	150.00
Total capital increase received from Right Offering	0.00	704.69	704.69
Total capital increase received	150.00	704.69	854.69
Utilization of capital increase:			
1. To invest in projects	(34.72)	0.00	(34.72)
2. To support working capital	(17.42)	0.00	(17.42)
3. To pay loan from financial institutions	(97.86)	(267.39)	(365.25)
4. To pay loan from SAMART	0.00	(437.30)	(437.30)
Total utilization of capital increase	(150.00)	(704.69)	(854.69)
Remaining capital increase	0.00	0.00	0.00

1.2 Nature of Business

The revenue structure of the Company and subsidiaries as of December 31, 2021 - 2023 is as follows:

(Unit: Million Baht)

Revenue	Operated by	% of shareholding	2021		2022		2023	
			Revenue	%	Revenue	%	Revenue	%
Digital Network	SDC	100.00	265	67.26	513	81.17	1,796	94.58
	SMS	97.40						
	ZA, IMP, TBS	99.99						
Digital Content	SDM, LHH	99.99	129	32.74	119	18.83	103	5.42
	I-SPORT, SSTV	49.99						
	ENT	61.87						
Total Revenue from Sales and Services			394	100.00	632	100.00	1,899	100.00

SDC = Samart Digital Plc. ⁽¹⁾

SDM = Samart Digital Media Co., Ltd. ⁽²⁾

SMS = Samart Mobile Services Co., Ltd.

IMP = I-Mobile Plus Co., Ltd.

I-SPORT = I-Sport Co., Ltd.

ZA = ZECUREASIA Co., Ltd.

LHH = LUCKY HENG HENG Co., Ltd. ⁽⁴⁾

ENT = Entertainment Tree Co., Ltd.

TBS = Thai Base Station Co., Ltd.

SSTV = Siam Sport Television Co., Ltd. ⁽³⁾

Remarks: ⁽¹⁾ Formerly known as Samart I-Mobile Public Company Limited, changed the Company's name to Samart Digital Public Company Limited on October 6, 2017.

⁽²⁾ Formerly known as Samart Multimedia Co., Ltd., changed its name to Samart Digital Media Co., Ltd. on February 20, 2018.

⁽³⁾ I-SPORT holds 99.99% shares in SSTV, therefore, the Company holds 49.99 % indirect shareholding in SSTV. In December 2023, I-SPORT sold its entire investment in SSTV.

⁽⁴⁾ Formerly known as SIM2ASSET Co., Ltd. changed its name to LUCKY HENG HENG Co., Ltd on January 13, 2022.

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

1. Digital Network

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

2. Digital Content

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

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

- **Digital Trunked Radio System**

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

Subsequently, on August 24, 2017, SISC Consortium entered into a business alliance agreement with CAT Telecom Public Co., Ltd. in order to increase its capability to provide Digital Trunked Radio System (DTRS) services. The agreement will terminate on July 31, 2025.

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

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

In 2023, NT delivered radio communications equipment under contract to the Ministry of Interior to support communication in the emergency situations for a period of 36 months. The Company has gradually recognized income from equipment sales and revenue sharing from airtime as a partner in the Business Alliance Agreement in order to enhance the capabilities in the provision of Digital Trunked Radio System Service on a monthly basis throughout the period of use, start in 2023.

- **Co Tower**

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

1.2 Marketing and Competition

Marketing of products and services

1) Marketing policy in the past year

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

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

2) Target customers

Digital Trunked Radio System

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

Co Tower

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

3) Distribution channels

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

4) Competition

Digital Trunked Radio System

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

Co Tower

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

5) Industry Trends and Future Competitive Conditions

Digital Trunked Radio System

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

After the network expansion to cover most of the country, this will allow the expansion of the use of DTRS services to be more comprehensive and widespread. The target customers will be government organizations, state enterprises, private businesses, industrial groups and service business groups such as

logistics business, Industrial estates, hospitals, rescue centers and security companies, etc. The Company is confident that these organizations still have need to use a large number of DTRS services.

Co Tower

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

1.3 Procurement of products and services

Digital Trunked Radio System

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

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

Co Tower

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

2. Digital Content

2.1 Products and services

The Company offers digital services in the following areas:

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

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

2.2 Marketing and Competition

Marketing of products and services

1) Marketing policy in the past year

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

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

2) Target customers

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

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

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

3) Distribution Channels

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

- BUG1900 is available through a telephone answering system and a multimedia service.
- LHH provides services through Mobile Application, Web- Based Application and LINE OA. LINE OA is a platform with a large number of users that makes it easier for users to access the Company's services.

4) Competition

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

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

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

5) Industry Trends and Future Competitive Conditions

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

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

2.3 Procurement of products and services

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

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

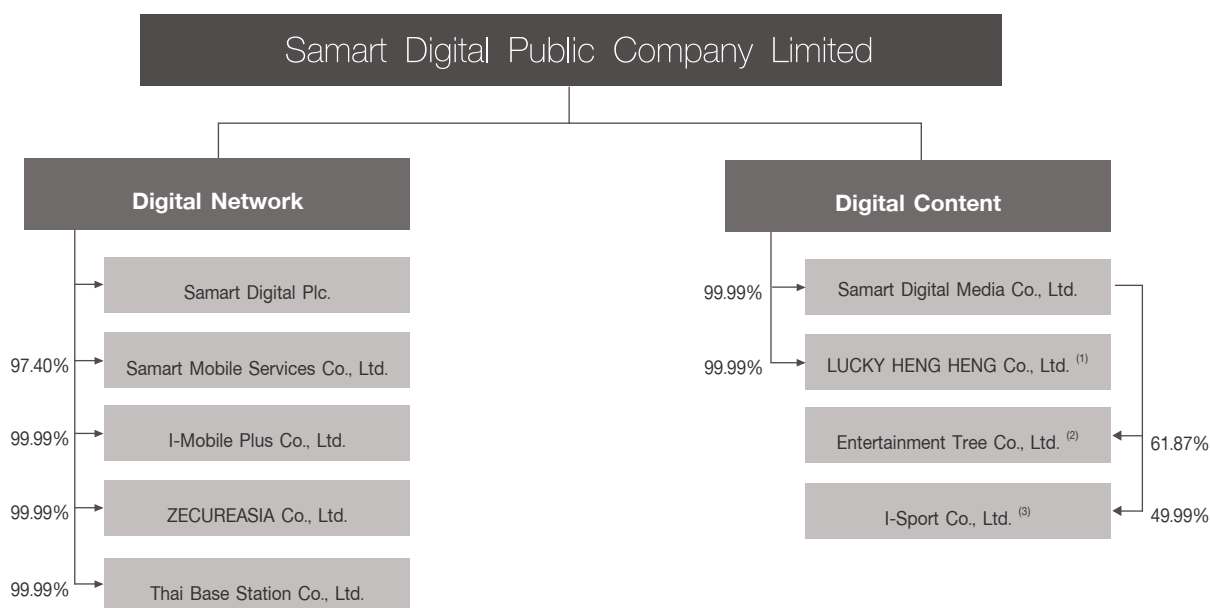
Assets used in Business Operation

Most of the assets used in business operation of the Company and its subsidiary companies are project equipment and assets under installation of the DTRS. Please see detail in the Attachment 4 disclosed at the Company's website (www.samartdigital.com).

1.3 Shareholding Structure of the Company and Subsidiaries

1.3.1 Shareholding Structure

As of December 31, 2023



Remarks: (1) The remaining portion of 38.13% held by 2 ordinary persons who have business expertise in such company.

(2) The remaining portion of 37.50% and 12.51% held by Siam Sport Syndicate Plc. and 11 ordinary persons respectively.

Information of Subsidiaries

As of December 31, 2023

Name of Company	Type of Business	Shareholder	Registered Capital	Total Ordinary Share	Company's shareholding	
					Number of shares	%
1. Samart Digital Media Co., Ltd. 99/10 Moo 4, Software Park, 26 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000	Provide content services via fully integrated wire and wireless technologies both voice services via Audiotext and Call Center, and non-voice services including content producer and developer.	SDC	200 Million Baht	2,000,000	1,999,997	99.99
2. Samart Mobile Services Co., Ltd. 37/1 Moo 2, Phaholyothin Rd., Klong 1, Klongluang, Pathumthanee 12120 Tel. 0-2502-6000	Temporarily ceased its business.	SDC	490 Million Baht	49,000,000	47,724,999	97.40
3. I-Mobile Plus Co., Ltd. 99/10 Moo 4, Software Park, 26 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000	Temporarily ceased its business.	SDC	100 Million Baht	10,000,000	9,999,997	99.99

Name of Company	Type of Business	Shareholder	Registered Capital	Total Ordinary Share	Company's shareholding	
					Number of shares	%
4. ZECUREASIA Co., Ltd. 99/10 Moo 4, Software Park, 26 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000	Temporarily ceased its business.	SDC	1.25 Million Baht	125,000	124,997	99.99
5. LUCKY HENG HENG Co., Ltd. ⁽¹⁾ 99/10 Moo 4, Software Park, 26 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000	Provide all types of forecasting and astrology businesses.	SDC	5 Million Baht, Paid-up capital of 2.5 Million Baht	500,000	499,997	99.99
6. Thai Base Station Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000	Provide space rental and services as well as distributes telecommunication equipment and system.	SDC	10 Million Baht	100,000	99,998	99.99
7. Entertainment Tree Co., Ltd. 99/10 Moo 4, Software Park, 26 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000	Produce, distribute and provide variety of entertainment media through television, telephone, internet, satellite and others including provide installation of equipment, network, facilities and other related services.	SDM	8 Million Baht	800,000	495,000	61.87
8. I-Sport Co., Ltd. 99/37 Moo 4, Software Park, 2 nd Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000	Provide a full range of sport businesses from sport information services via digital channel, event organizer, e-commerce of sport products, sport technology and benefit management to sport athletes, sport clubs and associations.	SDM	120 Million Baht	12,000,000	5,999,996	49.99

Remarks : SDC = Samart Digital Plc.
 SDM = Samart Digital Media Co., Ltd.

1.3.2 The Top 10 Shareholders as of December 28, 2023 are as follows:

No.	Shareholder's Name	Number of Shareholding	%
1.	Vilailuck Group ⁽¹⁾	23,310,641,800	78.24
	- Samart Corporation Public Company Limited ⁽²⁾	23,135,380,500	77.65
	- Samart Telcom Public Company Limited	85,861,200	0.29
	- Vilailuck International Holding Co., Ltd.	30,535,100	0.10
	- Mr. Watchai Vilailuck ⁽³⁾	23,343,000	0.08
	- Mrs. Sukanya Vanichjakvong	20,012,000	0.07
	- Samart U-Trans Co., Ltd.	15,160,000	0.05
	- Ms. Srintip Vilailuck	350,000	0.00
2.	Mr. Nuttapol Jurangkool	220,594,700	0.74
3.	Ms. Chomkamol Poompanmoung	217,909,900	0.73
4.	Thai NVDR Co., Ltd.	148,226,759	0.50
5.	Mr. Thaveechat Jurangkool	106,234,600	0.36
6.	Pol. Gen. Somyot Poompanmoung	85,448,200	0.29
7.	Mr. Susitak Achariyasombat	76,738,100	0.26
8.	Dr. Ratchanee Teerabut	75,000,000	0.25
9.	Mr. Kachonsak Dilokkanlayakul	60,100,000	0.20
10.	Mr. Somchai Anothaiyuenyong	50,000,000	0.17
	Total shares of top ten shareholders	24,350,894,059	81.74
	Total shares of the minority shareholders	5,442,121,613	18.26
	Grand total	29,793,015,672	100.00

Source: Thailand Securities Depository Co., Ltd. as of December 28, 2023

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

⁽²⁾ A holding company of which Vilailuck International Holding Co., Ltd. and Vilailuck family hold 14.79% and 26.92% of the total shares respectively.

⁽³⁾ Includes holding by spouse and minor children.

1.4 Registered and paid-up capital

Samart Digital Public Company Limited is a listed company in the Stock Exchange of Thailand. As of December 31, 2023, the Company has a registered capital of Baht 5,065,958,253.40 and has issued and paid-up capital of Baht 2,979,301,567.20 divided into 29,793,015,672 ordinary shares with a par value of Baht 0.10.

1.5 Issuance of other securities

Convertible Debentures

The 2023 Annual General Meeting of Shareholders, held on April 27, 2023, approved the issuance and offering of the newly issued Convertible Debentures of not exceeding Baht 160,000,000 by private placement to non-related persons, namely Advance Opportunities Fund (“AO Fund”) and Advance Opportunities Fund 1 (“AO Fund 1”). The Convertible Debentures can issue from time to time until the total amount of not exceeding Baht 160,000,000. The Company has issued 1,207,549,703 ordinary shares with par value of Baht 0.10 in order to reserve for the exercise of the Convertible Debentures.

The Extraordinary General Meeting of Shareholders No.1/2023 of Samart Digital Public Company Limited, held on November 28, 2023, approved the issuance and offering of newly issued Convertible Debenture of the Company, the total offered value of, not exceeding, Baht 650,000,000 by Private Placement to Advance Opportunities Fund and Advance Opportunities Fund 1, which are not connected persons of the Company and approved the increase of the Company’s registered capital by Baht 3,403,209,625.60 by issuing, not exceeding, 34,032,096,256 newly issued ordinary shares with the par value of 0.10 Baht per share in the amount of not exceeding 2,855,926,276 shares, to accommodate the conversion rights of the Convertible Debentures to the specific investor, and to allocate the newly issued ordinary shares to the existing shareholders in proportion to their shareholding (Right Offering) in the amount not exceeding 31,176,169,980 shares.

As of December 31, 2023, the Company offered and issued the Convertible Debentures totaling Baht 350,000,000 million. The Debenture holders exercised their conversion rights during the year 2022-2023 totaling Baht 327,000,000 million received 2,436,733,566 ordinary shares. The remaining ordinary shares reserved for the exercise of the conversion rights are 3,784,216,456 shares.

1.6 Dividend Payment Policy

The Company has a policy to pay dividend to shareholders of no less than 50% of its net profit after deduction of all reserves as stated in 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 consideration of dividend payment for profit from disposal of investment or fixed assets of the Company or subsidiaries, it is at the discretion of Management and the Board of Directors to consider 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 dividend payment of subsidiaries should base on policy of the Company.

Detail of dividend payment

Financial Ratio		2021	2022	2023
Earnings (Loss) per Share	(Baht)	(0.03)	(0.09)	(0.05)
Dividend per Share	(Baht)	-	-	-
Dividend Payout Ratio	(%)	-	-	-

2. Risk Management

2.1 Risk Management Policy and Plan

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

The Company has set risk management policy to keep up with the changing economic and political situation including the impact of the global financial crisis. The risk management policy includes measures to prevent and manage risks. The Risk Management Committee has supervised and monitored risks pursuant to the plans by cooperating and coordinating with various business units as follows:

1. Preparation of risk management plan by each department to follow the Company's master business plan and business risks that may occur in order that risk management plan can harmonize with Company's objectives, business plan, goals, strategies and the acceptable risks of the business operations;
2. Risk management will be carried according to the plan mentioned above. Each responsible department has prioritized the risks by evaluating the overall risk profile and its potential impact to the organization. The appropriate risk mitigation criteria shall be determined in conjunction with each department where as internal audit department undertaking role as risk coordinator and reviewer;
3. Risk Management countermeasures shall be implemented and regularly followed up by the risk management Committee which consists of management from all relevant departments in a quarterly meeting as outlined in the risk management plan. All countermeasures shall be followed and reviewed by internal audit department to ensure that the final outcome is agreeable with the Company's objectives.

In 2023, the Company has specified that each line of business must report its risk management performance 3 times a year so that the Company could be well-informed about risk issues and to make sure that each line of operations can actually and effectively manage risks. The Company reviewed risk management plans for business continuity management, and to prepare in case of uncontrollable events such as natural disaster, accidents and incidents which may cause interruption to the Company's main operations. Apart from risk management as per mentioned above, the Company also has personnel development policy to enhance skills of employees and to make them be able to adapt their operating procedures to catch up with technology which always changes all the time. Moreover, the Company also regulated that risk management shall be a part of employee performance evaluation with aims to stimulate all departments on attainment of the Company's common objectives.

2.2 Risk Factors on Business Operation

The Company and subsidiaries are engaged in the distribution of communications and electronics equipment as well as provides integrated businesses in digital network and solution. In addition, the Company also provides interactive media and varieties of most updated information, news and edutainment contents in the form of voice and non-voice services. The Company has conducted 2 lines of business, Digital Network and Digital Content. Risk factors that may have an impact on the Company's operation are as follows:

1. Business Risks

1.1 Risks from Digital Network

For the services of Digital Trunked Radio System, the Company is still exposed to the risk of counterparty's default in terms of delay in performance or the inability to complete the project operation, which will result in the Company's delay in operation. The Company may need to seek new project with the capability and readiness for operation. Furthermore, the Company's revenue depends on CAT's capacity to collect payments from the users, which the Company will be affected in terms of payment collection from CAT,

under the terms of the said agreement. However, the Company believes that this will not significantly affect the operation of the project because the majority of the users are government agencies, state-owned enterprises and large private entities.

In addition, the expiration of the license in 2025 is another risk factor. The Company has discussed with the National Telecommunications Public Company Limited, which receives a license directly from the National Broadcasting and Telecommunication Commission or NBTC. The National Telecommunications Company Public Company Limited has submitted documents requesting license renewal to NBTC. The Company expects to receive license renewal approval within 2024, which will eliminate the risk of DTRS services because the license will be valid for another 15 years.

1.2 Risks from Digital Content

Result from technological change and more influence in role of internet in consumer's daily life, they can easily data access with free of charge. Additionally, mobile operators set up mobile content service unit to serve their customers and the related government sectors increase more criteria to subscribe mobile content services. All the mentioned factors, the Company has transformed its services into new applications such as VDO streaming, real-time services, or one-on-one services of which the customer satisfaction feedback was very good. In order to match with consumer behavior change, the Company plans to develop new applications to serve needs of premium customers and find business partners to increase the potential of business operations.

2. Financial Risk

2.1 Foreign Currency Risk

The Company and subsidiaries have imports, which are denominated in foreign currencies that expose to the risk from foreign exchange fluctuation. However, the foreign exposures have been hedged under forward contracts and the Company has closely monitored financial market and foreign exchange. As of December 31, 2023, the Company and subsidiaries have foreign currency assets and liabilities of USD 0.56 million (separated financial statement presented USD 0.56 million).

2.2 Interest Rate Risk

The fluctuation of interest rate in the market can affect cost of funds through the Company and subsidiaries' short-term and long-term loans from financial institutions that have the interest rate based on money market. As of December 31, 2023, the Company and subsidiaries had total loans from financial institutions of Baht 1,953.54 million. However, the Company and subsidiaries have closely monitored the interest rate in financial market. The Company is in the process of negotiation to revise these conditions with banks and to request a waiver of the repayment structure, which is currently in the process of consideration and approval by the bank.

2.3 Expected credit losses

The Company and its subsidiaries may be exposed to risks from expected credit losses which arises from the default of the Company's trade accounts receivable. As of December 31, 2023, the Company has total trade accounts receivable of Baht 3,626.47 million of which overdue over 12 months amounting to Baht 2,178.39 million. However, the Company believes that they will receive repayments from debtors because they have been doing business together for a long time and the customers are trustworthy considering their continuing repayments. In addition, the Company also believed that the allowance for expected credit losses, considering the current situation, was sufficient and appropriate and it would be able to collect the remaining debt after deducting the allowance for expected credit losses. Although the Company has evaluated and exercised its best estimate, there is still uncertainty about the changing situation. The Company has a risk that it may not be able to collect debt and may affect the financial liquidity and profitability of the Company.

2.4 Guarantee to subsidiary companies

The Company has contingent liabilities with respect to the guarantee of subsidiaries' credit facilities which are working capital line and joint credit line with the Company. Accordingly, the Company may expose to risk associate with the default on the guaranteed loans. However, as a regular business monitoring especially on financial position of subsidiaries, the management is confident that there will be no any event of defaults. As of December 31, 2023, subsidiaries' outstanding loans guaranteed by the Company were Baht 3 million.

2.5 Ability to pay debts

In 2023, the Company had net loss attributable to shareholders of the Company totaling Baht 753.53 million, which was a decreasing loss from the year 2022 with net loss of Baht 1,175.13 million due to negative impact from the spread of COVID-19 affecting the business of the Company. For the financial ratios showing debt serviceability, in 2023, the Company's interest coverage ratio (ICR) and debt service coverage ratio (DSCR) are (2.11) times and (0.19) times respectively, increasing from the end of 2022, which are (3.55) times and (0.25) times respectively. It indicates the Company's debt repayment ability tends to decrease. As of December 31, 2023, the Company reported a net Interest bearing debt to equity ratio of 10.46 times, increasing from the end of 2022 that was 6.62 times, which indicates the decline in the shareholders' equity due from the increase in impairment for loss, income tax expense and other expenses. As of December 31, 2023, the Company reported total liabilities of Baht 4,409.47 million, total current liabilities of Baht 4,303.41 million and total current assets of Baht 2,073.35 million or accounted for a liquidity ratio of 0.48 times, a decrease from the end of 2022 that was 0.32 times. Due to the decline of liquidity ratio to below 1.00 times, it may represent the risk of short-term debt payments if the Company is unable to manage its internal liquidity. The Company's main current liabilities at the end of 2023 consist of current portion of long-term loans from financial institutions of Baht 1,950.82 million and trade and other payables of Baht 2,269.93 million. The Company has total interest-bearing liabilities of Baht 2,055.83 million.

2.6 Maintain financial ratios

The Company was unable to maintain certain financial ratios or conditions as stipulated in the loan agreements with the financial institutions. Therefore, the loans of Baht 1,951 million may be payable on demand. The Company has classified this loan as current portion. However, the Company expects to receive waivers from the financial institutions. In addition, the Company received Letter of Intent from its parent company committing to providing continuous financial support to the Group. The negotiation outcome depends on the consideration for approval by the financial institutions. However, based on past experience, the Company has always received approval from the financial institutions for the amendment of the conditions and extension of the repayment periods of long-term loans.

3. Risk from major shareholders holding over 50% of the shares

As of December 31, 2023, Vilailuck Group including Samart Corporation Public Company Limited and its subsidiaries hold 23,310,641,800 shares or 78.24% of the Company's issued and paid-up capital. It can control most of the shareholders' resolutions on various important matters such as the appointment of directors, or other resolutions that need majority votes of the shareholders, except for those resolutions that require three-fourths of the shareholders' votes, as specified by the law or the Company's Articles of Association. As a result, other shareholders may not be able to gather enough votes to offset the major shareholders' influence. However, the Company appointed 3 independent directors to be the Audit Committee to review the connected transactions or the transactions that may lead to conflicts of interests to ensure that they are in compliance with the law and the regulations of the SET and the SEC, and are reasonable and for the highest benefit of the Company.

4. Social and Environmental Risk

In order to maintain the continuity and sustainability of the Company's operation, the Company is owing to the support from both community and society. The business operation, which results in negative impacts on

society, community, and environment, will damage the image following by the poor performance of business in long term. The Company is well aware of the importance of social and environmental responsibility, the development of quality of life, and prosperity of the communities. Thus, the Company has set the policy and practical guideline regarding strengthen good relationship with the organizations both from public and private sectors, as well as community leaders for cooperation of sustainable and concrete community development. The Company provides technological innovation competitions, scholarship, library and playground development for rural schools. We also provide computers for students in remote areas, and training for knowledge accumulation in telecommunication technology in order to create quality personnel to Thai society. In addition, the Company operates with concern about environmental conservation and valuable utilization of available resources, with policies to promote knowledge and providing trainings in environment to motivate environmental concern during operation. We also create employee conscience through annual internal media and energy saving campaigns, with ongoing operation in compliance with social and environmental policies for living and to growing with community upon beneficence and sustainability.

5. Legal dispute

Note 36.6 to the financial statements regarding a dispute of I-Mobile Plus Company Limited, a subsidiary, relating to breach of contract with respect to 3G mobile network service trial project with TOT Public Company Limited (Currently, CAT Telecom Public Company Limited has been merged with TOT Public Company Limited into National Telecom Public Company Limited). A subsidiary filed a plaint claiming compensation amounting to Baht 1,941 million from such organization with the Civil Court since October 2018. Subsequently, on March 9, 2023, the Court of First Instance ruled that such organization made a payment to the subsidiary in the amount of Baht 748 million plus interest at the rate of 7.5% per annum of such principal counting from the date of filing (filing on October 4, 2018) until April 10, 2021 and a rate of 5% per annum. On September 5, 2023, the subsidiary filed an appeal against the judgment of the Court of First Instance, requesting the Court of Appeal to consider the case and order the defendant to pay additional damages totaling Baht 812 million. Currently, the case is being considered by the Court of Appeal.

In 2020, such organization filed a suit against the Company and the subsidiary with the Central Administrative Court demanding payments of fees and interest with the amount in dispute of Baht 212 million. However, on April 30, 2021, the Company and the subsidiary filed the amended plaint with the Central Administrative Court. Subsequently, the Company and its subsidiary filed an objection against the court jurisdiction. On May 27, 2021, the Committee on Jurisdiction of Courts decided that the case is in jurisdiction of the Court of Justice, not Administrative Court. On December 14, 2023, the Civil Court issued an order that both the Company and its subsidiary collectively pay Baht 137 million, along with an interest rate of 5% per annum, starting from December 20, 2017, until the complete settlement to such organization. As of December 31, 2023, the subsidiary has fully recorded the liability. Subsequently, on February 9, 2024, the subsidiary sought an extension for the appeal period, which the court granted, extending the appeal deadline until March 14, 2024.

The legal advisor of the Group is of the opinion that TOT Public Co., Ltd. is in breach of the contract, resulting in substantial business damages to both the Company and its subsidiary. For the case filed by the subsidiary with the Civil Court, the Civil Court rules in favor of the subsidiary. The subsidiary will prevail at the conclusion of the case. Therefore, the management of the Group maintains confidence that the Group will not incur significant losses in connection with these two cases. However, as of now, the outcomes of these cases remain pending and are contingent upon future judicial procedures.

The subsidiary has exercised prudence in recognizing the aforementioned debt in accordance with accounting standards. This recognition does not alter the nature of the case and should not be construed as a waiver of legal rights. Additionally, the recording of this debt does not imply that the Company and its subsidiary will abstain from asserting their rights through the legal justice process in the future. The Company and the subsidiary maintain confidence in their legal position and are committed to pursuing the legal process until its conclusion.

3. Driving Business for Sustainability

3.1 Policy and objectives of sustainable management

Sustainable Development Policy




The Company realizes that achieving and preserving goals in accordance with its vision and missions, the Company must be committed to conduct the business to respond to all stakeholders and reduce the impact on the economy, society and environment. In order to cover and respond to the Company’s stakeholders and develop the Company towards sustainable growth, it must be developed in parallel with social responsibility, environment and good corporate governance as well as respect for human rights. Therefore, the Company has set the Sustainable Development Policy as follows:

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

The policy and practice are disclosed as a part of the Ethics on the Company’s website (www.samartdigital.com).

As Samart Group, Samart Digital Public Company Limited conducts business by considering on responsibility to society and environment as well as good corporate governance for the sustainable growth of both the Company’s business and society. The Company concretes more action by setting up working group on social and environmental responsibility for sustainability of the business. The quorum consists of directors, management and/or any qualified candidates to define policy framework and operational guideline on social and environmental responsibility so that they can use as guidelines on monitoring their progress and assessment of CSR operations to report to the Board of Directors. The Sustainable Development Committee shall convene the meeting at least twice a year.

For corporate sustainability goals, Samart Group operates within the framework of sustainable development by committing to offer technology products and services that promote corporate sustainability and enhance good quality of life. In addition, the Company also drives the business according to the Sustainable Development Policy in the environmental and social issues as well as respect for human rights and good corporate governance as follows:

 Environment	 Social	 Corporate Governance
<p>To promote environmental conservation and intelligent and sustainable use of resources.</p>	<p>To treat employees fairly and promote their potential development and career advancement as well as promote “Develop Quality People and Promote Maral Society” through ongoing projects and activities for public benefit.</p>	<p>To manage and operate the business with efficiency, transparency, fairness and responsibility to stakeholders both directly and indirectly.</p>

Important developments from policy implementation

The Company continuously reviews and improves the sustainable development policy and then proposes to the Sustainable Development Committee and the Board of Directors’ meeting for consideration, annually. In 2021, the Company has revised its human rights policy to be effective in all companies in line with international principles

and the Human Rights Declaration and other requirements by respecting for the human rights of all persons, treat everyone equally without discrimination, encourage employees to express their opinions, do not use child labor and comply with employment laws. The environmental policy has been revised to be in line with the Company's business directions and strategies for sustainable growth and add value to the organization in order to build confidence for shareholders and investors. In addition, the Sustainability Development Committee has reviewed the Sustainability Development Policy to be appropriate and consistent with the principles of sustainable business driving and proposed to the Board of Directors' meeting for approval on February 24, 2022.

Operating Performance

Environment




Goal	Operating Performance		
	2021	2022	2023
Reduce energy consumption within the organization			
• Water consumption (Cubic Meter)	654.67	620.33	513.72
• Electricity consumption (Kilowatt)	62,404.07	68,142.04	67,441.48
• Fuel consumption and travel expenses (Baht)	276,776.00	222,516.34	250,586.52

Remark : The energy consumption data of the Company and its subsidiaries was collected only in the Software Park Building, which is the location of the head office. In the past several years, the Company and its subsidiaries have restructured their business operations, closed down the non-profitable businesses, and reorganized the workforce structure to suit business operations. In addition, the COVID-19 pandemic has delayed in commence of new projects and decrease or suspended of the provision of services. Therefore, the comparative figures shown below may not reflect performance in the same situation.

Social

Goal	Operating Performance		
	2021	2022	2023
• Average human resource development time not less than 6 hours/person/year	8 hours/ person/year	6 hours/ person/year	6 hours/ person/year
• No case or complaint regarding to human rights violations and unfair treatment of workers by both inside and outside the organization	No cases or Complaints	No cases or Complaints	No cases or Complaints
• No case or complaint or incident concerning occupational safety and health at workplace	No cases or Complaints	No cases or Complaints	No cases or Complaints

Corporate Governance

Goal	Operating Performance		
	2021	2022	2023
The assessment result of good corporate governance in Excellent level (5 stars)	 Excellent (Score 93)	 Excellent (Score 93)	 Excellent (Score 98)

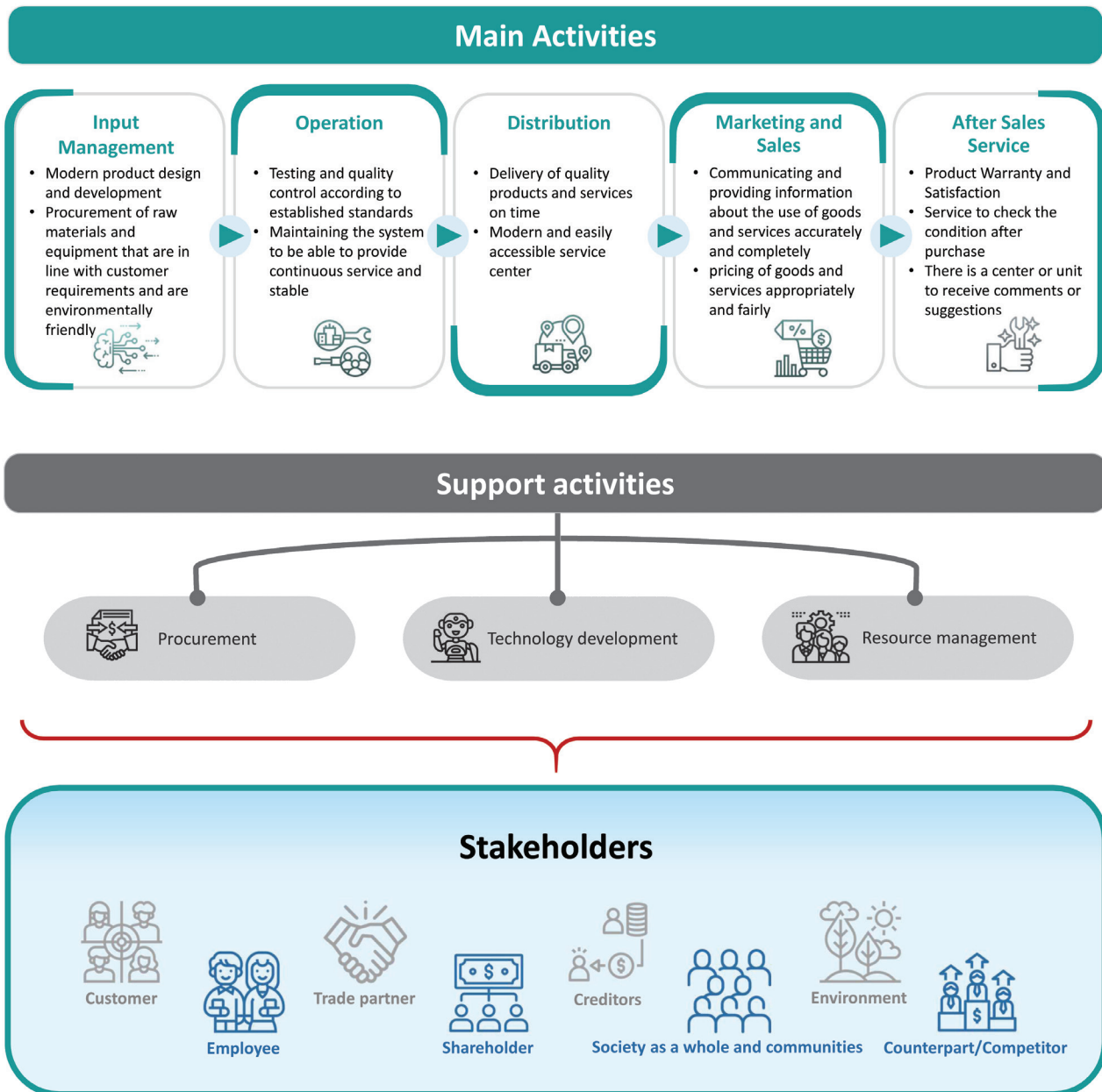
Remark : The Thai Institute of Directors Association (IOD) has revised the evaluation criteria effective from 2023 onwards.

3.2 Management of impacts on stakeholders in the business value chain

3.2.1 Business value chain






The Company is committed to creating value for products and services to meet the expectations of stakeholders by considering the relationships of key stakeholders in various activities related to business operations from upstream to downstream as a component of the Company’s sustainability strategy.




The Company divides its business operations into 2 business lines, Digital Network and Digital Content, with the activities on the value chain as follows:



3.2.2 Analysis of stakeholders in the business value chain

The Company has always realized that all stakeholders are the main factor in driving the business to be sustainable. Therefore, the stakeholder engagement was considered in material sustainable development issues to take appropriate action and effectively responding to the expectations of stakeholders as follows:

Stakeholders	Engagement Channels	Stakeholder Expectations	Response to Stakeholder Expectations
Customer 	<ul style="list-style-type: none"> • Provide customer service center • Conduct customer satisfaction survey of products and services on a regular basis • Visit customers to hear problems and suggestions • Customers can make suggestions or complaints through website, email and phone 	<ul style="list-style-type: none"> • Conducting business with fairness, honesty and transparency • Responding expectations with efficiency and effectiveness • Fast solving problems to customers • Getting good quality products and services at reasonable prices. 	<ul style="list-style-type: none"> • Provide trendy, high quality, reasonable price of product and service to meet the customers' diversity of needs • Strengthen and maintain the good relationship between customers and the Company
Employee 	<ul style="list-style-type: none"> • Communicate information regularly through online channels and others • Organize meetings to communicate with employees in each division or group. • Provide annual opinion survey • Communicate channels for receiving complaints, misconduct and corruption 	<ul style="list-style-type: none"> • Taking care of working environment, safety and property of employees • Opportunities for career advancement of employees, suitable welfare for future growth of the Company • Reasonable compensation and fair treatment • Good physical and mental health at work. 	<ul style="list-style-type: none"> • Respect for the individual privacy • Provide fairly employment • Develop the employees' skills and capability, provide both in-house and external training and educating course for more capability of employees • Be aware of occupational safety and health of employee • Provide appropriate compensation
Trade Partner 	<ul style="list-style-type: none"> • Talk via phone and email • Organize meetings between companies and partners • Partner Seminar • Complaints via email. and various channels • Annual partner meeting 	<ul style="list-style-type: none"> • Fair treatment and compensation. • Anti-Bribery and Corruption • Transparency, fairness, including clarity in the procurement process. 	<ul style="list-style-type: none"> • Provide goods and services with the highest standard based on trading condition, contract and business ethics
Shareholder 	<ul style="list-style-type: none"> • Annual Shareholders' Meeting • Provide channel to contact via investor relations • Shareholders can make suggestions or complaints via website, email and hotline • Online presentation of company information 	<ul style="list-style-type: none"> • Good performance • Dividend payment according to the Company's performance • Competitiveness of the Company and ESG management for long-term returns 	<ul style="list-style-type: none"> • Manage the organization with good corporate governance principles and comprehensive risk management • Regularly disclose information about business operations accurately and transparently • Create a concrete anti-corruption culture in the organization through the enforcement of anti-corruption policies
Creditors 	<ul style="list-style-type: none"> • Disclose company information through the website • Meet and provide information regularly. 	<ul style="list-style-type: none"> • Have ability to repay loans and interest on schedule • Payment of goods and services on time 	<ul style="list-style-type: none"> • Strictly follow to the agreements or any specific conditions

Stakeholders	Engagement Channels	Stakeholder Expectations	Response to Stakeholder Expectations
Society as a whole and communities 	<ul style="list-style-type: none"> • Disclose company information through the website • Provide channels for receiving complaints or suggestions through website, email and telephone • Annually disclose accurate and transparent information on business operations through Annual Report 	<ul style="list-style-type: none"> • Operate the business with safe in mind and non-affecting community • Support activities of community and social contribution 	<ul style="list-style-type: none"> • Support, promote and participate in activities that are beneficial to the community and society • Develop internal foundation called “Samar Foundation” to carry out social responsibility activities. • Organize activities to promote and develop potential in education and technology through various activities. • Recruiting and developing innovations to increase consumption • Support the efficient use of resources with low impact on society, environment, and the quality of life of community and society.
Environment 	<ul style="list-style-type: none"> • Disclose company information through the website • Annually disclose accurate and transparent information on business operations through Annual Report 	<ul style="list-style-type: none"> • Conduct the business operations by taking into account both direct and indirect environmental impacts 	<ul style="list-style-type: none"> • Operate the business by considering on environmental conservation and security standard • Support environment activities and conservation campaign • Provide knowledge and training to employees regarding environmental conservation
Counterpart/ Competitor 	<ul style="list-style-type: none"> • Disclose company information through the website • Complaints can be made via website, email and telephone 	<ul style="list-style-type: none"> • Free and fair trade competition • Sustainable economic, social and country development. 	<ul style="list-style-type: none"> • Compliance with the legal framework for competition practice and rules for free and fair trade competition • Not seeking confidential information of competitors by dishonest means • Not destroying the reputation of competitors

The Company prioritizes stakeholders in order to allocate resources as the defined priority for the highest efficiency and effectiveness of sustainable growth of business. Stakeholders who directly affect from the Company’s operation are customers and employees. Therefore, the Company set Vision, Mission and Corporate Culture, focusing on the Company’s customers by providing trendy, high quality, reasonable price of products and services and select the integrated innovative products and services to meet the customers’ needs as normal operation of the Company. The later significant stakeholder is the Company’s employees. The Company realizes that all employees are valuable and crucial fundamental for the Company’s sustainable success and growth. Thus, the Company provides fairly employment, tries to improve the employees’ skills and capability, and provides both in-house and external training as well as educating course for more capability of employees. This includes educating and training courses related to CSR and anti-corruption, as well as setting up the Human Management and Development Policy.

3.3 Management of environmental sustainability

3.3.1 Environmental policy and guidelines

The Company recognizes the importance to operate the business by considering environmental protection and using resources wisely and knowing their value as well as developing and introducing technology that is beneficial to the environment. The Company has supported various environmental projects and raising awareness among employees seriously and continuously to create participation in sustainable environmental stewardship. Therefore, the Company set the environmental policy for affiliated companies to adhere to and comply with as follows:

1. Policy for managing the use of resources with the most value and benefit covered the use of water supply, electricity, office equipment and vehicle fuel, etc.
2. Policy for the development of technology products and services to promote sustainable conservation of natural resources and the environment.
3. Policy for cultivating environmental sustainability awareness among employees and stakeholders of the Company's value chain through media and activities continuously.

However, the policy and practice are disclosed on the Company's website www.samartdigital.com in the part of "Investor Relations" under topic "Environment policy".

3.3.2 Environmental operating results

As Samart Group, Samart Digital Public Company Limited recognizes the importance of environmental problems, which affects the way of life and business operations both directly and indirectly with consideration for preserving the environment and using resources wisely, appreciating its value. Thus, Samart Group determined to manage and operate its business without causing negative impact on environment, community and society throughout the business value chain by adhering to sustainable development guidelines in three dimensions: economically, socially and environmentally. Policies and guidelines have been formulated for energy efficiency appreciating its value. Employees are encouraged to make optimum use of resources, aware of environmental conservation. Knowledge about environmental management is disseminated to groups of stakeholders and continued support given to environmental conservation activities. The environmental policy is published on the Company's website at www.samartdigital.com.

The Company and its subsidiaries have achieved environmental management performance according to the sustainability action plan. In the past several years, the Company and its subsidiaries have restructured their business operations, closed down the non-profitable businesses, and reorganized the workforce structure to suit business operations. In addition, since the end of 2019, the COVID-19 pandemic has slowed down to the World's economic and adversely impacting most businesses and industries including the business activities of the Company and its subsidiaries in terms of delay in commence of new projects and decrease or suspended of the provision of services. Therefore, the comparative figures shown below may not reflect performance in the same situation.

The environmental management performance in 2023 according to the sustainability roadmap of the Company and its subsidiaries located in the Software Park building are as follows:

1. Energy Conservation

Samart Group attaches great importance to energy efficiency, appreciating its value. To make optimum use of energy, policies and work plans have been set with the concrete aim to reduce all types of energy and resources consumption in the organization by 2027 by 5% compared to the base year 2019. Related efforts have been made towards the aim of using resources for maximum efficiency in accordance with the Ministry of Industry's standards and the government's BCG policy (Bio-economy, Circular economy, Green economy). The 3Rs principle (Reduce, Reuse, and Recycle) has been put into practice, thereby reducing the cost of energy and resources, while also alleviating the problems and the impact of climate change. The reduction in consumption of energy and resources is summarized below.

1.1 Water

Ongoing campaigns are run to encourage awareness in employees of the value of water so they use it sparingly. The low-flow water-saving approach has also been implemented. Equipment and sanitary ware are regularly checked and maintained. Faults are immediately repaired to avoid unnecessary water loss. Meanwhile, water-saving campaign signs are put up as reminders.

Water consumption of the Company and subsidiaries located in the Software Park building are as follows:

Year	2021	2022	2023
Water consumption (Cubic Meter)	654.67	620.33	513.72

1.2 Electricity

To manage energy used by both lighting and air conditioning systems efficiently, Samart Group has installed and maintained monitoring equipment to control the operation of related electrical systems since 2007. Campaigns are run to encourage awareness in employees of smart use of electricity. This includes turning off lights in the office during lunch break and when not in use. In addition, office air conditioners are set to turn on at 8:00 a.m. and turn off at 5:30 p.m. After implementing such measures, the electricity consumption has a significant reduction.

Electricity consumption of the Company and subsidiaries located in the Software Park building are as follows:

Year	2021	2022	2023
Electricity consumption (kWh)	62,404.07	68,142.04	67,441.48

In addition, the Company has a policy to modify or replace various devices in the office with the aim to reduce electricity consumption continuously including the following:

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

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

1.3 Fuel and travel expenses

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

Fuel consumption and travel expenses of the Company and subsidiaries located in the Software Park building are as follows:

Year	2021	2022	2023
Cost (Baht)	276,776.00	222,516.34	250,586.52

2. Reducing the use of resources

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

Paper consumption in business operations of the Company and subsidiaries located in the Software Park building are as follows:

Year	2021	2022	2023
Reams of paper	420	190	315

3. Waste reduction

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

Regarding this, the Company practices sorting waste into types as required by law, followed by waste management, including putting up a monthly internal waste management system. Waste is then collected and processed by companies with eligibility standards. The purpose is to keep the offices and nearby areas hygienic, free of pollutants so the Company gets no complaints. In 2023, related efforts were made as follows:

1. Grease from wastewater

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

2. General waste (non-hazardous)

- **Paper and office documents**

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

- **Other types of waste**

Campaigns are continually organized every year to educate and raise awareness on proper waste separation and waste management for the purpose of waste reduction, based on the concept of “Reduce, Reuse, Recycle” under “SAMART Loves the Earth” project. Executives and employees are encouraged to realize the importance and the impact of waste on the environment in order to reduce the amount of waste from the beginning at its source. They are also invited to participate waste separation activities. Reusable items are shared with the underprivileged in society. Surplus or expired items are sorted out and properly disposed of so they do not cause pollution to the environment. These efforts are reflected through various activities throughout the year including the following:

Don't throw away the valuable old desk calendars:

200 people donated 1,000 old calendars to be made into Braille books for the blind.

Love Cycle Recycle:

With a campaign promoting the use of reusable drinking glasses, 1,000 disposable plastic cups were not used, thus reducing waste.

Sharing Shoes:

100 people donated 288 pairs of shoes in good condition to the Yuvabadhana Foundation, which turned them into scholarships for needy students throughout the country through its fundraising programs.

Turning Old Clothes into Energy:

Following an exhibition and with a pick-up point, a total of 700 kilograms of old clothes was collected from 400 project participants. The clothes were then sent to a tech company that converts them into refuse-derived fuel. This helps reduce pollution from waste disposal as well as reduce over half a ton of coal in producing energy.



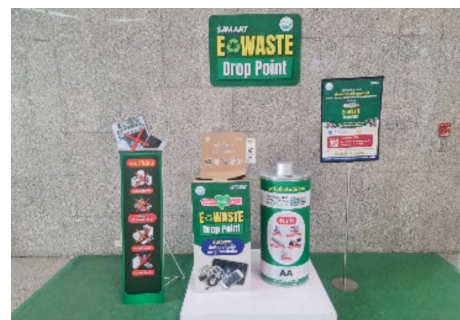
3. Hazardous waste and electronic waste

- Old and faulty light bulbs and electronic devices are discarded at collection points designated by office buildings and the municipality, thus ensuring zero contamination of other wastes.
- Used face masks and Covid-19 test kits (ATKs)

During the Covid-19 situations, knowledge was disseminated and employees were advised regarding how to properly sort and dispose of hazardous and contaminated waste such as used face masks and ATKs to avoid contaminating the air and spreading infection. Internal public relations signs and information were continually put up in elevators and office areas as well as posted online. As a result, there was zero contamination of other wastes by used masks and ATKs.



- Set up a SAMART E-Waste Drop Point to encourage employees and the general public to be aware of the importance of separating electronic waste for proper disposal in order to reduce environmental pollution problems sustainably.



4. Reduce the greenhouse gas emission

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

- **Fuel consumption and travel**

Regarding this, the Company carried out continuous vehicle maintenance as planned. Also, there's a policy to use Thailand's standard fuel to help stabilize the price of palm oil while also reducing pollution. In addition, the car pooling arrangements for work helped reduce twice as much greenhouse gas emissions where the emission rate by a car is at 100 - 200 kgCO₂e.

- **Electricity consumption and management**

With airconditioners turned on and off as scheduled during the day helped reduce greenhouse gas emissions from electricity consumption. The replacement of light bulbs with LED bulbs also helped save energy and reduce carbon dioxide production.

- **Water consumption and management**

As a result of regular inspections of water leakage points in the water supply system and sanitary ware, waste of water resources and greenhouse gas emissions were reduced. When comparing every unit (m³) of water saved, greenhouse gas emissions can be reduced by 0.7948 kgCO₂e/unit. In 2023 went down by about 81.09 units, representing a reduction in greenhouse gas emissions by about 64.45 kgCO₂e.

- **Waste management**

Management of other types of waste following the concept of "Sustainability for All" under "SAMART Loves the Earth" project, executives and employees are encouraged to separate waste so that to participate waste separation activities. Reusable items are shared with the underprivileged in society. Surplus or expired items are sorted out and properly disposed of so they do not cause pollution to the environment. These efforts are reflected through various activities throughout the year including the following:

- 2,731 sets of computers and accessories were donated to foundations and needy schools.
- 1,000 old calendars were donated to the blind for educational use.
- Waste was reduced as reusable drinking glasses were used instead of 1,000 disposable plastic cups following a campaign promoting a behavioral change.
- 288 pairs of shoes in good condition were passed on and turned into scholarships for youth in a fundraising campaign.
- 700 kilograms of unusable old clothes was contributed to a clean energy project to be made into refuse-derived fuel, reducing the pollution from using coal in electricity production by more than half a ton.

3.4 Social sustainability management

3.4.1 Social policy and guidelines

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 society, 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 concremented development of the communities.

Policy related to society and community as a whole

Responsibility to society as a whole

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 has policies to:

1. Participate in societal improvements with financial support to all activities that aim to maintain beneficial cultures, customs and rituals. Moreover, the Company will involve in religious activities regularly.
2. Support educational activities, vocational development, athletic ability as well as sanction for outreach people.
3. Support and aid society and community, and aid sufferer.

Responsibility to communities

The Company has policy to strengthen close relationship with the communities and the surrounding areas as follows:

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

Fair Labor Practices

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

1. Respect for the right to work pursuant to the fundamental human right principles. Details are provided under "Corporate Governance" under the topic "Business Ethics" in "Non violation of human rights policies and practices".
2. Set up "Compensation & Benefit Policy" with comply with principles to employee motivation, internal impartiality and compensation standards, and job value to company. The 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 the same and diversified industry. The Company ensures that compensation, benefit and welfare policy aligned to legal regulation. The Company also set up reasonable remuneration packages according to market situations, business competitions, job descriptions, work qualities including assessment of company's performance on short term and long term based on company's capability to pay for that remuneration packages. In addition, the Company provides opportunities for employees

to express opinions and file complaints related to their jobs. Those suggestions and complaints will be taken into consideration seriously for solutions to draw benefits to all parties and build up good relationship.

For welfare to the employees, the Company has group health insurance in case of in-patient for employees as well as group life insurance which covered all kinds of death, annual medical check-up and provident fund to secure their working life security. The Company also provides social security fund, loan for accident or sickness to employees, grant in case of the employee or his/her family died, fitness center and special discount for Company's products. More details were shown in the section "Corporate Governance" under the topic "Employee Policies".

3. Set up "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. Furthermore, the Company also has the practical guidelines concretely such as appointment of the safety officers, training and cultivate consciousness of safety, occupational health and working environment for employees, annual evacuation drill in case of fire, fingerprint scanning system, medical examination, provide basic medical services as well as serving modern medicine and annual health check. More details were shown in the section of "Corporate Governance" under the topic of "Business Ethics" in "Employee policies".
4. Set up "Human Resources Management and Development Policy" as below:

- 1) Human Resources Management Policy

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

- Policy for managing the epidemic situation of COVID-19
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 measures to reduce business risks and matters impacts of the COVID-19 epidemic, supporting working BCP plan (Business Continuous Plan), and technology tools and equipment applied in the process of business and human resource management and development such as 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. The Company has given employees to work from home, time lapse, social distancing in working area, elevators and common area, place alcohol gel at various points for employees. In addition, the Company has provided internal public relations for employees to wear hygienic masks at all time, ask for cooperation from employees not eat together, organize online meeting, use phone to communication and encourage employees to receive vaccinations against COVID-19.
- Manpower planning Policy
To support all lines of business in Samart group, the Company has applied a variety of HR indicators and tools in optimizing manpower planning also balancing among functional workloads to increase HRM & HRD policy more efficiencies. These would enhance organizational design and restructuring as well as enable HR manpower policy and costing most effective to company leading to success in both current and new company business meeting company's vision and mission sustainably.
- Recruitment & Selection Policy
The Company set up strategy and HR policy by focus on optimizing the management and development of human resources. It also based on "Knowledge, Ability, Coupled with the Good People" with transparent recruitment process that is suitable for the right position and focus on success career to employee for sustainable growth of the Company.
Proactive recruitment approaches have been applied in acquiring capable people at all careers, levels and positions including of sourcing and attracting all levels of candidates by launching Campus Tour and Activities Programs in leading universities, coordinating with business recruitment agency and allied business network to build Samart group's branding to all external candidates. In Selection Policy, the Company places importance on the selection process, focusing on the most appropriate knowledge, ability and attribute by which their virtues recruitment & selection combines cooperation among original affiliation, expertise in various careers and human resources department to ensure the process of recruitment & selection the most equitable and best efficiency preparing for company business regarding to account measures to prevent and reduce the risks and impacts of the COVID-19

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 the Company. The Company has applied new global standard application to support KPIs and Performance Management to monitor the performance of executives and employees at all levels and apply to continuous human development leading to the achievement of the Company's mission sustainably.
- **Human Resources Management and Development Information Technology Policy**
The Company conducts information technology developed by Human Resources Information Systems to support both HRM & HRD functions by increasing speed of work, data accuracy, and decreasing operation cost by applying digital technology to HR procedures by portal services as regarding to account measures to prevent and reduce the risks and impacts of the COVID-19 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 the Company 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 business operations and other processes known as "Open mind box".

2) Human Resources Development Policy

The Company has a consolidated HRD policy to continuously develop the knowledge and ability of employees being appropriate to their owned position at all levels for leading them to success their owned career at 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 Samart strategy and operation not only for present day but the future business as well regarding to account measures to prevent and reduce the risks and impacts of the COVID-19 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 always recognizes that people are valuable resources to drive the organization to success and sustainable growth. Therefore, the Company develops skills, knowledge and competence of personnel at all levels continually in tandem with the implementation of human resource management and development systems in various fields as follows:

- 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 Samart to become business leader in the industry existed. These courses provide innovated and practical knowledge to be applied to arrange managerial work such as Creating & Strategic Implementation Plan, Modern Supervisory Program.

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.

For all employees

The Generic Competency Program, courses have been designed to ensure that the employees could perform their work in accordance with the corporate culture at the most efficiency such as Orientation course for new employees, Effective communication, Courses for corporate culture. 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 form of classroom training and external E-Learning in order to enhance their expertise, knowledge, ability and also updating and exchanging new aspect with other organizations to apply some appropriate approach to organization relevantly regarding to account measures to prevent and reduce the risks and impacts of the COVID-19 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" and V-Learn (internal E-Learning) has been implemented, this promotes knowledge management throughout organization and responds to business' mission continuously and sustainably.

- **Talent Management Policy and Succession Planning**
The Company designed special HRM & HRD programs and tools to prepare excellent performance and high potential employee (talent) for their succession planning including of Job rotation, Job Enlargement & Enrichment, Job assignment, Talent monitoring, and fast-track program preparation. By encouraging them through employee engagement programs as well, these would motivate talent to full utilize their owned skill, knowledge, competence and potential to dedicate performing all missions to achieve 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.
The Company has provided the training continuously and systematically in order to promote opportunities for them to have knowledge, management skill, problem solving skill and making effective decision. In addition, the Company has arranged internal and external training course.
- **Environment Management Policy**
The Company places great significance on the use of energy and resources consciously for maximum benefits. Consequently, the policy has been planned to encourage employees to have knowledge and to practice in managing environmental management of the Company through training courses, public relations, campaign, and activities. Example activities include organizing training courses in classrooms and online, and disseminating campaigns for 5S activities, energy and resource conservation projects of the Company consisting of reducing the use of water resources, electricity, air conditioning, fuel, paper, waste donation project, and waste reduction project through various activities of the Company, etc.
- **Disabilities and disadvantaged employment policy**
The Company respects all human rights principles equality without discrimination. For the disabled and underprivileged groups, the Company supports by giving opportunities to the disabled and underprivileged groups employing and/or paying subsidies to the Fund for Empowerment of Persons the Disabilities in accordance with the law as well as supporting the underprivileged groups through the Company's donation and social assistance projects.
- **Fair termination policy**
In case of necessity to lay off employees, the Company places importance on both guilty and non-guilty with equality and fairness, procedures, actions and payment of compensation in accordance with the law.

Contribution to the Community and Society

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

1. Strengthen good relationship in the organizations, both from public and private sectors, as well as the community leaders in various levels so that the works for community development can be harmoniously coordinated on sustainable and concrete basis;
2. To provide the buildings, materials including funds to oversee the livelihood condition and safety of the communities, for instance the construction of bus shelter in front of the Company's office building, donation of rain coats and reflective coats to the traffic police in the areas of Pak Kred Local Police Station and Pak Klong Rangsit Local Police Station, support the learning materials and sport equipment to the schools in nearby areas, restoration of the temples and donation of money to the poor in the communities;
3. To raise funds and supply the necessities to help the disaster victims;
4. To cultivate consciousness to the Company's employees on responsibility to the society, community and environment via media and internal activities continually.

Human Rights Policy

The Company adheres and follows with human rights policy in business operations in accordance to the Universal Declaration of Human Rights (UDHR) to ensure that the Company's operations are free from human rights violation. The Company deem it appropriate to formulate policies and guidelines to prevent human rights violation in all business activities of the Company including business partner in business value chain and business associates are aware of the policies in the same principles and practices as follows:

1. Equal treatment of employees
 - The Company treats employees with equality and non-discrimination regardless of race, nationality, language, religion, sex, age and education.
 - The Company do not support or affiliated ourselves with child labor under the legal age or forced labor within the Company or our supply chain.
 - The employee must respect for each other, behave in accordance with the regulations of the Company and tradition without creating a disgrace to the image of the Company.
 - The Company gives employees the opportunities to demonstrate their full abilities by determining appropriate compensation in accordance with the Company's regulation. The Company also provides employees with the opportunities for self-improvement such as higher education, short-term and long-term training
 - Employee assessment will be assessed purely on merit and the process must be done in proper and unbiased method.
 - When performing the work, employees must avoid from comments in regard to difference of physical, mental, race, nationality, language, religion, sex, age, education or any matters that could lead to cause conflict.
 - Employees should monitor and reinforce the working environment free from discrimination and injustice.
 - The employee show respect and tolerance for each other's opinions.
2. Equal treatment and indiscrimination of company's stakeholders

The Company conducts business activities that not directly and indirectly violate human rights of the Company's stakeholders such as employees, communities, suppliers, business partners, customers and treat them equally without discrimination.
3. Human Rights Risk and Impact Assessment

The Company shall continuously develop and conduct human rights due diligence process to identify human rights risks and impacts and potentially affected stakeholders in order to plan for corrective and preventive actions as well as provide appropriate mitigation plan towards affected groups.
4. Suggestions and complaints of human rights violation.

In order to encourage knowledge, understanding of human rights code of conduct, as well as allowing employees and stakeholders to have a channel of voicing their concerns and comments. Employees and stakeholders can send mail or emails toward the Company's website (www.samartdigital.com) under "Contact Us" in case there are incidents or actions related to human rights violations.
5. Monitor and follow up

The Company shall monitor and follow up on the process of human rights violation management in accordance with the Company's guideline as well as supporting and mitigating the affected groups from the Company's actions.
6. Penalty

Those who violate the human rights policy is a violation of company business ethics and considered disciplinary in accordance with the Company's rules or regulations. In addition, there may be legal penalties if the act is against the law.

Customer Policy

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

1. Determine to provide and produce commodities and services that are trendy to satiate customers' needs.
2. Provide high-quality products and services at reasonable price.
3. Provide accurate information without any exaggeration that may cause misunderstandings on product's quality and quantity, or special conditions for each product and service.
4. Formulate procedures that permit customers to inform about drawbacks of the products or improper services, because those complaints are valuable for the Company to come up with immediate remedy and improvement for problematic products and services.
5. Provide effective after-sale services for customer's convenience.
6. Guard all customers' information as 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.

Counterpart /Competitor Policies

The Company conducts all business affairs under just rules and competitions, support free trading by holding the following principles:

1. Refuse to search for rivals’ secret information by all means, dishonestly or inappropriately.
2. Refuse to ruin counterparts/ Competitors’ reputations by accusing them of wrongful actions.
3. Refuse to violate intellectual property rights of business’ counterparts /competitor.
4. Not intervene or have a secret transaction that give negative impact to competitor and give benefit to the Company.

Partner policies

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

3.4.2 Social operating results

Social performance related to employees and employment

The Company highly regards all of the employees as invaluable resources and indispensable factor that propel the Company to meet all objectives and future successes. Henceforth, the Company treats all employees and workers regarding human right by responsible to provide just opportunity, reasonable remuneration, promotion, appointment, transfer and development of potential. In 2023, there were no cases or complaints about human rights violations, unfair of workers, and other cases of complaints both inside and outside the Company. The results of social activities related to employees and employment are as follows:

1. Employment of the Company and its subsidiaries during 2021-2023 are as follows:

Classified by gender	Number of Employees		
	2021	2022	2023
Male	52	46	40
Female	42	40	37
Total	94	86	77

Employment of disabled persons

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

2. Training

The Company pays importance on developing skills and potential of employees by constantly organizing various activities, for instance: seminars, training.

Summary of training to management and employees of the Company and its subsidiaries in 2023 are as follows:

Training	Frequency	Number of Hours	Number of Participants
<u>In-House Training</u>			
Management	12	67	18
Employees	21	200	50
Total	33	267	68
<u>External Training</u>			
Management	22	135	23
Employees	30	170	32
Total	52	305	55
Grand Total	85	573	123

Number of training hours of executives and employees

	2021	2022	2023
Average number of training hours of employees (Hours/Person/Year)	8.00	6.00	6.00
Expenses for training and development (Baht)	22,614.00	221,300.00	14,288.00

The sample in-house and external training programs for 2023 are as follows:

In-House Training Programs in 2023

1. Consideration of Asset Impairment
2. Provident Fund Selection Policy
3. Heart Disease Risk Factors
4. How to use SAP Module : Project System
5. How to use Legal Request
6. Corporate Governance and Anti-Corruption
7. Smart Talk : Business Challenges and Opportunities
8. Orientation
9. Presentation Boost Shot (V-Learn)
10. First Aid :CPR (V-Learn)
11. Personal Data Protection Act : PDPA (V-Learn)
12. Design Thinking (V-Learn)
13. Company Overview / Regulations / Welfare (V-Learn)
14. Business Ethics (V-Learn)

External Training Programs in 2023

1. Withholding Tax
2. Insights into TFRS for NPAEs : Accounting and Taxation
3. Financial Mathematics in Everyday Life
4. Be aware of Tax Laws and Reporting Standards
5. The Role of Accounting for Business
6. Accounting for Decision Making
7. Awaken your Creativity
8. Activities to cure Office Syndrome
9. Labor Laws for Modern Organization
10. Capital Market fight against Corruption
11. Criteria for Surveying the CGR Project in 2023
12. Disclosure through the SETLINK
13. Business and Human Rights for Listed Companies
14. Disclosure of Information through the SETLINK System No.1/2023
15. Settlement of Business Disputes
16. Cyber Vision 2023
17. Opportunity for Sustainable Growth

18. Creativity and Imagination
19. IOD Open House 1/2023
20. Economic and Business Update Series
21. Techniques for Organizing Board Meetings
22. Secretarial Professional Development Project
23. Roles and Duties of the Company's Directors and Executives
24. Preparation for Say No Paper with TSD X Care
25. Disclosure of Sustainability Information according to ISSB Standards
26. Board Retreat NED Meeting
27. Electronic Public Limited Company Registration System
28. Evaluation of the Quality of Organizing AGM
29. How to use Issuer Portal
30. Review Positioning of SET and MAI

In addition, the Company has communicated Business Ethics which includes conflict of interest, Anti-Corruption and inside information via E-Mail for all executives and employees to acknowledge in order to create understanding and a good standard for the organization. The objective is to raise awareness of the need for organizations to have ethics in their operations as well as roles and responsibilities of employees in creating ethics in the organization and for employees to understand how to create a sense of love for the organization by themselves.

3. Safety, Occupational Health and Working Environment

In 2023, the Company strives to carry out all-round work safety and enhance safety systems and control policy for continuous maximum efficiency to reduce the risk of accidents caused employees injury and death as well as strengthened sustainable business stability. The Company also focuses on safety, occupational health as well as working environment and sanitation for employees at all levels to ensure that all employees are in good health and ready to work by which the Company subsequently reduce the risk of accidents leading to injury and death of employees. The sample of activities are educating all levels of employees, set measures for all new employees to check up their health before entering the workplace, and annual health check with medical consult in the project "Doctor consultation"

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

- 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.
- 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.
- Conduct the annual evacuation drill in case of fire as well as to designate the assembly points of all offices.
- 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.
- Organize a training course on first aid and life support (First Aid & CPR) and install an AED defibrillator at the office.
- Provide the medical treatment, modern medicine provision service and basic medical service in all offices.
- Arrange annual health check along with the employee health consultation in the project "Doctor Consultation" for employees at all levels.
- Provide a fitness center and encourage sport competition both inside and outside the Company to promote employees health.

In addition, the Company determines the welfare to employees fairly. i.e. there is always be the nurse(s) stationed in the infirmary everyday at the Company's office building and the doctor shall visit and treat sick employees twice a week. The Company also has the medical treatment welfare for the employees (in case of out-patient) who are treated at the government and private hospitals. The employees shall be entitled to the annual medical treatment fee pursuant to their level. In 2023, total amount of medical treatment fee reimbursed by the employees of the Company and its subsidiaries amounted to Baht 151,157. 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 Plc. as well as group life insurance which covers all kinds of death, annual health check with medical consult as project “Doctor consultation” for employees at all levels and provident fund to secure their working life security under the name of “The Registered Samart Group Provident Fund”. The Company also has the social security fund and provision of loan in case of the accident or sickness to the employees, in case of death of the employee or his/her immediate family member, the funeral allowance shall be provided, in case the employee is sick or gives birth, a visiting in hospital shall be arranged and fitness center and special discount for Company’s products.

Record on the 2021-2023 accident, absence and illness at work of the Company and its subsidiaries

Line of business year	Lost Time at work								
	Accident			Absence			Illness		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
1. Digital Network	-none-	-none-	-none-	-none-	-none-	-none-	-none-	-none-	-none-
2. Digital Content	-none-	-none-	-none-	-none-	-none-	-none-	-none-	-none-	-none-
3. Support Business	-none-	-none-	-none-	-none-	-none-	-none-	-none-	-none-	-none-

Measures to prevent and reduce the risk of accidents from work

The Company had provided professional safety officers to take responsibility in order to supervised and follow up in accordance with the safety, occupational health and working environment policies strictly by providing training courses about safety to employees before start working such as wearing gloves and helmet to prevent accidents leading to injury and death of employees.

4. Employee Relation & Engagement Policy

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. Activities during the year include Samart Management Meeting twice a year, Project “Open mind box” for direct listening the opinions of employees at all levels, other team building activities at all levels, and CSR programs such as D-Club regarding to account measures to prevent and reduce the risks and impacts of the COVID-19 epidemic.

Voluntary employee turnover during the year 2021 - 2023 are as follows:

	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Voluntary employee turnover (%)	18.09	5.32	14.44	11.11	18.52	9.88
Total	23.41		25.55		28.40	

Significant labor disputes during the year 2021 - 2023 are as follows:

	2021	2022	2023
Significant labor disputes	-none-	-none-	-none-

Managing the pandemic situation of COVID-19

Results from complying with the prevention and response policy of the COVID-19 pandemic situation, the number of infected employees of the Company is very low and no continuous pandemic in the office. All employees can work efficiently without affecting the operations of the Company. In addition, employees who have recovered from illness can return to work as usual and well follow-up from the Company for symptoms persist both short-term and long-term.

Environmental management

Adhering to the policy of using resources and energy wisely for the highest benefit of the Company through training course, public relations, campaigns and various activities, it resulted in the efficiency of reduction in energy and resource consumption.

Fair Termination

Results from complying the employee termination policy for guilty and non-guilty as required by law, there were no cases of complaints in case of unfair termination of employment from both within and outside the organization.

Social performance related to Community and Society**1. Upgrading and improving people's quality of life with information technology and digital services**

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

- **Direct Coding System service**

Providing installation and service of packaging control code printing system technology on beer cans produced in the country so that tax collection by the Excise Department becomes more comprehensive and efficient.

- **Advanced Metering Infrastructure (AMI) for large power users**

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

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

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

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

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

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

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

- **License Plate Recognition System and Intelligent Traffic Light System Rental Project**
Samart Group provides License Plate Recognition System and Intelligent Traffic Light System rental services for detecting, monitoring and tracking vehicles entering and exiting the Map Ta Phut industrial estates and the Map Ta Phut industrial port, Industrial Estate Authority of Thailand, with the aim to help build confidence regarding security management among business operators in Map Ta Phut Industrial Park.
- **Closed-circuit Television (CCTV) Procurement and Installation project for Bangkok**
Providing installation service and linking the closed-circuit television (CCTV) system to monitor road safety and help detect traffic violations, promoting safety for people in Bangkok area.
- **Digital Banking System Services**
Samart Group provides services in development and installation of digital banking systems, to support the changes from traditional financial transaction services to online platforms. This includes making deposits, applying for financial products, credit, money transfer, and payments for goods and services. The transactions can be completed online with highly capable and highly secure technology and internet. Consumers can enjoy the convenience 24 hours a day through digital channels, whether it be mobile phones or internet, with no need for any bank branch visit at all.
- **Power School Service**
Samart Group provides a complete educational software service through the cloud system focusing on students' educational development. The system links students, teachers, schools and parents together regarding learning data, allowing for closer tracking of student progress. Complete with tools to help support the analysis of student learning, the system can offer personalized learning approach to students, while school administrators can see an overall picture and manage teaching and learning more efficiently.
- **Cyber Security Operation Center - (CSOC) Service**
Providing the service 24 hours a day, the Cyber Security Operation Center is fully integrated, able to monitor and provide a comprehensive prevention against cyber theft. With the ability to detect network and system intrusions, it can also respond swiftly, based on the data collected to identify the channels cybercriminals use to carry out attacks. The Center then aims to find ways to prevent future cyber theft to help prevent economic losses, promote the organization's image, and help build confidence among consumers and the public.
- **Enterprise Asset Management System**
Samart Group provides enterprise asset management system service where important asset records are collected, allowing the organization to use various data for analysis to support planning and predict maintenance periods. This helps control assets, reducing maintenance costs, inventory costs, duplication, and operations time.
- **Suphan Telemedicine Solution, Suphanburi Provincial Administrative Organization**
Samart Group provides innovative communication technology services and telemedicine technology to enhance the management and provision of public health services of five Subdistrict Health Promoting Hospitals under Suphanburi Provincial Administrative Organization, i.e. Ban Samakkhitham, Ban Huai Haeng, Ong Phra, Ban Hua Wang and Jarakae Samphan Subdistrict Health Promoting Hospitals.

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

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

Developing quality people

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

1 Upleveling people’s technological capabilities

“Samar Group” recognizes the importance of education and thus carried out a project to provide various technological equipment to promote Thai youth’s experience and to prepare them become professionals in technology in the future.

- **Forwarded 2,236 ready - to - use computers to promote technology learning experiences to students and those in need throughout the country.**

Samar Group and affiliated companies, in collaboration with government agencies and various foundations, donated computers and IT equipment that have been used but still in good condition and ready to use, forwarding them to school and college students upcountry. This helps promote their learning while increasing their access to basic technology. Throughout 2023, a total of 2,236 computers were delivered to students in 23 schools all over the country.



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

- **Articles and information on technology**

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

- **Technology Knowledge Support**

Samart Group, together with IBM, organized a seminar titled “The Future of Sustainable Utilities is here - Are you ready?” to provide ideas on how to apply technology to create sustainability in utilities to relevant organizations.

- Samart Group, took part in a demonstration of cybersecurity tools and solutions for mobile phone applications and provided a lecture titled “Continuous Threat Exposure Management (CTEM)” at the “Thailand Cyber Top Talent 2023” event organized by the National Cyber Security Commission (NCSC).
- Samart Group, had the opportunity to introduce cyber security services with cyber security case study to investors and interested parties, who were also taken on a tour of the Cyber Security Operation Center (CSOC) at Software Park Building.
- Samart Group took part in the presentation of telemedicine technology as well as provided a lecture titled “Guidelines for use of modern medical technology in upgrading the first Subdistrict Health Promotion Hospital in Thailand to a “smart hospital” prototype. The aim is to promote knowledge and understanding of 200 people working in Subdistrict Health Promotion Hospitals, Public Health Office Potential Development projects, and relevant communities regarding modern technology in their efforts to drive the policy of good health, the new way, the Dhamma way, the Thai way, the sufficiency economy way. The ultimate aim of the Suphanburi Provincial Administrative Organization is to promote health, preventing and controlling diabetes and hypertension in patients as well as other risk groups in 2024.



3. Development of quality people within the organization

- **Samart V-Learn**

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

Promoting moral society

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

1. Volunteering power contributing to social development

- “Give Blood, Save more Lives, Happiness to All”, a blood drive project, is run annually in cooperation with Thai Red Cross Society at Software Park Building. Run three times in March, July, and November 2023, the campaign achieved a collection of 144,800 CC. of blood donated by employees and members of communities nearby.



- In the “Forward Happiness” Project, aiming to promote a happy society, employees are invited to join in with the Company in sharing and providing support to young people and socially disadvantaged people for a better life.

Forward Happiness - This UHT is for children.

Samart Group and employees made contributions for the purchase of 4,000 cartons of UHT milk for children in seven home facilities nearby as listed below. The aim is to support Thai underprivileged youth so that they get good nutrition for physical growth as well as mental and immunity development.

- Fueng Fah Home For Persons with Disabilities Protection and Development
- Nonthaphum Home For Persons with Disabilities Protection and Development
- Baan Phumwate Reception Home for Boys
- Home for Mentally and Intellectually Disabled Children (Baan Rachawadee for girls)
- Home for Mentally and Intellectually Disabled Children (Baan Rachawadee for boys)
- Phayathai Babies’ Home
- Pakkret Babies’ Home



Forward Happiness – White Cane for the Blind

Samart Group and employees joined in delivering 195 white canes to the Thailand Association of the Blind to forward to visually impaired people across the country.



- **2nd Year Born to Be “Good”** Project aims to create the volunteer spirit and unity within the organization, doing good deeds for society. Organized consecutively for the second year, it consists of a variety of activities to help improve the quality of life of various groups of people in society throughout the year. Here are some examples.

“Support and smiles for boys at Baan Phumwate Reception Home for Boys”

Samart Group and employees made contributions for lunch and necessities and provided 90 pairs of shoes for boys at Baan Phumwate Reception Home on March 7, 2023.



“Share love and share happiness for the four-legged little ones”

Samart Group and employees provided essential items and contributions for food and medicine to help dogs and cats at the Home for Handicapped Animal Foundation, Pak Kret, on September 13, 2023.



- In **“Pan Rong Tao Kan”**, (meaning “Let’s share shoes.”) project, a collection point was set up for shoes in good condition left by employees and the general public to be forwarded to the Yuvabadhana Foundation’s Pankan charity shop. Sales made help provide scholarships for young students, giving them better opportunities in education. The month campaign was held in May 2023, with a total of 288 pairs of shoes delivered.



- **The Charity Knitting Project**, held for the 9th consecutive year, saw employees help make woolen hats for young people facing cold harsh weather (through the Thai Environment Fund Foundation).

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

- Measures to deal with COVID-19 in the organization Information was publicized to provide knowledge and related campaigns were organized continuously throughout the year.

3. Fostering Buddhism

- Samart Group hosted Kathin ceremonies at Wat Sri Udomand Wat Thammawong, Lopburi province.



- Samart Group hosted Kathin ceremonies at Wat Thao U - thong, Prachin Buri province.



4. Supporting sports and other public charity activities

- Provided sports equipment and school supplies for children’s development for five schools, namely, Nak Pradit Witthaya School, Phrom Buri Kindergarten School, and Ban Mai Dat School in Sing Buri Province, and the Royal Thai Army Aviation Center School and Baan Klang Dong School in Lopburi Province.



- Joined in supporting the Provincial Electricity Authority in organizing the PEA-Partner Basketball 2023 to promote exercise and create unity.



- Made a donation in supporting the 12th PEA Mini Marathon 2023.



- Joined in supporting the 9th PEA Open Petanque Competition 2023, organized by the Petanque Club, Provincial Electricity Club Association. The proceeds from the competition were used to purchase petanque equipment for schools in remote areas.



- Supported Phrae United Football Club in participating in the 2023 Thai League football competition.
- Supported Prachachat Turakij Charity Golf Tournament.
- Made contribution for Thammasat University 84th anniversary's activities.
- Supported the University of the Thai Chamber of Commerce charity golf tournament in raising funds for activities for public benefit.
- Supported Thammasat Unity Day's activities on November 5, 2023.

Social performance related to Customer /Competitor

The Company conducts business with the determination to provide, develop and produce quality products and services to customers with up-to-date at a fair price. The Company also treats competitors under the rules of good competition. In 2023, there was no lawsuit between the Company and its subsidiaries with customers and competitors.

Social Operating Result about Partner

The Company has strictly complied with the business partner treatment policy by selecting the qualified business partner to enter into the Approved Vendor List and prices have been compared before the purchase order has been made. The business partner has been evaluated by using the auditable standard criteria pursuant to the international standards of ISO 9001 and CMMI. The Company also has the policy not to corrupt, extort, embezzle or not tolerate such action. The business partner must not propose or take bribery or any legal reward from the Company and the business partner must not give the reward or propose personal benefit in whatsoever from 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 has been audited by the neutral auditor both from the inside and outside the organization. However, the Company and its subsidiaries did not sue or be sued or had disputes with partners.

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

1. The companies in Samart Group have procured environmentally friendly equipment and supplies by considering products that have certified environmental label or Thai/International standards demonstrated that the products were environmentally friendly.

Types of environmentally friendly products

1.1 Multifunctional – Copy, Print and Scan copier

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

1.2 Personal Computer or Notebook

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

1.3 70 and 80 grams of A4 paper

- Must be certified quality Thai Industrial Standard or ISO 9000 of ISO 14000 or certified label or environmental label
- Paper must be a product of Virgin pub form Sustainable Forest / Recycled Pup.

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

4. Management Discussion and Analysis

Financial Statements

Summary of financial positions and operating results of Samart Digital Public Company Limited and its subsidiaries are as follows:

(Unit: Million Baht)

Item	As of December 31		
	2021	2022	2023
Cash and cash equivalents	171	213	66
Account receivables - net	274	86	1,455
Inventories	243	221	98
Equipment - net	2,377	2,672	2,275
Total assets	4,552	4,252	4,600
Overdrafts, loans from financial institutions, lease liabilities and convertible debentures	2,899	2,726	2,045
Long-term loans from related company	322	322	-
Trade and other payable	444	1,038	2,270
Total liabilities	3,716	4,193	4,409
Paid up capital	1,250	1,397	2,979
Retained earnings (Deficit)	(3,648)	(4,824)	(5,580)
Non-controlling interests of the subsidiaries	67	(24)	(9)
Shareholders' equity	836	59	190
Revenue from sales, services and contract work	394	632	1,899
Total revenue	418	643	1,965
Cost of sales, services and contract work	401	662	1,922
Selling and Administrative expenses including other expenses	142	636	607
Finance Cost	196	184	182
Net profit (loss)	(356)	(1,265)	(739)
Earnings (loss) per share (Baht)	(0.03)	(0.09)	(0.05)
Cash flow from (used in) operating activities	(396)	137	50
Cash flow from (used in) investing activities	(68)	(362)	(131)
Cash flow from (used in) financing activities	512	267	(66)
Net increase (decrease) in cash and cash equivalents	48	42	(147)
Par value per share (Baht)	0.10	0.10	0.10
Ordinary shares outstanding (Million shares)	12,499.84	13,974.87	29,793.02
Weighted average number of ordinary shares (Million shares)	11,528.71	13,315.86	15,065.02
Book value per share (Baht)	0.07	0.004	0.006
Dividend per share (Baht)	-	-	-

Financial ratios of Samart Digital Public Company Limited and its subsidiaries are as follows:

Financial Ratio	As of December 31		
	2021	2022	2023
LIQUIDITY RATIO			
Current ratio (Times)	0.42	0.32	0.48
Quick ratio ⁽¹⁾ (Times)	0.17	0.11	0.38
Cash turnover (Times)	(0.15)	0.04	0.01
Account receivable turnover (Times)	1.03	3.52	2.46
Average collection period (Days)	356	104	148
Finished goods turnover (Times)	5.70	5.10	12.05
Average sale (finished goods) period (Days)	64	72	30
Inventory turnover (Times)	2.32	2.85	12.04
Average sale (inventory) period (Days)	158	128	30
Account payable turnover (Times)	5.03	5.73	2.60
Average payment period (Days)	73	64	140
Cash cycle (Days)	441	168	38
PROFITABILITY RATIO			
Gross profit margin ⁽²⁾ (%)	(1.75)	(4.69)	(1.25)
Operating profit margin ⁽³⁾ (%)	(35.19)	(123.66)	(29.24)
Other profit margin (%)	5.85	1.68	3.40
Operating cash flow to profitability (%)	286.06	(17.48)	(9.08)
Net profit margin (%)	(79.44)	(182.77)	(38.34)
Return on equity (%)	(56.48)	(275.80)	(535.17)
EFFICIENCY RATIO			
Return on assets (%)	(7.43)	(26.70)	(17.03)
Return on fixed assets (%)	(9.58)	(41.40)	(23.52)
Total asset turnover (Times)	0.09	0.15	0.44
FINANCIAL POLICY RATIO			
Debt to equity ratio (Times)	4.44	71.10	23.18
Interest coverage ratio (Times)	0.03	(3.55)	(2.11)
Interest bearing debt to EBITDA ratio (Times)	577.60	(4.20)	(5.35)
Commitment coverage ratio (Times)	0.002	(0.25)	(0.19)
Dividend payout ratio (%)	-	-	-

Remarks ⁽¹⁾ Quick ratio was calculated by including restricted cash deposits.

⁽²⁾ Gross profit was calculated by including sales support revenue.

⁽³⁾ Operating profit was defined as earnings before tax and non-controlling interests of the subsidiaries.

Operation Overview

In 2023, the Company conducted business under sustainability development practice with good corporate governance and prioritized three dimensions of sustainability: economy, society, and environment. The Company operated business with enterprise risk management and business continuity under efficient standards, elevated cyber security measures and personal data protection, conducted business with responsibility of customers, society, and stakeholders together with reduction of environmental impact. Furthermore, the Company, in collaboration with partners, increased values in products and services altogether gaining trusts from customers, resulting in consolidated revenues of Baht 1,965 million.

In 2023, the Company and subsidiaries reported total revenue of Baht 1,965 million, an increase of Baht 1,323 million or 205.7% compared with 2022. Considering operating loss of 2023, the Company reported Baht 564 million, operating loss decreased by Baht 91 million or 13.9% compared with 2022.

Net loss attributable to equity holders of the Company was Baht 754 million, decreased by Baht 422 million from the previous year.

Results of Operation of the Company and Subsidiaries

Sales and service income including gross profit

(Unit: Million Baht)

	Digital Network		Digital Content		Total	
	2023	2022	2023	2022	2023	2022
Sales and service income	1,796	513	103	119	1,899	632
Cost of sales and services	(1,845)	(548)	(77)	(114)	(1,922)	(662)
Gross profit	(49)	(35)	26	5	(23)	(30)
Other income					66	11
Selling and distribution expenses					(13)	(10)
Administrative expenses					(72)	(96)
Impairment for loss and other expenses					(514)	(657)
Finance income					1	1
Finance cost					(182)	(184)
Income tax expenses					(2)	(300)
Non-controlling interests of the subsidiaries					(15)	90
Net loss					(754)	(1,175)

Digital Network

Revenue of Digital Network Business, including selling and service income, was Baht 1,796 million, increased by Baht 1,283 million or 250.2% compared with 2022. This was mainly increased from delivery and installment of network communication equipment for The Ministry of Interior of the Kingdom of Thailand (MOI) Project. Gross profit reported at loss was Baht 49 million, an increase of Baht 14 million. Due to depreciation of DTRS network was classified as operation cost.

Digital Content

Revenue of Digital Content Business was Baht 103 million, a decrease of Baht 16 million or 13.4% compared with 2022. Gross profit was Baht 26 million, an increase of Baht 21 million or 420.0%.

Other Income

Other income was Baht 67 million, representing 3.4% of total revenue in 2023, an increase of Baht 56 million or 517.9% compared with the previous year. This was mainly increased from reversal of impairment on fixed assets of Baht 46 million and gain of exchange rate increased of Baht 7 million.

Selling and Administration Expenses including Other Expenses

Selling and administration expenses including other expenses were Baht 202 million, a decrease of Baht 41 million or 16.9% compared with 2022.

Finance Cost

Finance cost was Baht 182 million, a decrease from 2022 of Baht 2 million.

Income Tax

Income tax expenses were totally Baht 2 million, a decrease from 2022 of Baht 298 million as a result from The Company was recorded a write-off deferred tax assets of Baht 298 million in the previous year.

Financial Position

Assets

As of December 31, 2023, total assets were Baht 4,600 million, an increase of Baht 348 million or 8.2% compared with the end of 2022. Total current assets were Baht 2,073 million and total non-current assets were Baht 2,526 million, representing of 45.1% and 54.9% of total assets respectively.

Trade Receivables

As of December 31, 2023, trade receivables-net were Baht 1,454 million, an increase of Baht 1,368 million or 1,582.7% compared with the end of 2022. This was mainly increased from trade accounts receivable of delivery and installment of network communication equipment in digital network business.

Inventories

As of December 31, 2023, net inventories were Baht 98 million, decreased by Baht 123 million or 55.5% compared with the end of 2022. This was mainly contributed by the decrease in finished goods of Digital Trunked Radio System project (DTRS).

Other Current Assets

As of December 31, 2023, other current assets were Baht 453 million, a decrease of Baht 236 million or 34.2% compared with the end of 2022. The outstanding balances were mainly advance for purchase of equipment in digital network business.

Non-Current Assets

As of December 31, 2023, non-current assets were Baht 2,526 million, representing 54.9% of total assets. Comparing December 31, 2022, decreased by Baht 515 million or 16.9%. The decrease was mainly contributed by the impairment for loss on equipment in accordance with Thai Accounting Standard, a decrease in right-of-use assets and a decrease in other current assets.

Liquidity

As of December 31, 2023, cash and cash equivalents were Baht 66 million, a decrease of Baht 147 million or 68.9% compared with the end of 2022. Sources and uses of fund are as follows:

- Net cash flows from operating activities of Baht 50 million.
- Net cash flows use in investing activities of Baht 131 million was mainly attributed to cash paid for acquisition of equipment in Digital Trunked Radio System project (DTRS).
- Net cash flows use in financing activities of Baht 66 million was mainly attributed to cash paid for loans from financial institutions after the company received cash from capital raising.

Compared with 2022, the Company's liquidity ratio increased from 0.32 times to 0.48 times and quick ratio increased from 0.11 times to 0.38 times and cash turnover decreased from 0.04 times to 0.01 times.

Sources of Funds

As of December 31, 2023, total shareholders' equity was Baht 190 million, an increase of Baht 131 million or 222.5% compared with the end of 2022 from capital raising of Baht 704 million, conversion of the convertible debenture during the year of 2023 of Baht 168 million and net comprehensive loss in this year of Baht 741 million.

Total liabilities as of December 31, 2023 were Baht 4,409 million, increased by Baht 217 million or 5.2% compared with the end of 2022. Total liabilities consist of current liabilities of Baht 4,303 million, and non-current liabilities of Baht 106 million, representing 93.6% and 2.3% of total assets respectively. The key components are as follows:

- Trade payables and other payables were Baht 2,270 million, representing 51.5% of total liabilities or 49.3% of total assets, increased by Baht 1,232 million or 118.7% compared with the end of 2022.
- Bank overdrafts, loans from financial institutions and lease liabilities were totally Baht 2,045 million, representing 46.4% of total liabilities or 44.5% of total assets, a decrease of Baht 681 million or 25.0% compared with the end of 2022.

5. General and important information

5.1 General information

Smart Digital Public Company Limited

Company	:	Smart Digital Public Company Limited
Head Office	:	99/2 Moo 4, Software Park, 34 Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120
Registration No.	:	0107546000318
Home Page	:	www.samartdigital.com
Telephone	:	0-2502-6000
Registered Capital	:	Baht 5,065,958,253.40
Paid-up Capital	:	Baht 2,979,301,567.20
Number of Issued Shares	:	29,793,015,672 shares
Par Value	:	Baht 0.10 per share

Other References

Company Registrar	:	Thailand Securities Depository Company Limited
Head Office	:	93 The Stock Exchange of Thailand Building, Rachadapisek Road, Dindaeng, Bangkok 10400
Telephone	:	0-2009-9000
Fax.	:	0-2009-9991
Auditor	:	Mr. Piya Chaipruckmalakarn
		Certified Public Accountant (Thailand) No. 7544
Head Office	:	EY Office Limited 33 rd Floor, Lake Rachada Office Complex 193/136-137 Rachadapisek Road, Klongtoey, Bangkok 10110
Telephone	:	0-2264-9090
Fax.	:	0-2264-0789-90
Company Secretary	:	Ms. Boonrut Mongkolratanakorn
Email	:	CorporateSecretary@samartdigital.com
Telephone	:	0-2502-6871
Internal Audit	:	Mr. Wichai Rongkawilit
Email	:	InternalAudit@samartdigital.com
Telephone	:	0-2502-6190

5.2 Legal disputes

Legal disputes whereby Samart Digital Public Company Limited or its subsidiaries are the parties or parties in court without the final resolution and the lawsuit that negatively affect the assets of the Company or its subsidiaries at an amount higher than 5 percent of the shareholders' equity as of December 31, 2023 are as follows:

On November 27, 2009, the Company entered into a Memorandum of Understanding with TOT Public Company Limited for a 3G mobile phone network trial project. Subsequently, on March 29, 2011, the Company entered into an agreement to transfer rights and obligations as per to the Memorandum of Understanding for the trial of the 3G mobile phone network service to I-Mobile Plus Co., Ltd., a subsidiary.

On February 22, 2017, TOT Public Co., Ltd. (now merged with CAT Telecom Public Co., Ltd. to form National Telecom Public Co., Ltd.) submitted a letter to the Office of National Broadcasting and Telecommunications Commission (NBTC) to notify the NBTC of the cancellation of the cooperation under the Memorandum of Understanding with respect to 3G mobile network service trial project prior to notifying of such cancellation to I-Mobile Plus Co., Ltd., a subsidiary company. On March 1, 2017, the subsidiary company submitted a letter to TOT Public Co., Ltd. and the NBTC to notify of the termination of i-mobile 3GX service because the 3GX cellular phone system was frequently disrupted and TOT Public Co., Ltd. was unable to permanently fix the problem. In addition, TOT Public Co., Ltd. had not expanded its base station following its business plan in order to expand the coverage across the country. Subsequently, on June 22, 2017, the NBTC submitted to the subsidiary a letter regarding an approval of the termination of the Telecommunications Business License type 1 and agreed with the company's recovery plan for the users of i-mobile 3GX. Subsequently, the subsidiary submitted a letter notifying the NBTC that it had mutually agreed with TOT Public Company Limited that the date of discontinuing the i-mobile 3GX service would be July 18, 2017.

Later, the subsidiary company has been notified by TOT Public Co., Ltd. demanding the payment for Home Location Register (HLR) amounting to Baht 19 million. However, the management and the legal department of the subsidiary company were of the opinion that the subsidiary company was not liable to such payment because the data storage on HLR did not reach the quota specified in the agreement. The subsidiary company filed a plaint for compensation with TOT Public Co., Ltd. to the Civil Court since October 2018 amounting to Baht 1,941 million. Subsequently, on March 9, 2023, the Court of First Instance ruled that TOT Public Company Limited (currently a National Telecommunications Public Company Limited) made a payment to the subsidiary in the amount of Baht 748 million plus interest at the rate of 7.5% per annum of such principal counting from the date of filing (filing on October 4, 2018) until April 10, 2021 and a rate of 5% annum, which is the rate under the Civil and Commercial Code from April 11, 2021 onwards until payment is made to the subsidiary. On September 5, 2023, the subsidiary filed an appeal against the judgment of the Court of First Instance, requesting the Court of Appeal to consider the case and order the defendant to pay additional damages totaling Baht 812 million. Currently, the case is being considered by the Court of Appeal.

In addition, TOT Public Co., Ltd. submitted a letter to the subsidiary demanding the payment for accrued service fee totaling Baht 137 million (including, Home Location Register, mentioned above). Subsequently, the subsidiary submitted a letter requesting to offset the service fee with prepaid bulk or package that the subsidiary had purchased from TOT Public Co., Ltd. with the balance of Baht 70 million.

Subsequently, during 2020, TOT Public Co., Ltd. filed a suit against the Company and the subsidiary with the Central Administrative Court for breach of an administrative contract with an amount in dispute of Baht 212 million (including interest thereon). The Central Administrative Court issued an order not to accept the specific plaint regarding the service

fee payment for preparing and storing data in the Home Location Register (HLR) from April 2011 to October 2014 with interest and VAT. Subsequently, during 2021, the Supreme Administrative Court reversed the order of the Central Administrative Court requiring the Central Administrative Court to accept the plaint. On April 30, 2021, the Company and the subsidiary filed an amended plaint with the Central Administrative Court.

While the case is under the consideration of the Administrative Court, on October 21, 2020, the Company and its subsidiaries filed an objection against the jurisdiction and requested a court decision per the Act on the Determination of the Powers and Duties among Courts. Subsequently, on May 27, 2021, the Committee on Jurisdiction of Courts decided that the case is in jurisdiction of the Court of Justice, not the Administrative Court. Subsequently, on November 12, 2021, the Administrative Court issued a letter notifying of an order to transfer the case to the Civil Court. On January 12, 2022, the Civil Court notified the Company that the case had been transferred from the Administrative Court. On December 14, 2023, the Civil Court issued an order that both the Company and its subsidiary collectively pay Baht 137 million, along with an interest rate of 5% per annum, starting from December 29, 2017, until the complete settlement to TOT Public Co., Ltd. (now known as National Telecom Public Company Limited). As of December 31, 2023, the subsidiary has fully recorded the liability (under provision and other payable). Subsequently, on February 9, 2024, the subsidiary sought an extension for the appeal period, which the court granted, extending the appeal deadline until March 14, 2024.

The legal advisor of the Group is of the opinion that TOT Public Co., Ltd. is in breach of the contract, resulting in substantial business damages to both the Company and its subsidiary. For the case filed by the subsidiary with the Civil Court, the Civil Court rules in favor of the subsidiary. The subsidiary will prevail at the conclusion of the case. Therefore, the management of the Group maintains confidence that the Group will not incur significant losses in connection with these two cases. However, as of now, the outcomes of these cases remain pending and are contingent upon future judicial procedures.

The subsidiary has exercised prudence in recognizing the aforementioned debt in accordance with accounting standards. This recognition does not alter the nature of the case and should not be construed as a waiver of legal rights. Additionally, the recording of this debt does not imply that the Company and its subsidiary will abstain from asserting their rights through the legal justice process in the future. The Company and the subsidiary maintain confidence in their legal position and are committed to pursuing the legal process until its conclusion.

Section 2

Corporate Governance

6. Corporate Governance Policy

The Board of Directors realizes on the importance of the Good Corporate Governance that is the fundamental factor to enhance business operational standard to create transparency, competitiveness and strengthen the confidence of all shareholders, investors and other related parties for sustainable growth of business. Thus, the Company sets the written Corporate Governance Policy and Business Ethics manual comply with the SET's Principles of Good Corporate Governance for listed companies and CSR Concept to business as the general practices guidelines for directors, management and employees under the principle of being a good corporate citizen, who is accountable to employees, customers, shareholders and support to society. In addition, the Company continuously reviews the Corporate Governance Policy and Business Ethics and discloses the latest version on the website at www.samartdigital.com. The Company Secretary Division take a responsibility as a compliance unit to supervise and oversee the operation of the Company, directors and executives to ensure that they are correctly complied with the regulations of the SET, the SEC, the Public Company Limited Act., and other related laws. The results from intention to carry on Good Corporate Governance for sustainable growth, the Company got the highest score "Excellent" or "5 Stars" in the 2023 Corporate Governance Report.

In 2017, the SEC issued the Principles of Good Corporate Governance for Listed Companies or Corporate Governance Code (CG Code) as practice principles for the Board of Directors, the leader or governing person of the organization, to apply the CG Code to the Company's business in the interest of long-term sustainable value creation and fulfil all stakeholders' expectation. Therefore, the Corporate Governance Committee conducted self-assessment of the Company's Corporate Governance Practices compared to the CG Code to apply appropriate practices in the Company's business before proposing to the Board of Directors' Meeting for approval. The Corporate Governance Committee considered and reviewed the appropriateness of applying good corporate governance principles by means that are suitable for the Company's business to ensure that the Corporate Governance Policy conforms to the related rules, regulations and international corporate governance criteria as well as beneficial to creating value for sustainable business.

6.1 Overview of Corporate Governance Policy and Practices

The Board of Directors realizes on the importance of Good Corporate Governance that will create transparency, competitiveness and strengthen the confidence to shareholders, investors and all related parties. The written Corporate Governance Policy has been provided in both Thai and English since 2006 and posted on the Company's website at www.samartdigital.com for acknowledgement of employees and publics. The policy focuses on internal control and internal audit system, and the overseeing of the operation of the management to comply with policy effectively for long-term benefits of shareholders under the terms of the law and business ethics. The Corporate Governance Committee strictly oversees the employees to comply with the policy and also reviews and revises the policy annually to comply with the new regulations and the Principles of Good Corporate Governance for listed companies of the SEC. Moreover, the Company has complied with the assessment criteria for survey on listed company corporate governance of IOD and survey on quality in convening the shareholders' meeting of the Thai Investors Association.

6.1.1 Policy and Practices for the Board of Directors

As the Board of Directors is the key success of Corporate Governance practice for the highest benefit of the Company, thus, the Company sets policies relating to responsibilities of the Board i.e. composition, qualification of directors including roles and responsibilities of the Board of Directors in order that the Board performs duty effectively in the following details:

Composition of the Board of Directors

The Board of Directors comprise of directors who have various knowledge, experience, transparent working background, nobility and integrity and have occupational diversification. In addition, they have the skills that are beneficial to the Company's business operation, such as accounting & finance, management, strategic planning, laws and corporate governance and other without any gender discrimination. The Board will also have leadership and vision to carry on the Company's business and achieve its objectives. The Company has 7 directors who complied with the qualification that been described under the Charter of the Board of Directors posted on the Company's website at www.samartdigital.com.

The Independent of the Board of Directors

- **Separation of the Chairman and the Executive Chairman**

For the best benefit of shareholders and balance of power within the Company, the Chairman of the Board of Directors is not the same person as the Executive Chairman. The Company's Chairman of the Board of Directors is an independent director who has the qualifications of independent director in accordance with the SET's notification and has no business relation with any management of the Company.

- **Roles and Responsibilities of the Board of Directors and the Executive Chairman**

The Company has clearly set the separate roles and responsibilities of the Board of Directors and the 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. The Board will also comply with the Company's Ethics with responsibility, due care, and integrity to ensure all Company's businesses are run under the Company's objectives, the Articles of Association, resolutions of the Board of Directors' and shareholders' meetings as well as laws and regulations of the SET, the SEC and other related laws. At the same time, the Executive Chairman who is the management's leader will focus on general management of the Company.

Policy for being Directors in other Listed Companies

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

For efficiency in performing duties as a director, the Board of Directors has set a policy for all directors to serve as directors in other listed companies no more than 5 companies. However, none of the existing 7 directors of the Company holds directorships in other listed companies more than 5 companies, which shows that the Board of Directors could participate and contribute to the Company with efficiency of which better than the policy.

- **Policy for top management and senior management to serve as directors in other companies**

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

Nomination of Directors and Management

Nomination of Directors

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

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

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

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

5. For nomination of 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 Management

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. The Nominating and Compensation Committee will select and nominate appropriate candidates to be top management and propose to the Board of Directors for approval. For recruiting of key executive, the Board of Directors assigns the Executive Committee to consider qualified persons to appoint as key executive and report to the Board of Directors for acknowledgment.

Executive Succession Plan

The Company is aware of the importance of executive successors 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 executive succession plan for top management and key executive positions. The executive 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 executives 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 key executive on an annual basis.

In addition, the Company should encourage the Executive Chairman to invite key executive to attend the Board of Directors' meetings and/or the Executive Committee's 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.

Ethics of the Directors and the Executives

The Company wishes its directors and executives to express their intentions on performing the Company's business operations with transparently and morally as well as perform their duties pursuant to the ethical standards on integrity, with carefulness and cautiously for benefits of the shareholders and the stakeholders. Hence, the ethics used as operating guidelines for the directors and the executives specified as follows:

1. To perform duties by compliance with laws, rules and regulations concerning business operation
2. To perform the Company's business operations with integrity, fairness, transparency and morality
3. To perform their duties with fullest capacity to maximize benefits of the Company
4. To have the independence in making decision and their actions must be based on the righteousness basis
5. To perform duties by avoiding the conflicts of their own interests with the Company's benefits so that the management tasks can be effectively achieved
6. Must not have any benefits or interests in any business made with the Company or in any business which is regarded as the competition with the Company, irrespective of directly or indirectly
7. To keep the confidential information of the Company and the stakeholders from leaking to non-relevant people that might cause damages to the Company of the stakeholders

Remuneration Policy for Directors and Management

• Directors' Remuneration Policy

Policy of Directors' remuneration has been clearly and transparent set to be comparable to the general practice in same industry consistent with the Company's strategies and long-term objective, and be appealing enough to attract and retain qualified directors. The directors who also be appointed to be the member of any Committee will be paid appropriately more in accordance with the extra work. The Nominating and Compensation Committee will consider the remuneration and propose for consideration of the Board of Directors prior to further approval from the shareholders.

- **Management’s Remuneration Policy**

Remuneration of top management shall be in accordance with principles and policies specified by the Nominating and 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 performan ce evaluation of the 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
Fixed Pay	Salary & other benefits, such as, Provident fund	To motivate and retain the competent Executive Chairman.
Short Term Incentive	Annual bonus	To reward for the success of achieving the goals as defined for each year.
Long Term Incentive	Compensation according to Stock Option* & provident fund in the part that the Company contributes and increases according to year of work experience	<ul style="list-style-type: none"> • To motivate and retain the competent Executive Chairman. • To ensure alignment between interests of Executive Chairman and shareholder. • To promote the growth and value to shareholders in long term.

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

Development of Directors and Management

Development of Directors

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

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

Development of Management

The managerial competency program, courses have been designed for management level in order to develop in managerial competency to strengthen leadership and management skills for executives as well as prepare promotion qualification in the future for pre-executive or talent employees. Moreover, this program would elaborately lead executives to support organization’s business growth and prepare the Company to become business leader in the industry.

Board Self-Assessment and Director Self-Assessment

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

Supervision on Operation of the Subsidiaries and the Associated Companies

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

- 1) Before establishment of any new company, the Executive Committee of each line of business shall propose such matter to the meeting of the Board of Directors of each line of business for consideration and approval before the registration of the new company. The Board of Directors shall consider on appointment of the executives who shall hold positions of director and management of such subsidiaries and affiliated companies including scope of authority and responsibility of the directors and the management who shall be the Company's representatives in such company and report to the Board of Director for further acknowledgement.
- 2) The appointment of additional new director or director in replacement of the vacant position from any reason other than retirement, the Board of Directors has assigned the Executive Committee to consider and appoint the director in replacement and report to the Board of Directors for acknowledgment.
- 3) The management of the subsidiaries and affiliated companies shall report business performance of the company they are responsible to the Executive Committee every month. Any investments or substantial operations as per specified in the delegation of authorities must be performed pursuant to the specified policies and they must be presented to the meeting of the Executive Committee as well.
- 4) The management of the subsidiaries and affiliated companies must present the annual business plan to the meeting of Executive Committee and the Board of Directors for consideration and approval every year. If performance of any company has not achieved as per the targeted plan, the management must clarify to the meeting of Executive Committee. In case business operation encountered a lot of problems, the management is required to clarify to the Executive Committee as the watch list so that precaution and corrective measures can be closely monitored and taken.
- 5) The subsidiaries and affiliated companies must have the internal control system or measure that the Company's Internal Audit Department can audit and report to the Audit Committee and the Executive Committee. If internal control system of any company is defective which may likely cause risks and damage to the Company, the Executive Committee shall order such company to make good and rectify defects in such internal control system immediately. In addition, if the subsidiary has to conduct any transaction which is required to comply with the regulations of the Company or of the relevant laws and which is required to be approved from the shareholders' meeting of such subsidiary, i.e. capital increase, capital decrease or dissolution of subsidiary and etc. Such transaction shall be proposed for the Executive Committee's consideration and approval on voting guideline during the shareholders' meeting of such subsidiary.
- 6) When a new company is established or has significant investment in other businesses, such as having a percentage of shares with voting rights ranging from 20% but not over 50% and the amount of investment or may require significant additional investment to the Company. The Board of Directors will consider to provide shareholders' agreement or other agreements that is obviously about the power of management and participation in making important decisions, performance tracking to be able to used as information in the preparation of the Company's financial statements in accordance with standards and schedules.
- 7) In the event where the subsidiary performs any transaction about acquisition or disposal of assets, the Company shall treat the same way as criteria on acquisition and disposal of assets of its own which must be pursuant to criteria on undertaking the significant transaction on asset acquisition or disposal as per specified by the Capital Market Supervisory Board. In case the subsidiary has performed any transaction with its related persons, the Company shall not involve in such matter, except the subsidiary has performed any transaction with the related person of the Company, then the Company shall comply with the criteria on related transaction announced by the Capital Market Supervisory Board.

6.1.2 Policy and Practices for Shareholders and Stakeholders

1. Rights of Shareholders

The Company emphasizes and recognizes the importance of the rights of all shareholders equitably; minority shareholders, major shareholders, institutional investors or foreigners. The Company does not hinder or create barriers to allow shareholders to communicate with each other.

All rights that the Company's shareholders obtained in 2023 were as follows:

1. 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.

2. Rights to propose agenda and send question in advance of the Shareholders' Meeting

The Company is aware of the shareholders' rights and equitable treatment to the shareholders under the good corporate governance and comply with laws. It is the Company policy to allow the shareholders to propose agenda of the shareholders' meeting and submit the enquiries concerning the Company's operation prior to the meeting date. They must comply with criteria on proposing of meeting agenda for shareholders' meeting as specified by the Board of Directors.

In the 2023 Annual General Meeting of Shareholders, the Company allowed shareholders to propose agenda or submit the enquiries at least 3 months in advance prior to the end of the fiscal year from September 30, 2022. The period time for proposing agenda ended January 31, 2023. Any questions can send to the Company prior to the date of the 2023 General Meeting of Shareholders. The Company notified and disclosed contact channels and period for proposing agenda and enquiries via the SET on September 30, 2022 and also provided details of the procedures on the Company's website, under "Investor Relation" on the topic "Proposal question and additional agenda concerning the Company's operation in advance of the AGM".

3. 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 shareholders. With realize on convenience to shareholders and to encourage them to attend the shareholders' meeting, the Company is prior to notify and specify date, time and place that comfort the shareholders to participate in the meeting.

There were two shareholders' meeting in 2023, the 2023 Annual General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders No. 1/2023 held on April 27, 2023 and November 28, 2023 respectively, at Meeting Room, 16th Floor, Software Park Building, 99/20 Moo 4, Chaengwattana Road, Klong luar, Pak-Kred, Nonthaburi 11120. The meeting place is convenient for transportation and able to accommodate the shareholders who attend the meeting. The Company prior notified date, time and place that comfort the shareholders to participate in advance of the meeting. In addition, the Company scored "Very Good" (4TIA) from the survey on quality in convening the 2023 AGM by Thai Investors Association. The rights of shareholders to participate in the meeting are as follows:

Before the Meeting Date

In convening of the 2023 Annual General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders No. 1/2023, the shareholders would be informed the date and agenda of the shareholders' meeting via the SET's communication system 42 days and 40 days prior to the meeting date. The Company disclosed the notice of shareholders meeting, supporting document including Annual Report 22 days prior to 2023 AGM and 19 days prior to the the EGM No. 1/2023 on the Company's website on the section "Investor Relations" under the topic "Shareholder Information" for the shareholders to have sufficient time for consideration. The Notice were directly delivered to the shareholders by TSD, the Company's registrar, 15 days prior to the 2 meeting date of which better than what required by laws. The notice of shareholders meeting contain fact, rationales,

an opinion of the Board of Directors for each agenda, conditions and procedures of meeting as well as other related document with sufficient information for shareholders' consideration. Moreover, the notice of shareholders meeting was published on the newspaper 3 consecutive days and 17 days and 8 days prior to the meeting date of which better than what required by laws.

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 laws and considering on shareholders' convenience. The Company is aware of the equitable of shareholders' right and their comfort to participate in the shareholders' meeting. Appropriated technology and equipment are sufficient for registration to review on required documents more than 1 hour prior to commencement of the meeting by arrangement of Barcode system in vote counting for faster voting result. All directors attended in both the 2023 Annual General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders No. 1/2023. Moreover, Chairman of all committees, the Company's management were also present in the meeting, external auditors were present in all the Annual General Meeting of Shareholders, in order that the shareholders could ask questions during the meeting. The Chairman of the Board of Directors was Chairman of the meeting introduced all Board members and management, total shareholders attending in the meeting both in person and by proxy and total shares that entitled to vote to the shareholders for acknowledgement. In the 2023 Annual General Meeting of Shareholders, there were 29 shareholders attending the meeting classified to 10 shareholders in person and 19 shareholders by proxy. In the Extraordinary General Meeting of Shareholders No. 1/2023, there were 37 shareholders attending the meeting classified to 16 shareholders in person and 21 shareholders by proxy. The Company held the meeting in accordance with the measures notified to the shareholders in advance. In addition, the Company asked for volunteer from shareholders or proxy to be the counting vote inspector. The Chairman declared vote casting, counting procedures and other related matters for shareholder's acknowledgement before commencement of the meeting including the results of an invitation to propose agenda of the 2023 AGM and sending question prior to the 2023 AGM. In addition, the directors who were the Company's shareholders requested for abstention their vote in the agendas they had interest therein. Then, the Chairman proceeded the meeting to be in line with the agenda without any additional topic from 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. In the Meeting, the shareholders were encouraged to express their opinions and raise questions either in the agenda or other questions related to the Company's business. All questions and replies included significant opinions and suggestions from the shareholders were recorded in the minutes of Meeting. After the meeting, the shareholders were requested to return the voting cards to keep as evidence.

After the Shareholders' Meeting

Resolution of the meeting was publicized via the SET portal with all voting details in approval, disapproval and abstention of each agenda on the meeting date. The Full Minutes of the Shareholders' Meeting, of which disclosed the attendance and absence of directors and management, summary of significant questions and answers during the meeting in both Thai and English, has been sent to the SET and related parties by 14 days after the meeting date. It was also posted on the Company's website for consideration of shareholders.

4. Appointment / Dismissal 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 for one or several directors. The said shareholder may not allot any number of his/her 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/her 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. 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 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 were delivered to shareholders for consideration.

5. 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.

6. 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 the SET's communication system but also posted all significant and updated information on the Company's website at www.samartdigital.com.

7. Profit Sharing

The Company has a policy to pay dividend to shareholders of no less than 50% of its net profit after deduction of all reserves as stated in 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 consideration of dividend payment for profit from disposal of investment or fixed assets of the Company or subsidiaries, it is at the discretion of Management and the Board of Directors to consider 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 dividend payment of subsidiaries should base on policy of the Company.

As reported net loss for 2022, the 2023 Annual General Meeting of Shareholders resolved to approve the omission of dividend payment for 2022.

Details of dividend payment policy of the Company and subsidiaries including dividend payment in the past 3 years were shown in the section "Dividend Payment Policy".

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 and requiring documents are 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 and also required document, evidence and proxy method, has been prepared in Thai and English for convenience of the shareholders.

In the 2023 Annual General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders No. 1/2023, there were 9 and 11 shareholders, respectively assigned the Company's independent directors to be their proxy to attend and vote in the meeting. 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 will conduct to be in line with the agenda without any additional topic from the invitation letter in order to prevent the restraining rights of the shareholders who could not participate in the meeting by themselves. In addition, the Company set criteria about Inside Information Monitoring of which details shown in the section "Inside Information Control".

3. Attention to Stakeholders

The Company is aware that the support from each stakeholder should increase the competitiveness and ability to generate more benefit for long-term success and also realizes the importance of all stakeholders i.e. shareholders, employees of the Company and its subsidiaries, customers, competitors, trade partners, lenders, societies and environment. Therefore, the Company provides more channels for the stakeholders to contact directly to the Company in order to provide either comments or recommendations of 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 at www.samartdigital.com.

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 the Company's financial performance and future business direction. The Company has a policy to disclose information of any significant and future business directions, so that shareholders and stakeholders can access information comfortably and speedily as follows:

- To submit the financial report and 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 opinioned with qualified, the financial statement has also never been revised under the order of the SET and the 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 and post it on the Company's website at www.samartdigital.com and the SET's communication system.
- Criteria on provision of remuneration to directors and executives have been clearly disclosed.
- Details on connected transactions have been clearly disclosed to prevent a conflict of interest. More details were shown in "Connected Transactions".
- Shareholding information of directors and executives has been disclosed in the Annual Report and the Annual Disclosure information. In addition, the Company has a policy requiring directors and executives to report the 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 unit shall coordinate on submission of such report to the SET and the SEC. Moreover, directors and executives should report their securities holding in every board's meeting.

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

- 1) Director and executive shall submit their first report on transaction with interest within 30 days from the date of appointment as director or executive pursuant to the specified report form.
- 2) Director and executive shall report a change of transaction with interest within 30 days from the date of such change pursuant to the specified report form.
- 3) Report on transaction may has conflict of 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 of receipt such report.

The Company discloses to shareholders, investors and any related parties via the SET's Communication system, the Company's website at www.samartdigital.com, Annual Report, press release and the Opportunity Day.

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. In the past year, the SEC or the SET have never accused the Company from non-disclose of information in accordance with the regulation. The Board of Directors 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 the SET's communication system**

- **Annual Report**

The Board of Directors has to ensure that Annual Report contains 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. The information will included management structure, nature of business, financial status and operating result, structure of the Board of Directors and performance of the Board of Directors and all Committees.

- **Company's website**

The Board of Directors is aware of the efficiency of website disclosure to the shareholders and related persons as well as equitably and easily of getting information. The Board of Directors therefore ensures the Company not only provides all significant information of the Company in the Company's Annual Report but also on the Company's website at www.samartdigital.com in both Thai and English. The disclosed information comprised of Corporate Governance Policy, Business Ethics, Press Release, Financial Statement as well as Annual Report, etc.

- **Investors Relation**

The Company has also set up an Investors Relation section to provide Company's information and activities for investors, shareholders, analysts and general public via Company's website, Roadshow, analysts meetings, conference calls, etc. The Company's Investor Relations can be contacted at phone number 0-2502-6871, 0-2502-6766 or via www.samartdigital.com or e-mail address at InvestorRelations@samartdigital.com. Ethics of the investor relations are as follows:

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 the above, the announcement on the Company's financial performance has been arranged for shareholders, investors, analysts and public on a quarterly basis with participation of the executives.

Number of meetings with investors and analysts in 2023 were summarized below:

- Analyst Meeting and Road Show	3	Times
- Announcement of Company's Performance	1	Time

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

- Structure, Roles and Responsibilities of the Board as well as performance of the Board and each Committee.
- Directors' Remunerations: Policy of Directors' Remuneration has been clearly and transparently set to be comparable to the general practice in same industry and consistent with the Company's strategies and long-term objective as being appealing enough to attract and retain qualified directors. The directors who also be appointed to be the member of any Committees will be paid appropriately more in accordance with the extra work. The Nominating and Compensation Committee will consider the remuneration and propose for consideration of the Board of Directors prior to further approval from the shareholders.

The above information and remuneration of each board member have been disclosed on the Company's Annual Report.

• **Accountability to the Financial Statement**

The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries and any financial information that appears in the Annual Report of which consistent with the Company's strategies and long-term objective. The financial statements are prepared in accordance with Thai Financial Reporting Standard. Appropriate accounting policies are used and practiced regularly. Careful consideration and best estimates are made with sufficient disclosure of information in the notes to the financial statements. This is to ensure transparency and benefits to the shareholders and investors. The financial statements have been audited and commented independently by the authorized auditors of the SEC to increase confidence and reliability of the report. Additionally, the Company has no record to amend financial statement from the SET and the 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 points 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. Moreover, Report of the Board of Directors' responsibility on the Company's Financial Statements was also attached in the Company's Annual Report.

Inside Information Control

The Company has established various measures to prevent directors, managements and employees from using inside information which has not been disclosed to the public for the benefit of oneself or others in the wrong way as follows:

1. The Company will inspect to ensure no inside information of which is material, undisclosed and confidential leak to public or be used from unauthorized for personal benefit. Any trading of The Company's securities within 1 month prior to disclosure of either Company's financial performance or any other information that may affect securities' price is prohibited. The directors and management of the Company according to the definition of the SEC had been informed on their duties and punishment regarding to report on securities and derivatives holdings of themselves, spouse, cohabiting couple and any minor children as well as juristic person holding shares in an amount of exceeding 30% of the total number of voting right of such person, including the securities and derivatives held by spouse or cohabiting couple and minor children to the SEC within 3 days from the transaction date according to the Securities and Exchange Act B.E. 2535. Any change in securities and derivatives holdings, such directors and managements have to report the Company Secretary for coordination and preparing report submit to the SEC.
2. The Company has set as a policy for the directors and the managements according to the definition of the SEC to notify the Company about the purchase, sale or transfer the Company's securities and contracts at least 1 day in advance before making the transaction through the Company Secretary. Then, the Company Secretary has to report the changes on such securities holdings of directors and managements in every Board of Directors' Meeting.
3. In case of conflict of interest, it is the Company's Policy to have the directors, management, employees and related parties to disclose such interests to the Audit Committee for consideration of the transaction to be complied to SET's regulations and any governing laws and regulations prior to further submit for consideration of either the Board of Directors or the Shareholders' meeting. The directors who have conflict of interest will not participate in any agenda that they have conflict of interest. Moreover, any conflict of interest transactions with the connected persons will be disclosed in the Company's Annual Report.
4. The Company has been implemented for a secure access for all users inside and outside the firewall in conjunction with the Company's own user authentication and security system.
5. The Company sets as policy that all employees shall acknowledge and sign the agreement of non-disclosure confidential information, non-violation of concealment of computer related and non-infringement of intellectual property. New employee shall sign this agreement together with employment contact, including directors, managements and employees of the Company to refuse using Company's inside information for personal benefits.
6. General practices for conflict of interest protection have been set in the Company's Business Ethics. Such practices have been delivered to all directors, managements and employees. The Corporate Governance Committee will monitor and ensure that Company's regulations, Corporate Governance Policy and Business Ethics have been strictly and continually complied.

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

Information Security Management on Information Systems

Information security management on information systems in Samart Group has received an ISO/IEC 27001: 2013 certification by adopting both technology and information management methods, including a main information technology operation

center and a backup center, as well as implementing standards for information technology. ITIL is used to control the provision of information technology services effectively. The organization also has a disaster recovery plan to be able to run the business continuously by practicing the plan semi-annually.

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

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

Conflict of Interest

To prevent conflict of interest, the Company has drawn out guidelines for directors and employees in the Company's Business Ethics to follow:

1. Avoid all actions that may cause conflicts of interest with the Company.
2. In case that directors or employees commit any action related to the Company, the particular director and employee will be treated like an outsider, and will play no part in decision-making process.
3. Refuse to use Company's information obtained in their posts for an opportunity to derive personal benefits by creating rivalry with the Company or involving in related businesses.
4. Refuse to use Company's information for securities purchase for personal benefits or to leak Company's information to outsiders for their benefits. Any trading of the Company's securities within 1 month prior to disclosure of either the Company's financial performance or any other information that may affect securities' price is prohibited.
5. During and after their posts, refuse to reveal Company's classified information e.g. electronic information, financial situation, work's plans, business information, Company's plan or others.

On any conflict of interest transaction, before entering into the transaction, the Company specified that the Board of Directors, Managements, Employees and relevant parties must disclose the transactions with interest to the Audit Committee to consider the appropriateness of such transactions. The Audit Committee will carefully review prior to submit with opinion on such conflict or connection to the Board of Directors for further review and to ensure that the transaction has to be complied with the SET's regulations. Information and value of the transaction, party involved and necessity have been disclosed in the Company's Annual Report and the auditor's notes to the financial statements. Any consideration of the connected transaction, the directors who may have conflict of interest will neither participate nor vote in such meeting both the meeting of the Board of Directors Shareholders.

Anti-Corruption

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

Duties and Responsibilities

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

In addition, the Company has set the written Anti-Corruption policy and its General Operating guidelines and has been disclosed to the organization and posted it on the Company's website at www.samartdigital.com. Details was shown in "Anti-Corruption".

Anti-Corruption Policy

The Company conducts all business affairs under principles of good corporate governance. Anti-Corruption Policy is set

to prevent all corruptions that may arise from operating activities and contacts with stakeholders. Directors, executives and employees of the Company, its subsidiaries and associated companies must strictly adhere. Details of the policy are as follows:

1. Political neutrality and political assistance

The Company is a politically neutral business entity that supports lawful operations and democratic form of government with the King as Head of State. Directors, executives, and employees enjoy their political rights and freedom under the law. However, they must not deprive Company of neutrality and compromise it through 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 memento:
 - Before receiving or giving present or memento, should make sure that such an action does not violate the law and the Company's regulations. Gifts exchanged in the normal course of business should be inexpensive and appropriate to the occasion.
 - Avoid receiving or giving present or memento that could unfairly influence a decision in the performance of one's duties. If it is necessary to receive a gift of unusually high value from someone doing business with the Company, report the matter to the superior.
 - Keep records of expenses as evidence of the value of present or memento given, so that can be examined later.
 - If the employee has been assigned or permitted by the superior to assist an outside agency, the employee may receive money, item, or present according to the guidelines or standards that agency has set.
3. Transactions with the government sector:
 - Conduct properly and honestly when in contact with government officials or agencies.
 - Always remember that the laws, rules, and customs of each place may have diverse conditions, procedures, or methods of proceeding.
 - Comply with the laws of each country or locality in matters pertaining to hiring government employees as consultants or employees of the Company. Such hiring must be transparent and appropriate.

General Operating Guidelines

1. The process of risk assessment and risk management.

The Company has an internal audit unit to audit operations that may trend to have risks of all departments of each company, including risks from corruption to ensure that all departments have appropriated internal control system in place, both on preventive control and detective control. If it is found that any department does not have adequate

internal control system or there is a corruption case, such matter shall be reported to the Audit Committee and the high level executives. Preventive guidelines must have also been reported in order to improve the internal control system.

2. Protection

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

3. Training and Communication

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

4. Reporting 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.samardigital.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" as follows:

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 and Human Resources Department 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.

5. Governing and monitoring of the policy

The internal audit unit shall summarize the audit result only the corruption issues of each department during the previous year and report to the Audit Committee annually with recommendations to solve the problems.

6. Penalty

Any action that direct or indirect violates this policy shall be subject to disciplinary action according to the Company's regulations and face with legal penalty, if such action is against the law.

6.2 Business Ethics

As the Company conducts the business with great awareness in ethical issues, the Board of Directors has provided the written Thai-English Business Ethics for directors, management and employees of the Company and subsidiaries since 2005. It is set as the practical working guidelines with honesty, to be in standard, quality and integrity which including an attention of all stakeholders, related transaction, compliance with the laws, assets prevention and conflict of interest. The Company's directors, management and employees must perform and comply with strictly. It is also posted on the Company's website for employees and public acknowledgement. The Company reviews Business Ethics annually. In addition to monitor the proceeding with the general practices as stipulated in the Business Ethics, the Company also provided the business ethics assessment. The senior management level were requested to perform self-assessment to evaluate on proceed with the business ethics. The result of the evaluation concluded that the Company and management completely complied with the Business Ethics and Code of Conducts. The latest issue of the Company's Business Ethics has been approved by the Board of Directors' Meeting No.7/2023 on November 9, 2023 posted on the Company's website at www.samartdigital.com covered the following topics:

1. Conflict of interest
2. Responsibilities to Shareholder
3. Employee policies
4. Customer policies
5. Trade partner policies
6. Creditors policies
7. Counterpart/Competitor policies
8. Anti-Corruption policy
9. Money Laundering policy
10. Tax policy
11. Sustainable Development policy
12. Human Rights policy
13. Operating policy and practice on non-infringement of intellectual property or copyright
14. Suggestions and complaints
15. Procedures and methods on "Notifying the information on misconduct and the protection of the informant"

The Company has disclosed the Corporate Governance Policy and Business Ethics manual on the Company's website at www.samartdigital.com.

6.3 Major Changes and Developments in Policy, Practices and Corporate Governance

In 2017, the SEC issued the Principles of Good Corporate Governance for Listed Companies or Corporate Governance Code (CG Code) to develop the sustainability of Listed Companies. It aims for listed companies to comply with the CG Code in accordance with the "Apply or Explain" principle. Part 1 are practices that the Board of Directors can apply as appropriate to the context of the company's business, while Part 2 are guidelines and

explanations of the implementation to be in accordance with the Code of Practice in Part 1. The Board of Directors may use other practices to achieve the intent of the Code. If other practices are considered more appropriate, reasons and actions should also be recorded.

The Board of Directors has reviewed the implementation of the Corporate Governance Code (CG Code) of the SEC annually, at least 1 time per year, by means that are suitable for the Company's business. Moreover, the Company has complied with the assessment criteria for survey on listed company corporate governance of IOD and survey on quality in convening the shareholders' meeting of the Thai Investors Association. In addition, the Thai Institute of Directors Association announced new CG assessment criteria to be used in the year 2023 to raise the overall corporate governance of listed companies to be up to date in line with the changing trends in corporate governance. Therefore, the Corporate Governance Committee brought the aforementioned criteria into consideration in review this year before proposing the issues to the Board of Directors' meeting for consideration.

In 2023, the Board of Directors reviewed the Corporate Governance Policy, Business Ethics and Charter of the Board of Directors and Committees in accordance with the Principles of Good Corporate Governance (CG Code) and other related principles. The Board of Directors was of the opinion that the Company has implemented all 8 principles of the practices and chosen appropriate guidelines according to the context of the Company's business. The Board of Directors approved to amend the Business Ethics and related parts in the topic "Notifying the information on misconduct and the protection of the informant".

The Compliance with the Principles of Good Corporate Governance in Other Areas

The Company conducts the business in comply with the Principles of Good Corporate Governance of the SEC. and best practices in the international standard as well as ASEAN CG Scorecard criteria. Moreover, the Company has complied with the assessment criteria for survey on listed company corporate governance of IOD and survey on quality in convening the shareholders' meeting of the Thai Investors Association. For some areas that the Company has not yet followed such regulations, the Company applies principles or other practices to suitable for the Company's business as the following areas:

Equity Treatment of Shareholders

1. The Company has not yet allowed the minority shareholders to nominate candidates for directorship. However, the Board of Directors has appointed the Nomination Committee and Compensation Committee to recruit and nominate the qualified candidate to be director by taking into consideration from IOD's Director Pool. The Nomination Committee and Compensation Committee also considers qualification as the relevant laws and regulations, experience, knowledge and ability that is advantage and needed to the Company of the candidate to propose to the Board of Directors' and/or the Shareholder's Meeting for further approval.
2. The Company has not yet determined to perform the election of directors by cumulative voting. 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 Associations so that the shareholders shall truly elect their desired director.

Attention to Stakeholders

The Company has not yet prepared a Corporate Social Responsibility Report under the framework of the Global Reporting Initiative (GRI). However, the Company has prepared a Business Drive for Sustainability Report in accordance with the criteria of the Securities and Exchange Commission as part of the Annual Report (56-1 One Report).

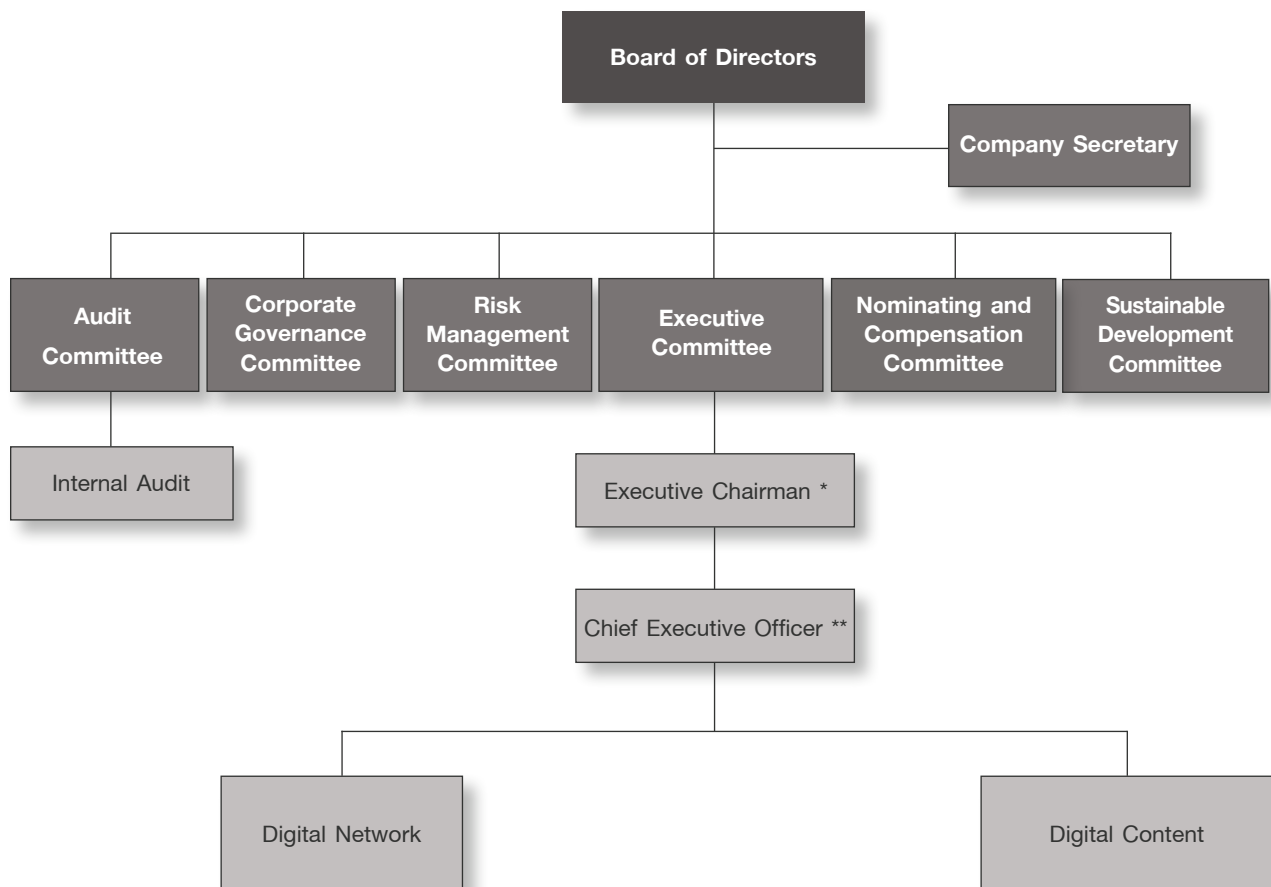
Roles and Responsibilities of the Board of Directors

1. The Company has no policy for executive directors to serve as directors of not exceeding 2 listed companies in the other business group. However, the Company has set the policy for all directors not to hold director position of not exceeding 5 companies. In addition, top executives of the Company will also be obtained approval from the Executive Committee prior to hold director position in any companies of which are not have either similar business or being the Company's competitors. The Nomination Committee and Compensation Committee are responsible to consider and nominate the candidate by taking into consideration of knowledge, capability and adequate time to perform his duty.
2. There is no independent woman director in the Company's Board of Directors. However, one of the Company's Executive and Director is a woman. The Company does not have gender discrimination in any way.
3. As of December 31, 2023, the portion of independent directors in the Board of Directors are equivalent to 42.86% of total number of directors less than the Principles of Good Corporate Governance as stipulated at more than 50% of total number of directors.
4. The Company has not yet participated in Thailand's Private Sector Collective Action Coalition against Corruption (CAC). However, the Company has joined the Partnership against Corruption for Thailand (PACT) to attend the training course and gather recommendation on anti-corruption procedures.

7. Governance Structure and Key Information of the Board of Directors, Committees, Management, Employees and Others

7.1 Governance Structure

The management structure of the Company as of December 31, 2023 consisted of the Board of Directors and 6 Committees; Audit Committee, Corporate Governance Committee, Risk Management Committee, Executive Committee, Nominating and Compensation Committee, and Sustainable Development Committee, to oversee management and internal control systems to be comply with the Company's policy as follows:



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

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

7.2 Board of Directors

7.2.1 Composition of the Board of Directors

The Board of Directors comprise of directors who have various knowledge, experience, transparent working background, nobility and integrity and have occupational diversification. In addition, they have the skills that advantage to the Company's business, such as accounting & finance, management, strategic planning, laws, corporate governance and other without gender discrimination. The composition of the Board of Directors are as follows:

1. The Board of Directors shall have the number as specified by the shareholders' meeting at least 5 persons and not less than one half of the total number of directors shall have residence in the Kingdom.
2. The Board of Directors must be at least one-third of independent director out of total number of directors, and at least 3 persons.
3. The Board of Directors may elect one of the directors as Chairman. When considering appropriate, the Board of Directors may elect one or many directors to be Vice-Chairman.
4. The Board of Directors should consist of at least 3 persons experiencing in the Company's business and at least 1 person with experience in accounting and finance.

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. Have various knowledge, experience, and specific skill that suitable for the Company business.
5. Have responsibility, carefulness, integrity, and business ethics.
6. Have sufficient time for fully participated as a Director of the Company.

Terms of positions

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

Balance between members

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 and shall at least 3 members are independent members who 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 the Board of Directors and the Executive Chairman must not be the same person. The Chairman of the Board of Directors should be an independent member.

The Board of Directors of the Company as of December 31, 2023 comprised of 7 members with various qualifications, skills, experience and expertise. Composition of the members is as follows:

- 3 Independent Directors (equal to 42.86% of the Board of Directors)
- 2 Executive Directors (1 Executive Director is a representative from major shareholders)
- 2 Non-Executive Directors (1 Non-Executive Directors is a representatives from major shareholders)

Proficiency	Directors						
	1. Mr. Piyapan Champasut	2. Dr. Chotivid Chayavadhanangkur	3. Mr. Kunthit Arunyakanda	4. Mr. Charoenrath Vilailuck	5. Mr. Watchai Vilailuck	6. Miss Boonrut Mongkolratanakorn	7. Mr. Supavas Prohmvitak
Business Administration				✓	✓		✓
Law	✓						
Strategic Management				✓	✓		✓
Corporate Management	✓	✓	✓	✓	✓		
Finance			✓		✓	✓	
Negotiation				✓			
Sustainability	✓					✓	
Governance/ Compliance	✓					✓	
Accounting			✓		✓	✓	
Leadership				✓	✓		
Engineering		✓		✓			
Automotive				✓			
Funds and Securities				✓	✓		
Information & Communication Technology					✓		✓
Marketing							✓
Data Analysis							✓
Digital Marketing							✓
Brand Management							✓

The 3 Independent Directors have working experience relating to the Company's business.

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

7.2.2 Information of the Board of Directors

Board of Directors

As of December 31, 2023, the Board of Directors comprised of 7 members as the following details:

Directors	Position	Date of appointment	Term of position (year/ month)
1. Mr. Piyapan Champasut	Chairman of the Board of Directors / Independent Director / Audit Committee Member	March 1, 2016	7/10
2. Dr. Chotivid Chayavadhanangkur	Independent Director / Chairman of the Audit Committee / Chairman of the Corporate Governance Committee / Nominating and Compensation Committee Member	September 30, 2003	20/3
3. Mr. Kunthit Arunyakanda	Independent Director / Audit Committee member / Chairman of the Nominating and Compensation Committee / Corporate Governance Committee Member	September 30, 2003	20/3
4. Mr. Charoenrath Vilailuck ⁽¹⁾	Director / Risk Management Committee Member	September 30, 2003	20/3
5. Mr. Watchai Vilailuck ⁽¹⁾	Authorized Director / Executive Chairman / Chief Executive Officer / Chairman of the Risk Management Committee	September 30, 2003	20/3
6. Miss Boonrut Mongkolratanakorn	Authorized Director / Chairman of the Sustainable Development Committee / Executive Director / Risk Management Committee Member / Corporate Governance Committee Member / Nominating and Compensation Committee Member	August 10, 2021	2/4
7. Mr. Supavas Prohmvitak	Authorized Director / Executive Director / Risk Management Committee Member / Chairman of the Sustainable Development Committee	April 27, 2023	0/8

Remark: ⁽¹⁾ Representative Directors from Samart Corporation Plc., a major shareholder, with 77.65% stake holding.

The number of directors is in line with the Company's Articles of Association that the Board of Directors should have at least 5 members. Not less than one a half of such members shall have residence within the Kingdom and the directors of the Company shall have qualification as specified by law. All 3 members of the Audit Committee have adequate knowledge and experience to review creditability of the Company's financial statements.

Education and working experience of each director including position in subsidiaries and related companies as of December 31, 2023 were disclosed in the attachment 1 "Directors, Executives, Controlling Persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision and Company Secretary".

Authorized Directors as of December 31, 2023:

Mr. Watchai Vilailuck signed with Boonrut Mongkolratanakorn or Mr. Supavas Prohmvitak and affixed with the Company's seal.

7.2.3 Roles and Responsibilities of the Board of Directors

The Board of Directors will focus and ensure that the Company's business will achieve its target and in the direction that create value and best benefit to the shareholders as well as all stakeholders. Any conflict of interest with the Company and its subsidiaries will be prohibited. The Board will also comply with the Company's Ethics with responsibility, due care, and integrity to ensure all Company's businesses are run under Company's objectives, Articles of Association, resolutions of the Board of Directors' and shareholders' meetings as well as laws and regulations of the SET, the SEC and other related laws. Their duties include:

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 of the Company's operations including supervising the management to proceed in accordance with the specified policies and strategies with efficiency and effectiveness.
3. Establish and review the 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 as well as ensure proper resource allocation and effective systems and controls, and monitor the implementation of the Company's strategies and annual 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 Executive Chairman and define its roles and responsibilities as well as ensure that Executive Chairman perform its duties as assigned.
8. Appoint Company Secretary 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, key executive, 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 important information accurately, sufficiently and on time to comply with the relevant rules and regulations.
11. Nominate appropriated auditor and its remuneration from proposal of the Audit Committee for further consideration of the Annual General Meeting of Shareholders.
12. Provide written Corporate Governance Policy and Business Ethic, and ensure that the Company has effective internal control and risk management system to prevent conflict of interest.
13. Ensure that good corporate governance is implemented to demonstrate the 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' interest to the Company.
15. Supervise to ensure that succession plans for the Executive Chairman and key executives are in place.
16. Encourage and promote innovation including 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 Business Ethics manual for the Company's directors and executives to adhere as their practical guidelines and posted on the Company's website at [www. samartdigital.com](http://www.samartdigital.com).

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

Delegation of Authorities between the Board of Directors and the Management

The Company has specified the delegation of authorities clearly which have been firstly applied since 1995 by specifying approval authority on credit line of the Board of Directors and the Management pursuant to the transaction types, such as finance/accounting/budget, human resources, procurement, general management/administration, marketing and public relations. However, the Company revised such policies and operating guidelines to make them more appropriated with the current situation.

Roles and Responsibilities of the Chairman of the Board of Directors

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

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 which important matters should be included.
4. Allocate sufficient time for management to propose topic, 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. Manage and control general business operation of the Company to comply with its objectives, policy and the Articles of Association.
2. Consider investment plans before proposing to 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. Act on behalf or in the name of the Company as delegation of authorities defined in the Company's policy and practice.
5. Carry out any assignment from the resolutions of the Board of Directors and/or the Company's shareholders meetings.

The delegation of authorities, duties and responsibilities of the Executive Chairman shall not be delegated or further assigned that authorize the Executive Chairman or its attorney to approve any transactions that the Executive Chairman or connected persons or any persons who may have conflict of interest have done with the Company or its subsidiaries unless such transactions are complied with the Company's policy or principle approved by the Board of Directors. Such connected transactions shall be proposed to the meeting of the Board of Directors and/or shareholders for approval to comply with the notification of the Stock Exchange of Thailand, the Securities and Exchange Commission or related law.

7.3 Committees

For governing the management to comply with the approved policies and having better efficiency, the Board of Directors appointed the following 6 committees to help the Board for consideration in significant matters:

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

The Charters of all Committees have been set and disclosed on the Company's website at www.samartdigital.com. Detail of qualifications, terms of positions, and roles and responsibilities of each committee are as follows:

1) **Audit Committee** as of December 31, 2023:

- | | | |
|----|--------------------------------|---------------------------------|
| 1. | Dr. Chotivid Chayavadhanangkur | Chairman (Independent Director) |
| 2. | Mr. Piyapan Champasut | Member (Independent Director) |
| 3. | Mr. Kunthit Arunyakanda | Member (Independent Director) |
| | Mr. Wichai Rongkawilit | Secretary |

All 3 members of the Audit Committee have adequate knowledge and experience to review creditability of the Company's financial statements.

Qualifications of the Audit Committee

1. The Audit Committee members shall be appointed by the Board of Directors' and/or Shareholders' Meetings.
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, the Capital Market Supervisory Board and the Stock Exchange of Thailand.
3. Not being a director assigned by the Board of Directors to take part in the business decision of the Company, parent company, subsidiary, affiliate, same-level subsidiary, major shareholder or controlling person of the Company.
4. Not being a director of parent company, subsidiary, and same-level subsidiary that 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 statements. The Company should specify name of the Audit Committee member who has that qualification in Annual Report, and define his/her qualification in the certification of the Audit Committee profile 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 consecutive terms except getting an unanimous votes from the Nominating and Compensation Committee and the Committee ensures that the extra term will not cause or impact to the independent of such director, and shall be approved from the Board of Directors's and/or the shareholders' meetings.

Roles and Responsibilities of the Audit Committee

1. Review the Company's financial report 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. Review the Company's compliance with the Securities and Exchange Act, the regulations of the SET and the laws relating to the Company's business.
5. Propose for consideration and approval of the Board of Directors' and shareholders' meeting on the selection, appointment, termination of the external auditors including propose their remuneration for further consideration.
6. Arrange the Audit Committee's meeting with auditors without 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. Prepare report of the Audit Committee to disclose in the annual report with at least information defined in the regulations of the 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 Committee as of December 31, 2023:

- | | |
|---------------------------|------------------------------------|
| 1. Mr. Watchai Vilailuck | Chairman / Chief Executive Officer |
| 2. Mr. Supavas Prohmvitak | Member |
| 3. Mrs. Sumonthip Srimek | Member |
| 4. Mr. Hiran Phanbanlaem | Member |
| Mr. Wichai Rongkawilit | 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 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 Executive Committee

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 from the Board of Directors.
2. Supervise the subsidiary and associated companies to be in accordance with the Company's policy including review and monitor the operating performance of the Company and subsidiaries to achieve the goal.
3. Audit, monitor and implement the Company's policies and management practices to conform to the assignment from the Board of Directors efficiently.
4. Consider and approve annual budget and investment of the Company for further approval from 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 key executive and report to the Board of Directors for acknowledgment.
7. Consider entering into any transactions binding the Company as delegation of authorities defined in the Company's policy and practice.
8. Report the significant performance of the Executive Committee to the Board of Directors on a regular basis.
9. Review the roles and responsibilities of the Executive Committee in accordance with the situation.
10. Perform any other activities as assigned by the Board of Directors.

The delegation of authorities, duties and responsibilities to the Executive Committee shall not be delegated or further assigned that authorize the Executive Committee or its attorney to approve any transactions that the Executive Committee or connected persons or any persons who may have conflict of interest have done with the Company or its subsidiaries unless such transactions are complied with the Company's policy or principle that is approved by the Board of Directors. Such connected transactions shall be proposed to the Board of Directors' and/or Shareholders' Meetings for approval to comply with the notification of the Stock Exchange of Thailand, the Securities and Exchange Commission (SEC) or related law.

3) Corporate Governance Committee as of December 31, 2023:

- | | | |
|----|--------------------------------|---------------------------------|
| 1. | Dr. Chotivid Chayavadhanangkur | Chairman (Independent Director) |
| 2. | Mr. Kunthit Arunyananda | Member (Independent Director) |
| 3. | Miss Boonrut Mongkolratanakorn | Member and 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/or any qualified candidates for further consideration and appointment from the Board of Directors in the first board 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 performance of committees, management and employees of the Company to comply with the principles of good corporate governance, Company's policies and related laws.
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. Regularly review the Company's policies, principles and practices.
5. Provide suggestions relevant to business ethics and best practices to the Company's directors, management and employees.
6. Ensure that the good corporate governance policy are performed in practice continuously and appropriately.
7. Review the roles and responsibilities of the Corporate Governance Committee in accordance with the situation.
8. Report to the Board of Directors regarding the Company's good corporate governance with comments and recommendations for appropriate improvements.
9. Perform any other activities as assigned by the Board of Directors.

4) Nominating and Compensation Committee as of December 31, 2023:

- | | | |
|----|--------------------------------|---------------------------------|
| 1. | Mr. Kunthit Arunyananda | Chairman (Independent Director) |
| 2. | Dr. Chotivid Chayavadhanangkur | Member (Independent Director) |
| 3. | Miss Boonrut Mongkolratanakorn | Member and Secretary |

Terms of positions

One-third of the Nominating and 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 and Compensation Committee will consider an appropriate person from the members of the Board of Directors and/or any qualified candidates for further appointment from the Board of Directors.

Roles and Responsibilities of the Nominating and Compensation Committee

1. Determine and review the criteria and procedures for nomination of directors, committees, Executive Chairman and senior management to propose for approval from the Board of Directors' meeting.
2. Recruit, select, and nominate appropriate candidates for the position of independent directors, Chairman of the Board of Directors and directors, and propose for consideration and approval from the Board of Directors' and/or the shareholders' meetings when those positions are vacant due to termination of terms or other reasons.
3. Recruit, select, and nominate appropriate candidates for position members of each committee and Executive Chairman proposed for consideration of Board of Directors when such position is vacant as well as propose and review criteria for selecting candidates of top management and senior management for the succession plan, annually.
4. Determine policy, structure and criteria for remuneration, whether in cash, securities or otherwise, of directors, committees, Executive Chairman, key executives, 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, 2023:

- | | |
|------------------------------|-----------|
| 1. Mr. Watchai Vilailuck | Chairman |
| 2. Mr. Charoenrath Vilailuck | Member |
| 3. Mr. Supavas Prohmvitak | Member |
| Mr. Wichai Rongkawilit | 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 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. Set clear business directions, identify, analyze and investigate significant risk factors as well as determine strategy for managing those risks to the Company's acceptable risk level.
2. Set the risk management policy and propose for approval from the Board of Directors to use as guideline for each division according to its responsibility with the following 4 aspects:
 - 1) Financial Risk
 - 2) Operational Risk
 - 3) Strategic Risk
 - 4) Compliance Risk
3. Supervise to ensure effective communication of such measures thoroughly the Company and employees continuously comply with those measures.

4. Review the roles and responsibilities of the Risk Management Committee in accordance with the situation.
5. Provide efficiently assessment and review of possible damage that may occur to ensure that risk exploration covers all processes of business operations.
6. Support and develop risk management to cover throughout the organization and ensure that it is complied with the international standard.
7. Provide professional opinions from external consultants as necessary with company's expense.
8. Perform any other activities as assigned by the Board of Directors.

In addition, the Company has set the Risk management working team of which members consisted of the Company's directors and management to take responsibilities as follows:

1. Classify the significant risk and provide the effectively and efficiently method to control all company's risks to the appropriate level.
2. Monitor and follow up all practices to comply with the risk management policy and general guideline as approved by the Board of Directors.
3. Regularly report to the Board of Directors regarding the Company's risk management, general practices, action plan, status of risk and any changes including corrective and preventive measures to comply with the specified policy and strategy.

6) Sustainable Development Committee as of December 31, 2023:

- | | |
|---------------------------|-----------|
| 1. Mr. Supavas Prohmvitak | Chairman |
| 2. Mrs. Sumonthip Srimek | Member |
| 3. Mr. Hiran Phanbanlaem | Member |
| Miss Pornpan Wongketsada | 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 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 action plan for sustainable development to comply with the Company's business operation in term of economy, society 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, review, follow up the operational progress and evaluate the effectiveness of SD policy implementation.
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 carry out their duties and convene the meeting with written minutes regularly. The Company has disclosed the essence of the meeting in the previous year in the report of each committee.

Moreover, the full Charters of the Board of Directors and all Committees were disclosed in the Attachment 5.

7.4 Management

7.4.1 Management as of December 31, 2023:

1. Mr. Watchai Vilailuck	Executive Chairman / Chief Executive Officer
2. Mr. Supavas Prohmvitak	General Manager
3. Mrs. Sumontip Srimek	Vice President - Accounting
4. Mr. Hiran Phanbanlaem	Assistant Vice President - Finance
5. Miss Boonrut Mongkolratanakorn	Assistant Vice President - Corporate Secretary

Details of Education, working experience including and position in subsidiaries and related company as of December 31, 2023 were disclosed in the attachment 1 “Directors, Executives, Controlling Persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision and Company Secretary”.

7.4.2 Policy for Remuneration of Executive Directors and Management

Remuneration of Executive Directors and Management shall be in accordance with the principles and policies specified by the Nominating and 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 Executive Directors and Management 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.

7.4.3 Monetary Remuneration of Executive Directors and Management

Monetary Remuneration of 5 Executive Directors and Management are as follows:

Type	Amount (Baht)		
	Company	Subsidiaries	Total
Salary	4,396,836.00	3,087,600.00	7,484,436.00
Bonus	286,250.00	192,975.00	479,225.00
Provident Fund ⁽¹⁾	306,783.60	92,628.00	399,411.60

Remark: ⁽¹⁾ The Company contributes to the provident fund at the rate of 3-10% of salary related to year of services.

7.5 Employees

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

Number of Employees (persons) Line of business	2021			2022			2023		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
1. Digital Network	3	3	6	2	4	6	2	3	5
2. Digital Content	46	23	69	40	22	62	34	20	54
3. Support Business	3	16	19	4	14	18	4	14	18
Total	52	42	94	46	40	86	40	37	77

Remark: The number of employees decreased, due to the changes in structure and business operation. In addition, the number of employees has been reduced to suit the current business operation.

The remuneration of employees of the Company and subsidiaries for the past 3 years which comprise of salary, bonus, provident fund and others such as special grant, O/T and commission are as follows:

Remuneration	Amount (Million Baht)		
	2021	2022	2023
Salary	39.03	35.33	34.03
Bonus	1.28	1.14	1.02
Provident Fund ⁽¹⁾	2.10	1.64	1.68
Others (special grant, O/T and commission)	0.06	0.07	0.09

Remark: ⁽¹⁾ The Company contributes to the provident fund at the rate of 3-10% of salary related to year of services.

Provident Fund

The Company has established a provident fund under the management of 2 security companies as TISCO Asset Management Company Limited under the name “Samart Group Registered Provident Fund” and Bangkok Capital Asset Management Company Limited under the name “The Registered Provident Fund of Bualuang Submungkung” had already registered with The Securities and Exchange Commission, Thailand. Such fund managers be in accordance with the Investment Governance Code: I Code.

The Company will contribute 3-10% of the employee’s salary to the provident fund. The contributions will be paid according to the years of membership as follows:

Year of membership	Contribute payment rate
Under 5 years	3%
From 5 years and up but less than 10 years	5%
From 10 years and up but less than 15 years	7%
From 15 years and up	10%

As of December 31, 2023, there are 1,190 employees joining the provident fund out of the total 1,624 employees who are eligible to participate, representing 73%. As Samart Group, there are 64 out of 81 employees of Samart Digital Public Company Limited and its subsidiaries joining the provident fund, representing 79%.

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

7.6 Other Information

7.6.1 The person assigned to take direct responsibility for accounting supervision, Company Secretary and Head of Internal Audit and Compliance Unit

The person assigned to take direct responsibility for accounting supervision

The person assigned to take direct responsibility for accounting supervision is Mrs. Sumonthip Srimek appointed on September 30, 2003. She has qualifications as an accountant under the criteria set by the Department of Business Development. Profile and experience of the person assigned to take direct responsibility for accounting supervision in the attachment 1 “Directors, Executives, Controlling Persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision and Company Secretary”.

Company Secretary

The Board of Directors will consider and appoint a potential and experienced person proposed by management as the Company Secretary. The Board of Directors has appointed Miss Boonrut Mongkolratanakorn as Company Secretary and secretary to Committees since October 31, 2003. The Company has specified qualifications, roles and responsibilities of Company Secretary as follows:

Qualifications of Company Secretary:

1. Have well-rounded knowledge and understanding of the Company’s businesses.
2. Understand roles and duties of Company Secretary.
3. Have knowledge and understanding concerning legal matters, regulations of the SEC and the SET.
4. Do not exploit the Company’s business opportunity for personal benefits as well as preserve the confidential information of the Company.
5. Have good human relationship and can coordinate and contact with other agencies inside and outside the Company.
6. Possess English proficiency.
7. Have working experiences on Company Secretary at least 3-5 years.

Roles and responsibilities of Company Secretary:

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 the Board of Directors, Committees and Shareholders as well as coordinate to ensure all resolutions have been implemented complying with the Company’s Objectives, the 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 Audit Committee within 7 business days from the date on which the Company has received such report.

In addition, Company Secretary Division is assigned to be 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 case Company Secretary vacates the position or incapable to perform duty, the Board of Directors shall select a candidate proposed by management to appoint as a new Company Secretary within 90 days from the date on which the Company Secretary has vacated the position or has been incapable to perform duty. In this regards, the

Board of Directors shall be empowered to assign any director to perform the duty as the substitutes during such period.

Profile and experience of Miss Boonrut Mongkolratanakorn was shown in the attachment 1 “Directors, Executives, Controlling Persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision and Company Secretary”. During the past year, Company Secretary has attended the training courses and seminars to strengthen knowledge as follows:

- Activities to cure Office Syndrome
- Provident Fund Selection Policy
- Heart Disease Risk Factors
- Capital Market fight against Corruption
- Criteria for Surveying the CGR Project in 2023
- Business and Human Rights for Listed Companies
- Cyber Vision 2023
- Opportunity for Sustainable Growth
- IOD Open House 1/2023
- Economic and Business Update Series
- Secretarial Professional Development Project
- Roles and Duties of the Company’s Directors and Executives
- Board Retreat NED Meeting
- Review Positioning of SET and MAI
- Cyber Vision 2023: Protect and Detect
- Preparation for Reporting on Interests and Policies

Head of Internal Audit Unit

The Audit Committee proposed to the Board of Directors’ meeting to appoint Mr. Wichai. Rongquilit as the head of the internal audit unit of the Company on August 13, 2019. The Audit Committee considered the qualifications of the head of the internal audit unit in terms of educational qualifications, work experience and training history is of the opinion that he is qualified. Profile, experience and training history of the head of internal audit unit are disclosed in the Attachment 3 “Head of Internal Audit and Compliance Units”.

Head of Compliance Unit

The Company has assigned Company Secretary as head of 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. Details of education and working experience of Company Secretary are disclosed in the attachment 1 “Directors, Executives, Controlling Persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision and Company Secretary”.

7.6.2 Head of Investors Relation and contact

Corporate Secretary is responsible to supervise and coordinate Investors Relation function. Investors can contacted Investor Relations at telephone number 0-2502-6871, 0-2502-6766 or send inquiries through the Company’s website at www.samartdigital.com or e-mail address: InvestorRelations@samartdigital.com.

7.6.3 Remuneration of the Auditors

In 2023, the Company and subsidiaries paid audit fees to the auditors from EY Office Limited amounting to Baht 2,200,000 and 2,165,000 respectively. In addition, the Company and subsidiaries paid out of pocket expenses relating to audit work such as traveling expenses, photocopy expenses and others totaling Baht 205,428. There was no non-audit fee paid to the Company and subsidiaries’ auditors from EY Office Limited.

8. Report on Key Performance in Corporate Governance

8.1 Performance of the Board of Directors

- **Set Policy and Business Direction**

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.samartdigital.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.

In 2023, the Board of Directors' Meeting No. 7/2023 held on November 9 2023 reviewed vision, mission, Corporate Governance Policy and Business Ethics to be consistent with the goals and business strategy of the Company.

- **Monitoring on Business Ethics**

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

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

Moreover, to comply with the principle of the sufficient internal control assessment and accordance with good corporate governance of the Company. The Company conducted self-assessment of the Company's business ethic for executive to evaluate the proceeds of the business ethic and reported to the Audit Committee to consider in the following areas:

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

From the above self-assessment covering 17 areas, the Company's executive completely proceeds to the defined business ethic.

In addition, the Company has provided ethical communication to employees at all levels for their acknowledgment and understanding. In 2023, the Company has arranged the following actions:

- Send the Business Ethics Manual to employees at all levels by E-mail to study and understand.
- Train on Business Ethics to 100% of new employees.

In the past year, there is no any misconduct regarding the Company's Business Ethics.

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. Details on procedures and methods on informing such information, as well as the protection of the informant can be found in "Business Ethics" in the Subject of Procedures and methods on "Notifying the information on misconduct and the protection of the informant".

8.1.1 Nomination, Development and Performance of the Board of Directors

(1) Independent Director

The Board of Directors has set the definition of Independent Director which is more stringent than the regulations of the SEC and the SET as follows:

Qualifications of Independent Director

1. Holding no more than 0.5% of total voting shares of the Company, parent company, subsidiary, affiliate, major shareholder or controlling person of the Company, including shares held by any related person of such independent director.
2. Not being or ever been an executive director, worker, employee, salaried consultant, or controlling person of the Company, parent company, subsidiary, affiliate, same-level subsidiary, major shareholder or controlling person of the Company unless the foregoing status has ended for at least 2 years prior to the date of appointment.
3. Not being a person related by blood or legal registration as father, mother, spouse, sibling and child, including the spouse of the child, of other director, executive, major shareholder, controlling person, or person nominated as a director, executive, or controlling person of the Company or subsidiary.
4. Not having or ever had business relationship with the Company, parent company, subsidiary, affiliate, major shareholder or controlling person of the Company in a manner that may obstruct his/her independent

judgement, and not being or ever been a significant shareholder or controlling person of person having a business relationship with the Company, parent company, subsidiary, affiliate, major shareholder or controlling person of the Company, unless the foregoing relationship has ended for at least 2 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. Not being or ever been an auditor of the Company, parent company, subsidiary, affiliate, major shareholder or controlling person, and not being a significant shareholder, controlling person of the Company, or partner of the audit firm that employs auditors of the Company, parent company, subsidiary, affiliate, major shareholder or controlling person of the Company, unless the foregoing relationship has ended for at least 2 years prior to the date of appointment.
6. Not being or ever been a professional services provider, including legal advisor or financial advisor who receives service fee more than Baht 2 million per year from the Company, parent company, subsidiary, affiliate, major shareholder or controlling person of the Company, and not being a significant shareholder, controlling person, or partner of such professional service provider unless the foregoing relationship has ended for at least 2 years prior to the date of appointment.
7. Not being a director who has been appointed as a representative of the Company's director, major shareholder, or shareholder who is a connected person of major shareholder.
8. Not undertaking any business of the same nature and in significant competition with business of the Company or subsidiary or not being a significant partner in the partnership or executive director, worker, employee, salaried consultant, or shareholder holding more than 1% of total voting shares of another company undertaking any business of the same nature and in significant competition with business of the Company or subsidiary.
9. Not having any other characteristic that cause the inability to express independent opinions.

(2) Nomination of Directors and Top Management

Nomination of Directors

The Nominating and Compensation Committee will select, and nominate appropriate candidates for the positions of Chairman of the Board, members of the Board and other committees and Executive Chairman. The Nominating and Compensation Committee also consider the appropriate remuneration for the duties responsibility to propose to the Board of Directors' meeting and/or the shareholders' meeting to consider and appoint with criteria and methods of recruiting set out in the Company's policy.

In 2023, the Company has nominated and appointed the directors who retire by rotation in the 2023 Annual General Meeting of Shareholders, named Dr. Chotivid Chayavadhanangkur and Mr. Watchai Vilailuck, to re-elect as directors for another term and appointed Dr. Chotivid Chayavadhanangkur to be an independent director and chairman of the Audit Committee. To increase efficiency in management, the Company has nominated and appointed Mr. Supavas Prohmvitak to hold the position of an additional director, and member of Executive Committee, Risk Management Committee and Sustainable Development Committee in replacement of committee members who retired by rotation. For other Committees, the Company considered re-appointing the former members of the committees as committee members for another term.

In this regard, the recruited and appointed directors and committee members have knowledge, capability and experience in the business relating to the Company's operation where such experience can apply to enhance the Company's operation efficiency and consistent with the Company's business strategy. In addition, they have satisfactory performance throughout their tenure.

Nomination of Top Management

The Nominating and Compensation Committee will select internal and external persons who have leadership skills, ability to manage the organization and good understanding of company’s products and services to propose to the Board of Directors for appointment. During the year, the Company has implemented according to the Company’s policy.

(3) Development of Directors and Management

Development of Directors

The Company supports and increases knowledgeable of directors, and 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. As of December 31, 2023, 2 directors had joined DCP program, 4 directors had joined DAP program and 1 directors had joined both DCP and DAP program. IOD training course of each director was shown in the attachment 1 “Directors, Executives, Controlling Persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision and Company Secretary”. Each year, the Company submits training courses arranged by various institutes to directors for their own consideration on attendance.

In 2023, the following 7 directors attended the training courses as shown below:

No.	Director	Training course
1.	Mr. Piyapan Champasut	- Roles and Duties of Directors and Executives of Listed Companies by the SEC in 2023
2.	Dr. Chotivid Chayavadhanangkur	- Importance and Confidence of Audit Committee in the Thai Capital Market in 2023 - Corruption in decorating financial statements, Update on Economic Conditions, Direction of ESG and Carbon Dioxide in 2023 - Roles and Duties of Directors and Executives of Listed Companies by the SEC in 2023
3.	Mr. Kunthit Arunyakanda	- Roles and Duties of Directors and Executives of Listed Companies by the SEC in 2023
4.	Mr. Charoenrath Vilailuck	- Executive Training Program on Administrative Justice class 2, Foundation for Research and Development of the Administrative Justice System in Sep 2023 - May 2024
5.	Mr. Watchai Vilailuck	- Roles and Duties of Directors and Executives of Listed Companies by the SEC in 2023
6.	Miss Boonrut Mongkolratanakorn	- Roles and Duties of Directors and Executives of Listed Companies by the SEC in 2023
7.	Mr. Supavas Prohmvitak	- Roles and Duties of Directors and Executives of Listed Companies by the SEC in 2023

Development of Management

The managerial competency program, courses have been designed for management level in order to develop in managerial competency to strengthen leadership and management skills for executives as well as prepare promotion qualification in the future for pre-executive or talent employees. Moreover, this program would elaborately lead executives to support organization’s business growth and prepare the Company to become business leader in the existing and future. The program includes TLCA CFO CPD No. 1/2023: Economic Update for CFO, TLCA CFO CPD No. 2/2023: Risk Management for CFOs, TLCA CFO CPD No. 3/2023:

Fintech Technology, TLCA CFO CPD No. 4/2023: Opportunities for Sustainable Development, TLCA CFO CPD No. 6/2023: What is the future of the CFO role?, TLCA CFO CPD No. 7/2023: Economic Update for CFO (No. 2), Governance System for Fraud Detection, Design Thinking, Insights into TFRS for NPAs: Accounting and Taxation, Be aware of Tax Laws and Reporting Standards, Smart Talk: Business Challenges and Opportunities, Consideration of Asset Impairment, Economic and Business Update Series, Withholding Tax.

(4) The Assessment of the Board of Directors, Committees, Executive Chairman, Company Secretary and Head of Internal Audit

The Corporate Governance Committee is responsible for self-assessment of the Board of Directors and individual director, Committee Self-Assessment and initiated Executive Chairman Assessment, Company Secretary Assessment and Head of Internal Audit Assessment annually to review and evaluate the efficiency of operation to comply with the good corporate governance. The assessment criteria have been adapted from the SET's guideline and approved by the Board of Directors' Meeting No. 7/2023 on November 9, 2023.

Board Self-Assessment The questionnaire covered the following areas:

1. Structure and qualifications
2. Roles, duties and responsibilities
3. Meeting
4. Performance
5. Relationship with management
6. Director's self-development and management training

The 2023 Board Self-Assessment, evaluated by 6 directors in the above 7 areas, has an excellent evaluation by obtaining average score of 95.69%.

Director Self-Assessment The questionnaire covered the following areas:

1. Structure and qualifications
2. Meeting
3. Roles, duties and responsibilities
4. Self-development

The 2023 Director Self-Assessment, evaluated by 7 directors in the above 4 areas, has an excellent evaluation by obtaining average score of 97.02%.

The Audit Committee Self-Assessment The questionnaire covered the following areas:

1. Structure and qualifications
2. Meeting
3. Roles, duties and responsibilities
4. Development and training
5. Activities of the Audit Committee
6. Relationship between head of internal audit, external auditors and executives

The 2023 The Audit Committee Self-Assessment, evaluated by 3 directors in the above 6 areas, has an excellent evaluation by obtaining average score of 97.08%.

Committee Self-Assessment

The consisted of Executive committee, Corporate Governance Committee, Nominating and Compensation Committee, Risk Management Committee and Sustainable Development Committee covered the following areas:

1. Structure and qualifications
2. Meeting
3. Roles, duties and responsibilities
4. Development and training

The results of each Committee Self-Assessment were shown below:

	Result	Average Score (%)
1. Executive Committee	Excellent	94.08
2. Risk Management Committee	Excellent	91.37
3. Nominating and Compensation Committee	Excellent	96.67
4. Corporate Governance Committee	Excellent	96.93
5. Sustainable Development Committee	Very Good	81.25

Executive Chairman Assessment The questionnaire covered the following areas:

1. Leadership
2. Strategy formulation
3. Financial planning and performance
4. Board relations
5. Risk management and internal control
6. Human resources management
7. Succession Plan
8. Product and service knowledge
9. Good corporate governance and code of business conduct

The 2023 Executive Chairman Assessment, evaluated by the Company's 6 directors in the above 9 areas, has an excellent evaluation by obtaining average score of 94.63%.

Company Secretary Assessment The questionnaire covered the following areas:

1. Knowledge
2. Compliance
3. Communication and Coordination
4. Documentation
5. Meeting
6. Corporate Governance

The 2023 Company Secretary Assessment, evaluated by 6 directors in the above 6 areas, has an excellent evaluation by obtaining average score of 97.74%.

Head of Internal Audit Assessment The questionnaire covered the following areas:

1. Purpose, Authority and Responsibility
2. Independence and Objectivity
3. Qualification and Professional
4. Continuous Improvement
5. Internal Audit Office Management
6. Knowledge and Competency

The 2023 Head of Internal Audit Assessment, evaluated by 3 Audit Committee members in the above 6 areas, has an excellent evaluation by obtaining average score of 97.93%.

8.1.2 Meeting of attendance and Remuneration to Director Self-Assessment

(1) Meeting of The Board of Directors

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 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.

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 a 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 average length of the meeting is approximately 2 hours. In 2023, numbers of each meeting and time attendance of each member were summarized below:

Directors	Position	Number of Attendance / Total Number of Meeting		
		Meeting of the Board of Directors	Meeting of AGM 2023	Meeting of EGM No. 1/2023
1. Mr. Piyapan Champasut	<ul style="list-style-type: none"> Chairman of the Board of Directors Independent Director Audit Committee Member 	8/8	1/1	1/1
2. Dr. Chotivid Chayavadhanangkur	<ul style="list-style-type: none"> Independent Director Chairman of the Audit Committee Chairman of the Corporate Governance Committee Nominating and Compensation Committee Member 	8/8	1/1	1/1
3. Mr. Kunthit Arunyananda	<ul style="list-style-type: none"> Independent Director Audit Committee member Chairman of the Nominating and Compensation Committee Corporate Governance Committee Member 	8/8	1/1	1/1
4. Mr. Charoenrath Vilailuck ⁽¹⁾	<ul style="list-style-type: none"> Director Risk Management Committee Member 	8/8	1/1	1/1
5. Mr. Watchai Vilailuck ⁽¹⁾	<ul style="list-style-type: none"> Authorized Director Executive Chairman Chief Executive Officer Chairman of the Risk Management Committee 	7/8 ⁽³⁾	1/1	1/1
6. Miss Boonrut Mongkolratanakorn	<ul style="list-style-type: none"> Authorized Director Corporate Governance Committee Member Nominating and Compensation Committee Member 	8/8	1/1	1/1
7. Mr. Supavas Prohmvitak ⁽²⁾	<ul style="list-style-type: none"> Authorized Director Executive Director Risk Management Committee Member Chairman of the Sustainable Development Committee 	5/5	0/0	1/1

Remarks : ⁽¹⁾ Representative Directors from Samart Corporation Plc., a major shareholder, with 77.65% stake holding

⁽²⁾ Appointed as Director on April 27, 2023. During his tenure, he attended every meeting.

⁽³⁾ Has company business abroad.

(2) Meeting of Committees

In 2023, numbers of each meeting and time attendance of each member were summarized below:

Directors	Number of Attendance / Total Number of Meeting					
	Audit Committee	Executive Committee	Corporate Governance Committee	Nominating and Compensation Committee	Risk Management Committee	Sustainable Development Committee
1. Mr. Piyapan Champasut	4/4					
2. Dr. Chotivid Chayavadhanangkur	4/4		2/2	3/3		
3. Mr. Kunthit Arunyananda	4/4		2/2	3/3		
4. Mr. Charoenrath Vilailuck					3/3	
5. Mr. Watchai Vilailuck		12/12			3/3	
6. Miss Boonrut Mongkolratanakorn ⁽¹⁾		4/4	2/2	3/3	1/1	1/1
7. Mr. Supavas Prohmvitak ⁽²⁾		8/8			2/2	1/1
8. Mrs. Sumonthip Srimek		12/12				2/2
9. Mr. Hiran Phanbanlaem		12/12				2/2

Remark: ⁽¹⁾ Retired by rotation from Executive Director / Risk Management Committee Member and Sustainable Development Management Committee on May 11, 2023. During her tenure, she attended every meeting.

⁽²⁾ Appointed as Executive Director / Risk Management Committee Member and Sustainable Development Management Committee on May 11, 2023. During his tenure, he attended every meeting.

(3) Meeting among members of non-executive directors

In 2023, the non-executive directors held one meeting without management on November 9, 2023 to discuss the interested issues, and the results of the meeting were reported to the Board of Directors for acknowledgment.

Remuneration of Directors

Remuneration of directors consists of Meeting allowance and bonus without other benefits. Meeting allowance will be approved by shareholders' meeting and will be paid to the director who attends in the meeting. All members in the Board of Directors and the Audit Committee will have the same rate of meeting allowances. The meeting allowance rate for the Chairman of the 2 mentioned committees shall be 2 times higher than the other directors. The meeting allowance rate for the Chairman of Nominating and Remuneration Committee and the Corporate Governance Committee shall be 1.33 times higher than the other committee member. There is no consideration of meeting allowance for the Executive Committee, the Risk Management Committee and the Sustainable Development Committee since all members are the Company's executives. Remuneration of directors will be consideration based on the suitability of various reasons and to be comparable to the general practice in same industry as well as the Company's operating result, roles & responsibilities of the Board of Directors and the overall business.

The remuneration of Directors and Committees' members of the Company was approved from the 2023 Annual General Meeting at the amount of not exceeding Baht 4 million which consists of meeting allowance and bonus without other benefits. The meeting allowance for each meeting participated of Directors and Committees was shown below:

The Board of Directors and the Audit Committee

- Chairman Baht 30,000 per time
- Member Baht 15,000 per time

The Nominating and Compensation Committee and the Corporate Governance Committee

- Chairman Baht 20,000 per time
- Member Baht 15,000 per time

In 2023, the Company paid remuneration to directors and committees' members as follows:

Item	Directors	Monetary (Baht)								
		Company							Subsidiaries	Grand Total
		Meeting Allowance ⁽¹⁾					Bonus	Total		
		Board of Directors	Audit Committee	Corporate Governance Committee	Nominating and Compensation Committee	Total				
1	Mr. Piyapan Champasut Chairman / Independent Director	240,000	60,000	-	-	300,000	80,000	380,000	-	380,000
2	Dr. Chotivid Chayavadhanangkur Independent Director	120,000	120,000	40,000	45,000	325,000	60,000	385,000	-	385,000
3	Mr. Kunthit Arunyananda Independent Director	120,000	60,000	30,000	60,000	270,000	60,000	330,000	-	330,000
4	Mr. Charoenrath Vilailuck Director	120,000	-	-	-	120,000	60,000	180,000	-	180,000
5	Mr. Watchai Vilailuck Director	105,000 ⁽⁴⁾	-	-	-	105,000	60,000	165,000	-	165,000
6	Miss Boonrut Mongkolratanakorn ⁽²⁾ Director	120,000	-	30,000	45,000	195,000	60,000	255,000	-	255,000
7	Mr. Supavas Prohmvitak ⁽³⁾ Director	75,000	-	-	-	75,000	-	75,000	-	75,000
	Grand Total	900,000	240,000	100,000	150,000	1,390,000	380,000	1,770,000	-	1,770,000

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

⁽²⁾ Retired by rotation from Executive Director / Risk Management Committee Member and Sustainable Development Management Committee on May 11, 2023. During her tenure, she attended every meeting.

⁽³⁾ Appointed as director on April 27, 2023, and appointed as Executive Director / Risk Management Committee Member and Sustainable Development Management Committee on May 11, 2023. During his tenure, he attended every meeting.

⁽⁴⁾ Has company business abroad.

8.1.3 Governance of the Subsidiary and the Associated Company

In 2023, there is no case where the subsidiary or associated company does not comply with the policy of supervising the subsidiary and associated company and no actions that cause conflicts of interest. The Company prepares and discloses financial reports and important transactions completely and accurately within the specified time.

8.1.4 Corporate Governance Policy and Guideline Compliance Control

The Company realized on the importance of Good Corporate Governance. The relevant policies and guidelines have been set in the Corporate Governance Policy and Business Ethics as well as promoting real practice to build confidence in all groups of stakeholders.

In 2023, the Company has followed up to ensure compliance with the Company's Corporate Governance Policy and Business Ethics in various matters as follows:

(1) Conflict of Interest

The Company's Board of Directors oversees the use of inside information in accordance with the law and Good Corporate Governance. The Company has established guidelines to prevent conflict of interest in the Company's Business Ethics Manual and disclosed in the section 6.1.2 Policy and Practices for Shareholders and Stakeholders under the topic "Conflict of Interest". The Company has informed the guidelines for everyone in the organization to follow. The Corporate Governance Committee is responsible for monitoring compliance with rules, regulations, and Corporate Governance Policies and Business Ethics of the Company regularly and strictly.

In 2023, the Company sent the Business Ethics Manual to employees at all levels to study and understand via e-mail with 100% acknowledgment.

In the past year, there is no conflict of interest with the Company's directors, executives, employees and related persons.

(2) Inside Information Control

The Company sets as policy that all employees shall acknowledge and sign in the agreement of non-disclosure confidential information, non-violation of concealment of computer related and non-infringement of intellectual property. New employees shall sign this agreement together with employment contract. It was also set forth in the Company's Business Ethics to refuse the directors, management and employees of the Company to use Company's inside information for personal benefits. Any trading of the Company's securities within one month prior to disclosure of either Company's financial performance or any other information that may affect securities' price is prohibited. To ensure that the policy is acknowledge and complied, the Company will notify the year plan schedule of such periods in advance to all directors and executives. Every quarter, the Company has also delivered such notice to directors and executives to acknowledge.

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

Securities holding information of the directors and the executives in 2023 were as follows:

Director / Executive	1/1/2023 or Appointment Date	Acquisition / (Disposal) during the year	31/12/2023 or Resignation Date	Increase / (Decrease)
1. Mr. Piyapan Champasut Spouse and minor children	- -	- -	- -	- -
2. Dr. Chotivid Chayavadhanangkur Spouse and minor children	9,000,000 -	- -	9,000,000 -	- -
3. Mr. Kunthit Arunyananda Spouse and minor children	800,000 -	1,600,000 -	2,400,000 -	1,600,000 -
4. Mr. Charoenrath Vilailuck Spouse and minor children	- -	- -	- -	- -
5. Mr. Watchai Vilailuck Spouse and minor children	23,343,000 -	- -	23,343,000 -	- -
6. Miss Boonrut Mongkolratanakorn Spouse and minor children	70,000 -	- -	70,000 -	- -
7. Mr. Supavas Prohmvitak * Spouse and minor children	- -	- -	- -	- -
8. Mrs. Sumonthip Srimek Spouse and minor children	- -	- -	- -	- -
9. Mr. Hiran Phanbanlaem Spouse and minor children	20,000 -	- -	20,000 -	- -

Remark : * Appointed as director on April 27, 2023.

In 2023, the Company has organized the following activities:

- Send Business Ethics Manual to employees at all levels by E-mail to study and understand.
- Notify by E-mail to relevant persons of the prohibited trading period of the Company's securities one month prior to the disclosure of the financial statements. There is no case of insider trading found from the Company's directors and executives.

(3) Anti-Corruption

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

Result of the implementation of such policies in 2023 caused the following matters:

- No case of misconduct on corruption or breach of the ethics. It 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 executives 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.

(4) 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 to Internal Audit Department

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 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 name of the whistleblower will not be disclosed to anyone to protect the whistleblower.

(5) 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.samartdigital.com) under "Contact Us" with the following details:

Mailing Address : Internal Audit Department
Samart Digital Public Company Limited
99/2 Moo 4, Software Park, 34th Fl., Chaengwattana Rd.,
Klong Gluar, Pak-kred, Nontaburi 11120.
or E-mail address : InternalAudit@samartdigital.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"

The Company has complied with the policy. Suggestions and complaints have been submitted to through the specified channels. During the year 2023, no whistleblowing or complaints have been submitted through various channels.

(6) Information Security Management on Information Systems

The Company has always strictly complied with the Information Security Management Policy on Information Systems. As a result, there was no issue affected the information security on the information systems of the companies in the Samart Group in 2023.

8.2 Report on Performance of All Committees

All Committees carried out their duties assigned by the Board of Directors, regularly report the performance to the Board of Directors, and provide annual performances report to shareholders in the Annual Report.

9. Internal Control and Connected Transactions

9.1 Internal Control

The Board of Directors of the Company puts emphasis on adequacy, appropriateness and coverage of its internal control system for all activities of its business operations in order to increase 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 assessed adequacy and appropriateness pursuant to COSO (The Committee of Sponsoring Organizations of the Treadway Commission) standards and Enterprise Risk Management (ERM) framework. The Board of Directors has considered and deemed that the Company has provided adequate personnel to be able to perform the works effectively pursuant to internal control systems as follows:

1) **Control Environment**

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

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

2) **Risk Assessment**

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

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

3) **Control Activities**

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

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

4) Information and Communication

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

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

5) Monitoring Activities

The Company placed strong emphasis on internal control. In case any material defect was found, the administration team and the management team of the Company must be immediately notified to consider, seek for preventive and corrective measures including specify rectification completion period. The rectification results have been followed-up by the Internal Audit Unit and reported to the Audit Committee for their acknowledgement. The Company specified that the Company's Internal Audit Unit must directly report to the Audit Committee and has duty to audit and assess internal control system of the Company and its subsidiaries pursuant to the work plans approved in each year.

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

Opinions of the Board of Directors regarding the Company's Internal Control System

The Board of Directors' Meeting No. 1/2024 on February 22, 2024, in which all 3 Audit Committee members attended, has evaluated the Company's internal control system by using the Securities and Exchange Commission evaluation questionnaire and concluded that the Company had a sufficient internal control system. The Company provided sufficient manpower to ensure that the operation would proceed efficiently. Internal control system could be strengthened in monitoring not only the operation of the Company but also the operation of the subsidiaries in safe guarding of assets from wrong usage or used by unauthorized persons. Business transaction with related persons and the persons who had conflict of interest with the Company were prohibited. The Board of Directors also concluded that internal control system for other topics was done sufficiently.

Furthermore, the Company's auditors, Mr. Piya Chairpruckmalakarn, an auditor license no. 7544, audited the financial statements of the Company and subsidiaries for the year ended December 31, 2023 without any comment on the Company's internal control system as significant error.

Internal Audit

The Internal Audit Office performs its duties independently and objectively and reports functionally and directly to the Audit Committee. The Internal Audit Charter and Manual are regularly updated as its primary source of reference. This ensures that the Internal Audit Office conforms to the International Standard for the Professional Practices of Internal Auditing (Standard) and delivers a high standard of service with due professional care to support the Company's good corporate governance policy and practice, adding value to both the Company's stakeholders and the Company's sustainable development.

The Internal Audit Office evaluates and improves the effectiveness of internal control, risk management and governance processes according to annual audit plan. The Internal Audit Office creates an annual audit plan, approved by the Audit Committee, after consideration of overall objectives, strategies, mission, and the Risk Based Audit Approach, including key

control points and management opinions. The Internal Audit Office also consults and advises on the preparation of internal control measures and risk management, etc. to ensure that Company performance follows its strategies and achieves its goal and objectives. Furthermore, the Internal Audit Office regularly performs monitoring activities to ensure the planned system can be performed continually and it has been revised and updated regularly. The Company also supports the sufficiency of manpower to fit for work load.

In assessing the effectiveness of Risk Management, the Internal Audit Office reviews event identification and risk factors which affect the Company's objectives, and then reviews the Risk Management approach. This ensures the accuracy of both event identification and risk assessment, and ensures that a systematic Risk Management approach exists. It also ensures that risk is managed at the appetite level, is reported timely to all relevant personnel, and is reviewed continuously.

In assessing external and internal fraud risks management, the internal audit Office performs fraud risk assessment and events identification and then evaluates the possibility of external and internal fraud. The Internal Audit Office also considered the most effective measures to prevent and control risk to ensure that the Company achieves its objectives.

The Head of Internal Audit acts as the secretary to the Audit Committee to enhance the effective achievement of its responsibilities and ensure accountability as assigned by the Board of Directors and also provide recommendations and suggestions in various aspects which are beneficial to the organization. Moreover, the Audit Committee also emphasized quality and development of internal audit task and also encouraged the internal audit personnel to develop themselves on continued and regular basis.

Head of Internal Audit Unit

The Audit Committee proposed to the Board of Directors' meeting to appoint Mr. Wichai Rongkawilit as the head of the internal audit unit of the Company on August 13, 2019. The Audit Committee considered the qualifications of the head of the internal audit unit in terms of educational qualifications, work experience and training history is of the opinion that he is qualified.

The Audit Committee also considers the independence of the internal audit unit as well as the appointment, transfer and dismissal of the head of the internal audit unit or any other unit responsible for internal audit. Based on the results of the performance appraisal of the head of the internal audit unit in 2023, the Audit Committee is of the opinion that the head of the Company's internal audit unit can perform his duties efficiently. He is able to give useful information and advice to any department in the Company regarding general practice in accordance with the law, rules and regulations. During the year, the internal audit unit performed the following duties:

1. Propose 2024 audit plan to the Audit Committee for consideration and approval.
2. Supervise operations of the internal auditor and review on compliance with the standards.
3. Provide guidance and recommendation on compliance with regulations, orders and internal control to the audited department.
4. Audit revenue collection and disbursement, storage and picking control of equipment, supervise the operations of various departments according to the audit plan including clearly specifying the duties of employees.

Details about education, experience and training of the head of internal audit are shown in the Attachment 3 "Head of Internal Audit and Compliance Units".

9.2 Connected Transactions

Connected transactions which might have conflict of interest for the year ended December 31, 2021- 2023 are as follows:

1. Sale of products and services

Related Parties	Transaction Type	Value of Transaction (Million Baht)		
		2021	2022	2023
1. Samart Corporation Plc. A Major shareholder of Samart Digital Plc. with 77.65% stake owner <u>Related Directors</u> 1. Mr. Charoenrath Vilailuck 2. Mr. Watchai Vilailuck	Samart Digital Plc. and its subsidiaries sold products and provided services to Samart Corporation Plc. and its subsidiaries as follows:			
	- Samart Corporation Plc.	0.186	0.327	0.357
	- Samart Engineering Co., Ltd.	-	0.014	-
	- Vision and Security System Co., Ltd.	0.028	7.050	0.015
	- Samart U-Trans Co., Ltd.	-	0.151	0.035
	- Teda Co., Ltd.	18.636	17.760	39.411
	- Transec Power Services Co., Ltd.	1.179	-	-
	- Cambodia Air Traffic Services Co., Ltd.	-	0.075	-
	- Samart Aviation Solutions Plc.	-	0.139	0.013
	- Samart Telcoms Plc.	1.902	57.886	0.299
	- Samart Communication Service Co., Ltd.	179.992	0.764	4.027
	- Samart Comtech Co., Ltd.	0.364	-	1.401
	- Samart Ed Tech Co., Ltd.	-	-	0.011
	- Smarterware Co., Ltd.	-	-	0.018
	- Samart Infonet Co., Ltd.	-	-	0.015
	- Posnet Co., Ltd.	-	-	0.019
	- Thai Trade Net Co., Ltd.	-	-	0.008
	- Secure info Co., Ltd.	-	-	0.015
	- Netservice Co., Ltd.	-	-	0.018
	- Lim Fun Co., Ltd.	-	-	0.001
	Account receivable as of December 31	63.197	13.864	0.410
	Samart Digital Plc. and its subsidiaries sold equipments for project to Samart Corporation Plc. and its subsidiaries as follows:			
	- Samart Corporation Plc.	-	0.001	-
	- Samart Communication Service Co., Ltd.	-	4.568	0.117
	Account receivable as of December 31	-	7.613	0.304
	Samart Digital Plc. and its subsidiaries sold equipment to Samart Corporation Plc. and its subsidiaries as follows:			
	- Samart Engineering Co., Ltd.	-	-	0.030
	- Teda Co., Ltd.	-	-	0.010
	- Samart Comtech Co., Ltd.	-	-	0.026
	Account receivable as of December 31	-	-	-

Related Parties	Transaction Type	Value of Transaction (Million Baht)		
		2021	2022	2023
	Samart Digital Plc. and its subsidiaries bought products and received services from subsidiaries of Samart Corporation Plc. as follows: - Samart Corporation Plc. - Samart Comtech Co., Ltd. - Samart Infonet Co., Ltd. - Samart Communication Service Co., Ltd. Account payable as of December 31	- - 1.448 - -	- - 1.366 5.364 0.129	504.045 237.402 1.446 - 709.520
	Samart Digital Plc. and its subsidiaries paid Information Technology fee and related services to Samart Corporation Plc. Account payable as of December 31	4.801 -	4.614 -	5.054 -
	Samart Digital Plc. bought equipments for project from subsidiaries of Samart Corporation Plc. as follows: - Samart Telcoms Plc. - Samart Comtech Co., Ltd. - Samart Communication Service Co., Ltd. Account payable as of December 31	0.016 100.637 1.499 250.208	- 499.275 11.208 361.826	- 397.486 9.485 1,147.454
	Siam Sport Television Co., Ltd. paid interest on car according to the hire purchase contract to Samart Comtech Co., Ltd., a subsidiary of Samart Corporation Plc. Account payable as of December 31	6.585 -	5.855 -	5.177 -
	Samart Digital Plc. and its subsidiaries paid space rental, utility service fees and related expenses to Samart Corporation Plc. Account payable as of December 31	3.311 0.863	3.369 0.988	3.596 0.965
2. Vilailuck International Holding Co., Ltd. A major shareholder of Samart Corporation Plc. with 14.79% stake owner and SAMART is the major shareholder of Samart Digital Plc.	Samart Digital Plc. and its subsidiaries sold products and provided services to Vilailuck International Holding Co., Ltd. Account payable as of December 31	0.061 -	0.020 -	- -
<u>Related Directors</u> 1. Mr. Charoenrath Vilailuck 2. Mr. Watchai Vilailuck	Samart Digital Plc. and its subsidiaries paid space rental, utility service fees and related expenses to Vilailuck International Holding Co., Ltd. and its subsidiaries as follows: - Vilailuck International Holding Co., Ltd. - Vilailuck Development Co., Ltd. - Lim Fun Co., Ltd. Account payable as of December 31	2.454 - - 0.225	2.637 0.056 0.010 0.248	2.755 0.056 0.056 0.529

Related Parties	Transaction Type	Value of Transaction (Million Baht)		
		2021	2022	2023
3. CSV Asset Co., Ltd. whose major shareholder of 99.97% stake owner is Vilailuck International Holding Co., Ltd. and VIH is a major shareholder of SAMART and SAMART is a major shareholder of Samart Digital Plc. <u>Related Directors</u> 1. Mr. Charoenrath Vilailuck 2. Mr. Watchai Vilailuck	Samart Digital Plc. paid space rental, services, utility service fees and related expenses to CSV Asset Co., Ltd.	2.378	2.514	2.523
	Account payable as of December 31	0.209	-	-
4. Win Performance Co., Ltd. Mr. Watchai Vilailuck, a director of Samart Digital Plc., is a major shareholder with 25.00% stake owner of Win Performance Co., Ltd.	Samart Digital Plc. and its subsidiaries sold equipments and provided services to Win Performance Co., Ltd.	11.365	4.217	3.660
	Account receivable as of December 31	0.428	-	0.281

2. Loans from persons who may have conflict of interest

Related Parties	Transaction Type	Value of Transaction (Million Baht)		
		2021	2022	2023
Samart Corporation Plc. A Major shareholder of Samart Digital Plc. with 77.65% stake owner <u>Related Directors</u> 1. Mr. Charoenrath Vilailuck 2. Mr. Watchai Vilailuck	Samart Digital Plc. borrowed money from Samart Corporation Plc. with interest and fees as agreed.			
	<u>Loan</u>			
	Balance beginning the year	322.305	322.305	322.305
	Repayment during the year	-	-	322.305
	Additional during the year	-	-	-
	Balance at end of the year	322.305	322.305	-
	<u>Interest</u>			
	Balance beginning the year	4.808	19.312	33.816
	Interest for the year	14.504	14.504	15.182
	Interest paid during the year	-	-	48.998
	Balance at end of the year	19.312	33.816	-
	<u>Guarantee fee and others</u>			
	Balance beginning the year	0.008	0.098	0.098
	Guarantee fee and others for the year	0.140	1.180	1.180
Guarantee fee and others paid during the year	0.050	1.180	1.178	
Balance at end of the year	0.098	0.098	0.100	

Summary of criteria for considering the connected transactions that may have conflict of interest

Necessity and Rationale of transactions

From consideration and review of the connected transactions as the above table, the Audit Committee expressed an opinion that the transactions are reasonable, beneficial and necessary for the Company's business operations with general trading conditions. The financial assistance transactions are fair and beneficial to the Company, and comply with the group's policy. The Company has operated in accordance with the Securities and Exchange Act and regulations, announcements or notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand as well as the Disclosure of Information concerning the Connected Transactions.

Measures and Steps of Approval for Connected Transactions

The Audit Committee will review the connected transactions to prevent conflict of interest and propose to the Board of Directors and Shareholders' meetings for approval respectively depended on conditions and values of transactions. Meanwhile, the directors, management and the stakeholders who have conflict of interest will not participate in approving such transactions. The approval on the connected transaction will be in accordance with the Securities and Exchange Act and the regulations, announcements or notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand as well as comply with the Disclosure of Information concerning the Connected Transactions and the Company's Articles of Association. Principles on entering into the normal business transactions with general trading conditions and without general trading conditions are as follows:

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

Normal business transactions with general trading conditions that may occur in the future are required to have an approval in principle from the Board of Directors. The management can approve such transaction if it has trading conditions in the same manner that any person should do with general contracting parties in the same situation on the basis of bargaining power without any influence in their status as a 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 transactions without general trading conditions**

Normal business transactions without general trading conditions are required to have an opinion from the Audit Committee before proposing to the Board of Directors and/or the shareholders' meeting for further consideration. In addition, it must be complied with the Securities and Exchange Act 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 and the Company's Articles of Association.

In the case where the Audit Committee does not have expertise in considering any connected transaction, the Company will appoint independent experts or the Company's auditor to express opinion on the transaction. The opinion will be proposed for consideration of the Audit Committee and/or the Board of Directors and/or shareholders, as the case may be, to ensure that the transaction is necessary and reasonable by taking into account the interests of the Company. Moreover, the Company shall disclose the connected transactions in the annual information disclosure form and the notes to the Company's audited/reviewed financial statement.

Policy and Trend in Future Connected Transactions

The Company may have any connected transaction as appropriate based on normal business conditions and can be referred the same transaction made with outside parties with the necessity and the maximized benefit to the Company. However, the Company will strictly comply with the Securities and Exchange Act and the regulations, announcements or notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand as well as the Disclosure of Information concerning the Connected Transactions and the Company's Articles of Association. In case of any future conflict of interest transaction, opinion from the Audit Committee on its necessity and appropriateness will be required and disclosed in the notes to the Company's audited/reviewed financial statement.

Report of the Board of Directors' Responsibilities for the Financial Reports

Dear Shareholders

The Company's Board of Directors is responsible for the financial statements of Samart Digital Public Company Limited and the consolidated financial statements of the Company and its subsidiaries as well as the information that appears in the Annual Report. The financial statements are prepared in accordance with Thai Financial Reporting Standards. Appropriate accounting policies have used and practiced regularly. Careful consideration and best estimates have made with sufficient disclosure of information in the notes to the financial statements. This is to ensure transparency and benefits to the shareholders and investors.

The financial statements of Samart Digital Public Company Limited and its consolidated financial statements were audited by EY Office Limited, the Company's auditor. During the audit, the Board of Directors supported the auditor with various information and documents so that the auditor could audit and express its opinions according to the accounting standards. The opinions of the auditor appear in the Report of Independent Auditor in this Annual Report.

In this regard, the Board of Directors had appointed the Audit Committee of which comprised 3 independent directors with qualification according to the SET and the SEC regulations and notification for being the Audit Committee's members to examine the accounting policies and the quality of the financial reports as well as the internal control and internal audit systems. The opinions of the Audit Committee on these matters appear in the Report of the Audit Committee in this Annual Report.

The Board of Directors has provided for and maintained appropriate and effective internal control system to obtain reasonable assurance that the accounting information is accurate, complete and sufficient to maintain the Company's assets and to prevent fraud or significant unusual transactions.

The Board of Directors was of the opinion that the overall internal control system of the Company was at a satisfactory level. The financial statements of Samart Digital Public Company Limited and its consolidated financial statement as of December 31, 2023 was creditable presentation in accordance with Thai Financial Reporting Standards and compliance with related laws and regulations.



(Mr. Watchai Vilailuck)

Director

Samart Digital Public Company Limited



(Mr. Supavas Prohmvitak)

Director

Samart Digital Public Company Limited

Independent Auditor's Report

To the Shareholders of Samart Digital Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Samart Digital Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, 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 Digital 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 Digital Public Company Limited and its subsidiaries and of Samart Digital Public Company Limited as at 31 December 2023, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

I draw attention to Note 1.2 to the financial statements regarding the ability of the Group to continue as a going concern. The Group has incurred operating losses for a number of consecutive years. As at 31 December 2023, the Group's current liabilities exceeded its current assets by Baht 2,230 million (the Company only: Baht 2,651 million). Additionally, it had a deficit of Baht 5,625 million. In addition, since 27 February 2023, the Company's securities have been posted with "C" (Caution) sign. However, the Company entered into business alliance agreements with a group of customers in order to increase its capability to provide Digital Trunked Radio System (DTRS) services, which is a new business in which it possesses expertise and experience. Furthermore, the Company is currently negotiating with other customer groups to offer its services.

In addition, as mentioned in Note 20 to the financial statements, the Company was unable to maintain certain financial ratios and shareholding percentages as stipulated in the loan agreements with financial institutions. Therefore, the loans of Baht 1,951 million may be payable on demand. However, the Company expects to receive waivers from the financial institutions. In addition, the Company received Letter of Intent from its parent company committing to providing continuous financial support to the Group. The management therefore believes that the Group will be able to continue as a going concern.

The above circumstances indicate that there are material uncertainties that may cast significant doubt about the Group's ability to continue as a going concern. This will depend on the Group's ability to manage cash flows to be adequate for debt repayments, the success of negotiations with the financial institutions to amend the conditions and extend the repayment period of its long-term loans, and the success of its plans to enhance future operations.

My opinion is not modified in respect of this matter.

Emphasis of Matter

I draw attention to Note 36.6 to the financial statements regarding a dispute of I-Mobile Plus Co., Ltd., a subsidiary, relating to breach of contract with respect to 3G mobile network service trial project with an organisation. In October 2018, a subsidiary filed a plaint claiming compensation from such organisation with the Civil Court amounting to Baht 1,941 million. On 9 March 2023, the Court of First Instance issued a judgment ordering such organisation to pay the subsidiary Baht 748 million in compensation, plus interest from the date of filing until the debt is fully paid. On 5 September 2023, the subsidiary filed an appeal against the judgment of the Court of First Instance, requesting the Court of Appeal to consider the case and order the defendant to pay additional damages totaling Baht 812 million. Currently, the case is being considered by the Court of Appeal. However, in 2020 such organisation filed a suit against the Company and the subsidiary with the Central Administrative Court demanding payments of fees and interest thereon amounting to Baht 212 million (including interest thereon). On 14 December 2023, the Civil of First Instance issued an order that both the Company and its subsidiary collectively pay Baht 137 million to such organisation, along with an annual interest, starting from 20 December 2017, until the complete settlement. As of 31 December 2023, the subsidiary has fully recorded the liability (under provision and other payable). Subsequently, on 9 February 2024, the subsidiary sought an extension for the appeal period, which the court granted, extending the appeal deadline until 14 March 2024.

Based on the opinion of the legal advisor and the Group's management, it is believed that the Group will not incur significant losses related to the two disputes. Nevertheless, the outcomes of these disputes are currently pending finalisation and are contingent upon the judicial proceedings in the future.

The subsidiary has exercised prudence in recognising the aforementioned debt in accordance with accounting standards. This recognition does not alter the nature of the case and should not be construed as a waiver of legal rights. Additionally, the recording of this debt does not imply that the Company and its subsidiary will abstain from asserting their rights through the legal justice process in the future. The Company and the subsidiary maintain confidence in their legal position and are committed to pursuing the legal process until its conclusion.

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.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, key audit matters and how audit procedures respond for each matter are described below.

Compliance with loan covenants

As disclosed in Note 20 to the financial statements, as at 31 December 2023 the Company has long-term loans amounting to Baht 1,951 million. Under the loan agreements, the Company has to comply with certain conditions including maintaining financial ratios as stipulated in the agreements. As the long-term loan has significant balances in the financial statements (accounting for 44% and 40% of total liabilities in the consolidated and separate financial statements, respectively), there

is a risk that the Company could not comply with the certain conditions or maintain financial ratios in accordance with the loan covenants. This could result in the loan becoming payable on demand and reclassification from non-current liabilities to current liabilities and also the going concern of the Company.

I have checked the conditions and loan covenants as stipulated in the agreements and tested the correctness of the calculation of financial ratios whether they were complied with the loan covenants. I have inquired with the management regarding the process for tracking the condition and loan covenants as well as the process of the waiver in case of breaching the loan covenants. In addition, I have reviewed the appropriateness of the classification of loans and assessed the adequacy of information disclosed in notes to the financial statements with respect to the compliance with the loan covenants, as well as the appropriateness of the going concern basis used in preparing the financial statements of the Company.

Revenue recognition from contract work

The Group has disclosed its policies on revenue recognition for services provided under long-term contracts in Note 4.1 and 5.1 to the financial statements. I identified revenue recognition from contract work to be area of significant risk in the audit. This is because the amount of revenue from contract work forms a significant portion, representing 83 percent of the Group's total revenue.

In addition, the process of measurement and the determination of appropriate timing of recognition from long-term contracts are areas requiring management to exercise significant judgement to assess the percentage of completion. Therefore I focused on the revenue recognition from long-term contracts.

I gained understanding of the internal controls put in place by the Group over the process of relating to the method that the management used in estimation of the percentage of completion, recognition of revenue and cost of contract work. I made enquiries of responsible executives, gained an understanding of the Group's process to assess the percentage of completion and cost estimates for project. In addition, I also selected long-term contracts made with major customers 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 customer. I inquired with the management about the terms of risks associated with these contracts relevant to revenue recognition. I 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, and compared actual costs with supporting documents including testing the calculation of the percentage of completion based on actual costs incurred.

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.



Piya Chaipruckmalakarn
Certified Public Accountant (Thailand) No. 7544

EY Office Limited
Bangkok: 22 February 2024

Financial Statements

Samart Digital Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Assets					
Current assets					
Cash and cash equivalents	7	66,378,842	213,153,518	44,381,417	179,530,563
Trade and other receivables	8	1,454,875,767	86,458,907	1,482,967,518	97,984,847
Short-term loans	6	-	-	20,960,861	104,085,713
Current portion of long-term loans to employees		70,833	-	70,833	-
Inventories	9	98,435,300	220,973,950	98,410,693	220,929,240
Other current financial assets	10	425,000	767,536	-	168,000
Other current assets	11	453,162,574	688,687,378	429,026,190	641,284,396
Total current assets		2,073,348,316	1,210,041,289	2,075,817,512	1,243,982,759
Non-current assets					
Restricted bank deposits	7, 12	102,795,056	102,749,334	102,795,056	102,749,334
Other non-current financial assets	10	3,037,395	2,666,313	2,341,031	1,877,700
Investments in subsidiaries	13	-	-	574,995,603	562,658,223
Equipment	14	2,275,258,869	2,671,758,916	2,267,932,373	2,658,612,047
Right-of-use assets	22	5,842,662	61,056,827	3,148,781	9,155,742
Intangible assets	16	53,178,913	64,634,770	-	-
Deferred tax assets	33	14,554,415	14,465,519	17,146,559	17,756,993
Other non-current assets		71,655,415	124,165,415	-	-
Total non-current assets		2,526,322,725	3,041,497,094	2,968,359,403	3,352,810,039
Total assets		4,599,671,041	4,251,538,383	5,044,176,915	4,596,792,798

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

Financial Statements

Samart Digital Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	17	65,759,761	68,188,051	63,059,761	65,188,051
Trade and other payables	18	2,269,933,040	1,037,830,096	2,171,996,497	931,793,516
Short-term borrowings	19	10,378,560	12,707,950	536,500,000	533,000,000
Current portion of long-term loans from financial institutions	20	1,950,817,664	2,501,941,182	1,950,817,664	2,501,941,182
Current portion of lease liabilities	22	1,506,511	40,046,256	541,301	1,184,873
Income tax payable		256,965	287,052	-	-
Unearned revenue		3,496,531	78,450,213	2,821,060	76,884,993
Other current financial liabilities		-	972,608	-	972,608
Other current liabilities		1,265,378	1,858,242	1,133,529	1,143,387
Total current liabilities		4,303,414,410	3,742,281,650	4,726,869,812	4,112,108,610
Non-current liabilities					
Long-term loans from related company	6	-	322,305,000	-	322,305,000
Convertible debentures	21	21,912,210	37,964,379	21,912,210	37,964,379
Lease liabilities, net of current portion	22	5,453,464	77,911,431	3,434,620	9,077,547
Provision for long-term employee benefits	23	8,146,863	12,108,255	4,355,457	6,392,321
Long-term provision		70,546,476	-	-	-
Liabilities for investment in subsidiaries under equity method	13	-	-	88,701,809	26,241,342
Total non-current liabilities		106,059,013	450,289,065	118,404,096	401,980,589
Total liabilities		4,409,473,423	4,192,570,715	4,845,273,908	4,514,089,199

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

Financial Statements

Samart Digital Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2023

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital	24			
Registered				
50,659,582,534 ordinary shares of Baht 0.1 each (2022: 17,150,979,387 ordinary shares of Baht 0.1 each)	5,065,958,253	1,715,097,938	5,065,958,253	1,715,097,938
Issued and fully paid-up				
29,793,015,672 ordinary shares of Baht 0.1 each (2022: 13,974,865,154 ordinary shares of Baht 0.1 each)	2,979,301,567	1,397,486,515	2,979,301,567	1,397,486,515
Share premium	2,800,118,660	3,509,242,485	2,800,118,660	3,509,242,485
Deficit on changes in percentage of shareholding in subsidiary	(206,369)	(206,369)	(206,369)	(206,369)
Retained earnings				
Appropriated - statutory reserve	25	44,400,000	44,400,000	44,400,000
Unappropriated (deficit)	(5,624,710,851)	(4,868,219,032)	(5,624,710,851)	(4,868,219,032)
Equity attributable to owners of the Company	198,903,007	82,703,599	198,903,007	82,703,599
Non-controlling interests of the subsidiaries	(8,705,389)	(23,735,931)	-	-
Total shareholders' equity	190,197,618	58,967,668	198,903,007	82,703,599
Total liabilities and shareholders' equity	4,599,671,041	4,251,538,383	5,044,176,915	4,596,792,798

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

Financial Statements

Samart Digital Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Revenues					
Sales		90,321,293	132,269,489	88,816,894	131,424,013
Service income	26	184,162,896	158,057,071	81,729,641	38,680,038
Revenue from contract work		1,624,141,326	341,798,281	1,624,141,326	341,798,281
Gain on exchange		11,497,905	4,013,978	11,497,905	4,013,978
Other income	28	55,361,137	6,806,592	17,419,419	13,586,189
Total revenues		1,965,484,557	642,945,411	1,823,605,185	529,502,499
Expenses	29				
Cost of sales		83,075,365	126,148,375	82,306,105	125,516,285
Cost of services		267,710,224	204,852,396	174,437,824	77,046,787
Cost of contract work		1,571,602,781	330,741,617	1,571,602,781	330,741,617
Selling and distribution expenses		13,641,702	9,777,680	917,752	2,048,434
Administrative expenses		71,926,984	95,720,037	37,886,037	66,469,784
Impairment loss on equipment		404,820,588	393,000,000	404,820,588	393,000,000
Other expenses	30	116,434,942	137,508,195	3,557,670	835,413
Total expenses		2,529,212,586	1,297,748,300	2,275,528,757	995,658,320
Operating loss		(563,728,029)	(654,802,889)	(451,923,572)	(466,155,821)
Share of loss from investments in subsidiaries	13	-	-	(142,880,224)	(122,114,115)
Finance income		1,152,495	528,374	16,810,218	12,277,697
Finance cost	31	(181,783,476)	(183,660,583)	(182,280,840)	(180,150,605)
Reversal of impairment (loss) on financial assets	8	7,502,000	(127,429,751)	7,352,000	(127,381,601)
Loss before income tax expenses		(736,857,010)	(965,364,849)	(752,922,418)	(883,524,445)
Income tax expenses	32	(1,645,300)	(299,943,965)	(610,434)	(291,610,206)
Loss for the year		(738,502,310)	(1,265,308,814)	(753,532,852)	(1,175,134,651)
Loss attributable to:					
Equity holders of the Company		(753,532,852)	(1,175,134,651)	(753,532,852)	(1,175,134,651)
Non-controlling interests of the subsidiaries		15,030,542	(90,174,163)		
		(738,502,310)	(1,265,308,814)		
Basic loss per share	33				
Loss attributable to equity holders of the Company		(0.05)	(0.09)	(0.05)	(0.09)
Weighted average number of ordinary shares (shares)		15,065,015,326	13,315,860,462	15,065,015,326	13,315,860,462

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

Financial Statements

Samart Digital Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2023

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Loss for the year	(738,502,310)	(1,265,308,814)	(753,532,852)	(1,175,134,651)
Other comprehensive income:				
Items not to be reclassified to profit or loss in subsequent periods:				
Actuarial loss	-	(951,251)	-	(649,475)
Income tax effect 32	-	47,805	-	23,902
Reversal of actuarial gain on defined benefit plan from disposal of investment in subsidiary 23	(2,958,967)	-	(2,958,967)	-
	(2,958,967)	(903,446)	(2,958,967)	(625,573)
Items not to be reclassified to profit or loss in subsequent periods - net of income tax	(2,958,967)	(903,446)	(2,958,967)	(625,573)
Other comprehensive loss for the year	(2,958,967)	(903,446)	(2,958,967)	(625,573)
Total comprehensive loss for the year	(741,461,277)	(1,266,212,260)	(756,491,819)	(1,175,760,224)
Total comprehensive loss attributable to:				
Equity holders of the Company	(756,491,819)	(1,176,038,097)	(756,491,819)	(1,175,760,224)
Non-controlling interests of the subsidiaries	15,030,542	(90,174,163)		
	(741,461,277)	(1,266,212,260)		

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

Smart Digital Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements							
	Equity attributable to owners of the Company					total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
	Issued and paid-up share capital	Share premium	Dilicit on changes in percentage of shareholding in subsidiary	Retained earnings				
Appropriated - statutory reserve				Unappropriated (deficit)				
Balance as at 1 January 2022	1,249,984,374	3,167,744,626	(206,369)	44,400,000	(3,692,458,808)	769,463,823	66,716,105	836,179,928
Loss for the year	-	-	-	-	(1,175,134,651)	(1,175,134,651)	(90,174,163)	(1,265,308,814)
Other comprehensive loss for the year	-	-	-	-	(625,573)	(625,573)	(277,873)	(903,446)
Total comprehensive loss for the year	-	-	-	-	(1,175,760,224)	(1,175,760,224)	(90,452,036)	(1,266,212,260)
Debentures converted to ordinary shares (Note 24)	147,502,141	341,497,859	-	-	-	489,000,000	-	489,000,000
Balance as at 31 December 2022	1,397,486,515	3,509,242,485	(206,369)	44,400,000	(4,868,219,032)	82,703,599	(23,735,931)	58,967,668
Balance as at 1 January 2023	1,397,486,515	3,509,242,485	(206,369)	44,400,000	(4,868,219,032)	82,703,599	(23,735,931)	58,967,668
Loss for the year	-	-	-	-	(753,532,852)	(753,532,852)	15,030,542	(738,502,310)
Other comprehensive loss for the year	-	-	-	-	(2,958,967)	(2,958,967)	-	(2,958,967)
Total comprehensive loss for the year	-	-	-	-	(756,491,819)	(756,491,819)	15,030,542	(741,461,277)
Debentures converted to ordinary shares (Note 24)	172,433,044	(4,433,044)	-	-	-	168,000,000	-	168,000,000
Issue additional shares (Note 24)	1,409,382,008	(704,690,781)	-	-	-	704,691,227	-	704,691,227
Balance as at 31 December 2023	2,979,301,567	2,800,118,660	(206,369)	44,400,000	(5,624,710,851)	198,903,007	(8,705,389)	190,197,618

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

Smart Digital Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2023

(Unit: Baht)

	Separate financial statements						Total shareholders' equity
	Issued and paid-up share capital	Share premium	Deficit on changes in percentage of shareholding in subsidiary	Retained earnings		Unappropriated (deficit)	
				Appropriated - statutory reserve	Unappropriated (deficit)		
Balance as at 1 January 2022	1,249,984,374	3,167,744,626	(206,369)	44,400,000	(3,692,458,808)	769,463,823	
Loss for the year	-	-	-	-	(1,175,134,651)	(1,175,134,651)	
Other comprehensive loss for the year	-	-	-	-	(625,573)	(625,573)	
Total comprehensive loss for the year	-	-	-	-	(1,175,760,224)	(1,175,760,224)	
Debentures converted to ordinary shares (Note 24)	147,502,141	341,497,859	-	-	-	489,000,000	
Balance as at 31 December 2022	1,397,486,515	3,509,242,485	(206,369)	44,400,000	(4,868,219,032)	82,703,599	
Balance as at 1 January 2023	1,397,486,515	3,509,242,485	(206,369)	44,400,000	(4,868,219,032)	82,703,599	
Loss for the year	-	-	-	-	(753,532,852)	(753,532,852)	
Other comprehensive loss for the year	-	-	-	-	(2,958,967)	(2,958,967)	
Total comprehensive loss for the year	-	-	-	-	(756,491,819)	(756,491,819)	
Debentures converted to ordinary shares (Note 24)	172,433,044	(4,433,044)	-	-	-	168,000,000	
Issue additional shares (Note 24)	1,409,382,008	(704,690,781)	-	-	-	704,691,227	
Balance as at 31 December 2023	2,979,301,567	2,800,118,660	(206,369)	44,400,000	(5,624,710,851)	198,903,007	

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

Financial Statements

Samart Digital Public Company Limited and its subsidiaries

Statement of cash flows

For the year ended 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Cash flows from operating activities					
Loss before tax		(736,857,010)	(965,364,849)	(752,922,418)	(883,524,445)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:					
Unrealised loss on exchange		(577,294)	(3,591,735)	(577,294)	(3,591,735)
Loss on change in value of other current financial assets	10.1	-	228,000	-	228,000
Less on disposal of other current financial assets	10.1	72,271	-	72,271	-
Gain on disposal of investment in subsidiary	13.9	(1,242,786)	-	-	-
Loss on change in fair value of forward exchange contracts	37	-	972,608	-	972,608
Increase (decrease) in allowance for expected credit losses					
- trade accounts receivable	8	(7,958,359)	126,567,070	(7,696,709)	127,381,601
Write-off trade receivables	8	456,359	920,153	344,709	-
Reversal of reduction cost of inventory to net realisable value	9	(37,155,049)	(116,992)	(35,768,429)	(3,495)
Write-off withholding tax deducted at sources	11.1	80,973	311	-	-
Share of loss from investments in subsidiaries	13.2	-	-	142,880,224	122,114,115
Gain on disposal of equipment		(394,383)	(1,387,061)	(349,271)	(915,469)
Increase in allowance for impairment of equipment	14	402,198,621	392,029,997	402,198,621	392,029,997
Depreciation on equipment	14	140,626,500	85,281,066	138,212,595	77,556,513
Write-off right-of-use assets		364,123	-	-	-
Decrease in allowance for impairment of right-of-use assets		(77,292,000)	77,292,000	-	-
(Gain) loss on leases termination	22	33,153,643	-	(493,582)	-
Increase in allowance for impairment of other non-current assets	30	50,832,500	-	-	-
Depreciation on right-of-use assets	22	12,789,366	29,857,112	1,434,856	1,445,644
Transfer equipment to expenses		-	22,935	-	22,935
Write-off equipment		3,485,398	1,805,413	3,485,398	1,805,413
Write-off goodwill	15, 30	-	59,323,000	-	-
Amortisation of intangible assets	16	17,285,687	15,048,842	-	-
Amortisation of deferred interests under lease agreements	22	5,776,822	6,542,005	480,641	541,766
Increase (decrease) in provision for long-term employee benefits		937,970	(282,656)	311,803	(120,025)
Loss from long-term provision	30	61,599,677	-	-	-
Finance income		(1,152,495)	(528,375)	(16,810,218)	(12,277,697)
Finance cost		166,432,074	167,421,680	172,314,187	170,111,763
Profit (loss) from operating activities before changes in operating assets and liabilities		33,462,608	(7,959,476)	47,117,384	(6,222,511)

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

Financial Statements

Samart Digital Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2023

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from operating activities (continued)				
Operating assets (increase) decrease				
Trade and other receivables	(1,367,995,136)	64,131,805	(1,373,488,619)	57,066,833
Inventories	159,370,964	20,710,510	157,964,242	20,521,673
Other current financial assets	(100,000)	115,133,002	-	115,732,538
Other current assets	224,478,105	(160,328,279)	215,831,076	(159,256,067)
Other non-current financial assets	(371,082)	103,259	(463,331)	125,901
Other non-current assets	1,677,500	-	-	-
Operating liabilities increase (decrease)				
Trade and other payables	1,263,064,189	208,851,507	1,261,543,953	215,009,393
Other current liabilities and unearned revenue	(76,334,986)	56,544,303	(75,046,399)	56,825,227
Cash flows from operating activities				
	237,252,162	297,186,631	233,458,306	299,802,987
Cash paid for interest expenses	(199,881,630)	(152,718,797)	(200,493,088)	(152,780,959)
Cash paid for corporate income tax	(7,103,397)	(7,402,778)	(3,572,870)	(2,915,258)
Cash received from withholding tax refundable	11.1	20,768,050	678,900	-
Cash received from value added tax		1,439,460	409,522	-
Cash paid for employee benefit	23	(2,348,667)	(1,510,667)	-
Cash received from other non-current assets		274,536	-	-
Net cash flows from operating activities				
	50,400,514	136,642,811	27,043,681	144,561,818
Cash flows from investing activities				
Net Cash flow from disposal of subsidiary	13.9	(2,821,412)	-	-
Cash paid to provide short-term loans to related parties	6	-	(5,500,000)	(17,700,000)
Cash received for interest income		1,152,495	528,375	995,173
Cash paid to provide short-term loans to employees		(147,220)	-	(100,000)
Cash received from short-term loans to employees		76,387	-	29,167
(Increase) decrease in restricted bank deposits		(45,722)	318,091	(45,722)
Cash paid for acquisition of equipment		(132,326,156)	(364,225,896)	(131,531,195)
Cash paid for acquisition of intangible assets		(2,065,000)	-	-
Cash received from disposal of other current financial assets	10.1	95,729	-	95,729
Proceeds from disposal of equipment		4,976,181	1,305,388	4,931,055
Net cash flows used in investing activities				
	(131,104,718)	(362,074,042)	(131,125,793)	(374,097,548)

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

Financial Statements

Samart Digital Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Cash flows from financing activities					
Increase (decrease) in bank overdrafts		(2,128,290)	49,802,998	(2,128,290)	49,802,998
Proceeds from short-term loans from banks	17	11,700,000	12,000,000	-	-
Repayment of short-term loans from banks	17	(12,000,000)	(12,000,000)	-	-
Proceeds from short-term loans from related parties	6	-	-	3,500,000	46,500,000
Repayment of short-term loans from related parties		-	-	-	(36,500,000)
Repayment of short-term loans from unrelated parties		(2,329,390)	-	-	-
Repayment of long-term loans from financial institutions	20	(551,123,518)	(224,538,596)	(551,123,518)	(224,538,596)
Proceed from long-term loans from related parties	6	66,000,000	-	66,000,000	-
Repayment of principal portion of long-term loan from related parties	6	(388,305,000)	-	(388,305,000)	-
Proceed from issuance of convertible debentures	21	138,000,000	460,000,000	138,000,000	460,000,000
Proceed from increase in share capital	24	704,690,977	-	704,690,977	-
Proceed from issuance of warrant		250	-	250	-
Repayment of principal portion of lease liabilities		(24,798,679)	(11,320,888)	(1,220,812)	(1,127,644)
Repayment of interest expense of lease liabilities	22	(5,776,822)	(6,542,005)	(480,641)	(541,766)
Net cash flows from (used in) financing activities		(66,070,472)	267,401,509	(31,067,034)	293,594,992
Net increase (decrease) in cash and cash equivalents		(146,774,676)	41,970,278	(135,149,146)	64,059,262
Cash and cash equivalents at beginning of year		213,153,518	171,183,240	179,530,563	115,471,301
Cash and cash equivalents at end of year		66,378,842	213,153,518	44,381,417	179,530,563
Supplemental disclosures of cash flows information					
Non-cash items for investing activities					
Accounts payable for purchases of equipment		678,678,937	657,429,057	678,678,937	657,405,883
Accounts payable for purchases of intangible assets		2,803,321	966,491	-	-
Increase (decrease) in right-of-use assets from lease liabilities	22	(46,818)	2,397,597	(97,088)	-
Transfer equipment to inventories		1,023,172	7,109	1,023,172	7,109
Transfer inventories to equipment		1,345,907	1,386,431	1,345,907	1,386,431
Transfer equipment to intangible assets		1,928,000	-	-	-
Non-cash items for financing activities					
Debentures converted to ordinary shares	21	168,000,000	489,000,000	168,000,000	489,000,000

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

Samart Digital Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2023

1. General information

1.1 Corporate information

Samart Digital Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company of the Group is Samart Corporation Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in the distribution of telecommunications equipment and providing integrated business in digital network and solution. Its registered address is 99/2, Moo 4, Software Park Building, 34th Floor, Chaengwattana Road, Klong Gluar, Pak-kred, Nonthaburi.

1.2 Fundamental accounting assumptions

The Group incurred had operating losses for a number of consecutive years. As at 31 December 2023, the Group’s current liabilities exceeded its current assets by Baht 2,230 million (the Company only: Baht 2,651 million). Additionally, it had a deficit of Baht 5,625 million. In addition, since 27 February 2023, the Company’s securities have been posted with “C” (Caution) sign. However, the Company entered into business alliance agreements with a group of customers in order to increase its capability to provide Digital Trunked Radio System (DTRS) services, which is a new business in which it possesses expertise and experience. Furthermore, the Company is currently negotiating with other customer groups to offer its services. In addition, the major shareholder continues to provide support to the Group. The management therefore believes that the Group will be able to continue as a going concern. The assets and liabilities are recorded on a basis whereby the Group will be able to realise its assets and meet its obligations in the ordinary course of business.

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Samart Digital Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Subsidiaries directly held by the Company

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2023 Percent	2022 Percent
Samart Digital Media Co., Ltd.	Provision content services via audiotext and call center	Thailand	100	100
I-Mobile Plus Co., Ltd.	Temporarily ceased its business	Thailand	100	100
Zecureasia Co., Ltd.	Temporarily ceased its business	Thailand	100	100
Samart Mobile Services Co., Ltd.	Temporarily ceased its business	Thailand	97.4	97.4
Lucky Heng Heng Co., Ltd.	Operate all kinds of forecasting and astrology	Thailand	100	100
Thai Base Station Co., Ltd.	Provision space rental and other service and distribute telecommunication equipment and systems	Thailand	100	100

Indirect subsidiaries held by the Company's subsidiaries

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			2023 Percent	2022 Percent
Investments through Samart Digital Media Co., Ltd.				
I-Sport Co., Ltd.	Provision of information of sports via full option interactive multimedia	Thailand	50	50
Entertainment Tree Co., Ltd.	Production, sale and provision of all kinds of entertainment-related content through multiple channels	Thailand	61.87	61.87
Investments through I-Sport Co., Ltd.				
Siam Sport Television Co., Ltd.	Television media, sport license and sport-related business	Thailand	-	50

- 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) In recording the acquisition of additional shares of subsidiaries (repurchase of shares from non-controlling interests) when the fair value of the net assets acquired is higher than the cost of the investment the difference has been presented in shareholders' equity under the caption of "Surplus (deficit) on change in percentage of shareholding in subsidiary".

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

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

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 upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

Rendering of services

Service revenue is recognised at a point in time upon completion of the service or recognised over time when services have been rendered taking into account the stage of completion, measuring based on comparison of actual costs incurred up to the end of the period and total anticipated costs to be incurred to completion.

The obligation to transfer goods or services to a customer for which the Group has received consideration from the customer is presented under the caption of "Unearned revenue" in the statement of financial position. Contract liabilities are recognised as revenue when the Group performs under the contract.

Revenue from contract work

Revenues from long-term contracts, excluding value added tax, are recognised over time by reference to the stage of completion which is measured by reference to the proportion that actual construction costs incurred up to the end of the period to total anticipated construction cost to be incurred to completion. Provision for the total anticipated loss on the projects will be made in the accounts as soon as the possibility of loss is ascertained.

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

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

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

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Inventories

Inventories are valued at the lower of cost (under the average method) and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

Reduce cost of inventories to net realisable value will be set up for old, obsolete, slow moving or deteriorated inventories.

4.4 Investments in subsidiaries

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

4.5 Equipment/Depreciation

Condominium and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of condominium and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Condominium	-	20 years
Network equipment and network improvement	-	5 years
Transmission equipment	-	5 - 10 years
Project equipment	-	5 - 15 years
Furniture, fixture and office equipment	-	3 - 10 years
Furniture of sound recording room	-	3 - 10 years
Motor vehicles	-	5 and 7 years
Equipment for rent	-	3 years

Depreciation is included in determining income.

No depreciation is provided on assets under installation.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.6 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

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

	<u>Useful lives</u>
Computer software	- 5 years and agreement term
Right for air time	- 5 years
Right for telecommunication tower service	- 10 years and agreement term

4.7 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 and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's and its subsidiaries' cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.8 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located 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.

Right-of-use building space	4 - 10	years
Transmission equipment	7 and 10	years
Motor vehicles	5 and 7	years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

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.

4.9 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

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

4.10 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's 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.

4.11 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the condominium, 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.

In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.12 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company, its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Company's and its subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

Provision for vacation

The Group sets up provision for vacation which is calculated in accordance with the Group's policy and formula, taking into consideration the employee's salary, the number of service years and the unused vacation days.

4.13 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.14 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current income tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.15 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value 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 discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Convertible debentures

Convertible debentures are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible debentures, based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

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

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due, and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.16 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.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

4.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

5.1 Revenue from contracts with customers

Identification of performance obligations

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

Determination of timing of revenue recognition

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

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs

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

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

In calculating the revenue recognised over time, the management is required to use judgement regarding measuring progress towards complete satisfaction of a performance obligation.

5.2 Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

5.3 Reducing cost to net realisable value of inventories

Determining the reduce 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 additional costs to be incurred in preparing the inventory for sale; and reduce cost of inventories for obsolete, slow-moving and deteriorated inventories, and taking into account the approximate useful life of each type of inventory and current changes in technology.

5.4 Depreciation of equipment and right-of-use assets

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

In addition, the management is required to review impairment of equipment and right-of-use assets on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

5.5 Intangible assets

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

5.6 Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

5.7 Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

5.8 Contingent liabilities

The Group has contingent liabilities as a result of claims for payment. The management has exercised judgement to assess the situation and believes that no liabilities will result. Therefore, no contingent liabilities are recorded as at the end of reporting period.

6. Related party transactions

During the years, the Group had significant business transactions with related parties, principally in respect of the purchase and sales of goods, provision of services, purchase of equipment and loans. Such transactions were concluded on terms and bases agreed upon between the Group and its related parties. The pricing policies for these related party transactions are summarised as follows:

1. Sales prices are determining at market price, if there is unknown market price, sales price will be determined at cost plus a margin not over 15 percent. However, the pricing policy is subject to change depending on the type of business and market competition at the time being.
2. Rental expenses are charged at the amount stated in the agreement.
3. Management service income is charged at the amount stated in the agreement.
4. Other service income and expenses are charged at a mutually agreed price.
5. Interest on loans to the subsidiary companies are charged at cost of fund plus 0.25 percent per annum.
6. Interest on loans from subsidiary companies are charged at average 12-month fixed deposit rate of the big five commercial banks plus 0.25 percent per annum.
7. Interest on loans from parent company is charged at fixed rate per annum.
8. IT service fees expenses to parent company are charged at the amount stated in the agreement which parent company sets based on cost plus a margin not over five percent.
9. Fixed assets are sold and purchased at their net book value plus a margin, depending on the condition of assets.
10. Guarantee fee is charged between the parties at a rate of 0.3 percent per annum.
11. Directors and management's benefit expenses are charged as approved by the shareholders' meeting or contractually agreed price.

Significant business transactions between the Group and its related parties were summarised below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Transactions with parent company				
Purchase of equipment	504	168	504	168
IT service fee expense	5	5	1	1
Rental and other expenses	5	5	4	4
Interest expenses	15	15	15	15
Transactions with subsidiary companies (eliminated from the consolidated financial statements)				
Management fee income	-	-	9	8
Interest income	-	-	16	12
Interest expenses	-	-	6	3
Transactions with related companies				
Service income	6	6	3	2
Sales	43	81	42	81
Sale of equipment	-	5	-	5
Purchase of equipment	237	516	237	516
Service of project fee	407	-	407	-
Rental and other expenses	7	12	3	8
Interest expenses	5	6	-	-

As at 31 December 2023 and 2022, the balances of the accounts between the Group and those related parties were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Trade accounts receivables - related parties (Note 8)				
Parent company	286	255	-	-
Subsidiary companies	-	-	5,370	5,370
Related companies (related by shareholder)	16,079	21,215	15,309	21,055
Total	16,365	21,470	20,679	26,425
Accrued service income	290	301	-	-
Less: Allowance for expected credit losses (Note 13)	-	-	(5,370)	(5,370)
Total trade accounts receivables - related parties - net	16,655	21,771	15,309	21,055

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Amounts due from and advance to related parties (Note 8)				
Parent company	7	7	7	7
Subsidiary companies	-	-	92,006	73,768
Related companies (related by shareholder)	-	1	-	1
Total	7	8	92,013	73,776
Less: Allowance for expected credit losses (Note 13)	-	-	(49,681)	(42,590)
Total amounts due from and advance to related parties - net	7	8	42,332	31,186
Trade accounts payable - related parties (Note 18)				
Parent company	709,387	176,087	709,387	176,087
Related companies (related by shareholder)	426,523	-	426,523	-
Total trade accounts payable - related parties	1,135,910	176,087	1,135,910	176,087
Amounts due to and advance from related parties (Note 18)				
Parent company	965	34,803	121	33,986
Subsidiary companies	-	-	20,224	14,949
Related companies (related by shareholder)	721,593	186,116	720,935	185,725
Total amounts due to and advance from related parties	722,558	220,919	741,280	234,660
Accrued expenses - related parties (Note 18)				
Related companies (related by shareholder)	550	477,923	550	477,923
Total accrued expenses - related parties	550	477,923	550	477,923
Unearned revenue - related parties				
Parent company	21	21	21	21
Subsidiary companies	-	-	113	113
Related companies (related by shareholder)	2,541	2,131	2,541	2,131
Total unearned revenue - related parties	2,562	2,152	2,675	2,265
Lease liabilities				
Parent company	4,944	5,683	3,976	4,570
Related companies (related by shareholder)	2,016	112,275	-	5,693
Total	6,960	117,958	3,976	10,263
Less: Portion due within one year	(1,507)	(40,046)	(541)	(1,185)
Total lease liabilities - net of current portion	5,453	77,912	3,435	9,078

Loans to related parties and loans from related parties

As at 31 December 2023 and 2022, the balances of loans between the Company and those related parties and the movements were as follows:

(Unit: Thousand Baht)

Short-term loans to related parties	Separate financial statements		
	Balance as at	Increase	Balance as at
	31 December		31 December
2022	during the year	2023	
Subsidiary			
Thai Base Station Co., Ltd.	128,500	-	128,500
I-Mobile Plus Co., Ltd.	119,500	2,000	121,500
Lucky Heng Heng Co., Ltd.	20,500	3,500	24,000
Zecureasia Co., Ltd.	2,200	-	2,200
Total	270,700	5,500	276,200
Less: Allowance for expected credit losses (Note 13)	(166,614)		(255,239)
Short-term loans to related parties - net	104,086		20,961

(Unit: Thousand Baht)

Short-term loans from related parties (Note 19)	Separate financial statements		
	Balance as at	Increase	Balance as at
	31 December		31 December
2022	during the year	2023	
Subsidiary			
Samart Mobile Services Co., Ltd.	493,000	-	493,000
Samart Digital Media Co., Ltd.	40,000	3,500	43,500
Total	533,000	3,500	536,500

(Unit: Thousand Baht)

Long-term loans from related party	Consolidated/Separate financial statements			
	Balance as at	During the year		Balance as at
		31 December	Increase	
2022	2023			
Parent Company				
Samart Corporation Public Co., Ltd.	322,305	66,000	(388,305)	-
Total	322,305	66,000	(388,305)	-

On 27 April 2023, the Annual General Meeting of shareholders of the Company passed a resolution approving the connected transactions involving receiving financial assistance from Samart Corporation Public Company Limited, the parent company, in the amount not exceeding Baht 750 million, which is repayable within 6 years by 2028, and carries interest at the cost rate of the parent company plus 0.25% per annum. In September 2023, the Company entered into a transaction concerning a loan of Baht 66 million from the parent company. However, as at 31 December 2023, the Company has fully paid such loan to the parent company.

Directors and management's benefits

During the years ended 31 December 2023 and 2022, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Short-term employee benefits	16.2	8.9	10.4	7.1
Post-employment benefits	0.2	0.1	0.1	0.1
Total	16.4	9.0	10.5	7.2

Significant agreements with related parties
Service and management agreements

- In March 2023, the Group entered into one-year information technology management agreements with Smart Corporation Public Co., Ltd., the parent company. The Group has to pay a monthly service fees totaling approximately Baht 0.4 million (Separate financial statements: Baht 0.1 million).
- In May 2020, the Group entered into the three-years facility service agreements with Smart Corporation Public Co., Ltd., the parent company, under which it has to pay monthly facility service fees at the rates stipulated in the agreements. Subsequently, the Group renewed the agreements for a period of three years expiring in April 2026.
- In May 2020, a subsidiary entered into the three-years facility service agreement with Vilailuck International Holding Co., Ltd., a related company, under which it has to pay monthly facility service fees at the rates stipulated in the agreement. Subsequently, the subsidiary renewed the agreement for a period of three years expiring in April 2026.

Guarantee obligations with related parties

The Company has outstanding guarantees obligations with its related parties as described in Note 36.2.2 to the financial statements.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash	200	316	144	142
Bank deposits	168,974	315,587	147,032	282,138
Total cash and bank deposits	169,174	315,903	147,176	282,280
Less: Restricted bank deposits	(102,795)	(102,749)	(102,795)	(102,749)
Total cash and cash equivalents	66,379	213,154	44,381	179,531

As at 31 December 2023, bank deposits carried interests between 0.15 and 1.10 percent per annum (2022: between 0.15 and 0.55 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Trade accounts receivables - related parties (Note 6)				
<i>Aged on the basis of due dates</i>				
Not yet due	15,579	10,723	15,309	10,508
Past due				
Up to 3 months	50	7,308	-	7,103
Over 12 months	736	3,439	5,370	8,814
Total	16,365	21,470	20,679	26,425
Accrued service income (Note 6)	290	301	-	-
Less: Allowance for expected credit losses (Note 13)	-	-	(5,370)	(5,370)
Total trade accounts receivables - related parties - net	16,655	21,771	15,309	21,055
Total trade accounts receivables - unrelated parties				
<i>Aged on the basis of due dates</i>				
Not yet due	12,133	11,736	5,577	2,701
Past due				
Up to 3 months	426,746	2,150	426,040	-
3 - 6 months	381,917	-	381,917	-
6 - 12 months	256,926	1,427	256,926	-
Over 12 months	2,177,649	2,198,508	2,177,067	2,197,027
Total	3,255,371	2,213,821	3,247,527	2,199,728
Accrued service income	354,448	30,806	349,406	25,384
Less: Allowance for expected credit losses	(2,171,767)	(2,180,042)	(2,171,767)	(2,179,464)
Total trade accounts receivables - unrelated parties, net	1,438,052	64,585	1,425,166	45,648
Total trade accounts receivables - net	1,454,707	86,356	1,440,475	66,703
Other receivables				
Amounts due from and advance to related parties (Note 6)	7	8	92,013	73,776
Other receivables - unrelated parties	162	95	161	96
Total	169	103	92,174	73,872
Less: Allowance for expected credit losses (Note 13)	-	-	(49,681)	(42,590)
Total other receivables - net	169	103	42,493	31,282
Total trade and other receivables - net	1,454,876	86,459	1,482,968	97,985

The normal credit term is 30 days.

Set out below is the movement in the allowance for expected credit losses of trade receivables:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Beginning balance	2,180,042	2,053,475	2,184,834	2,057,452
Provision for expected credit losses	-	167,430	-	167,382
Amount written off	(456)	(863)	(345)	-
Amount recovered	(7,502)	(40,000)	(7,352)	(40,000)
Decrease from disposal of investment in subsidiary	(317)	-	-	-
Ending balance	2,171,767	2,180,042	2,177,137	2,184,834

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2023	2022	2023	2022	2023	2022
Finished goods	99,046	253,934	(611)	(33,219)	98,435	220,715
Supplies	-	4,546	-	(4,546)	-	-
Goods in transit	-	259	-	-	-	259
Total	99,046	258,739	(611)	(37,765)	98,435	220,974

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2023	2022	2023	2022	2023	2022
Finished goods	98,463	251,944	(52)	(31,274)	98,411	220,670
Supplies	-	4,546	-	(4,546)	-	-
Goods in transit	-	259	-	-	-	259
Total	98,463	256,749	(52)	(35,820)	98,411	220,929

During the current year, the Group reversed the write-down of cost of inventories by Baht 37.2 million (2022: Baht 0.1 million) and reduced the amount of inventories recognised as expenses during the year (Separate financial statements: Baht 35.8 million (2022: Nil)).

10. Other financial assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Financial assets at fair value through profit or loss (Note 10.1)				
Listed equity investment	-	168	-	168
Financial assets at amortised cost				
Deposits	3,037	2,666	2,341	1,878
Retention receivables	425	600	-	-
Total other financial assets	3,462	3,434	2,341	2,046
Current	425	768	-	168
Non-current	3,037	2,666	2,341	1,878
	3,462	3,434	2,341	2,046

10.1 Financial assets at fair value through other comprehensive income

Movements of listed equity investment account were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	2023	2022
Beginning balance	168	396
Decrease during the year		
Cash received from disposal of listed equity investment	(96)	-
Loss on disposal of listed equity investment	(72)	-
Total	(168)	-
Gain on changes in value	-	(228)
Ending balance	-	168

11. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Advance for purchase of inventories	127,208	386,478	127,208	386,478
Input tax refundable	172,625	231,903	168,137	227,165
Undue input tax	110,799	23,252	101,554	17,084
Withholding tax deducted at sources (Note 11.1)	14,344	31,157	7,174	3,601
Prepaid expenses	12,689	12,280	9,848	6,938
Advance to employee	20	13	20	-
Others	15,478	5,467	15,085	1,881
Less: Allowance for diminution in value	-	(1,863)	-	(1,863)
Total other current assets - net	453,163	688,687	429,026	641,284

11.1 Withholding tax deducted at sources

The balances of withholding tax deducted at sources as at 31 December 2023 and 2022, aged on years, were summarised below.

(Unit: Thousand Baht)

Year	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
2011	226	226	-	-
2012	356	356	-	-
2014	2,398	2,398	-	-
2018	-	2,101	-	-
2019	-	8,210	-	-
2020	-	7,514	-	-
2021	686	4,420	686	686
2022	5,339	5,932	2,915	2,915
2023	5,339	-	3,573	-
Total	14,344	31,157	7,174	3,601

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 officers.

During the year 2023, the Group received the refund of the withholding tax of 2018 - 2021 totaling approximately Baht 20.8 million (Separate financial statements: Nil) (2022: received the refund of the withholding tax of 2020 totaling approximately Baht 0.7 million (Separate financial statements: Baht 0.5 million) and wrote off the withholding tax deducted at sources of 2020 - 2022 amounting to Baht 0.1 million (Separate financial statements: Nil) (2022: Nil (Separate financial statements: Nil)). However, the management has used judgement to assess the outcome of the refund claims and believes that no loss will result. Therefore, no allowance for diminution in value of withholding tax deducted at sources is recorded as at the end of reporting period.

12. Restricted bank deposits

These represent fixed deposits pledged with the banks to secure credit facilities.

13. Investments in subsidiaries

13.1 Details of investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Net book value under equity method	
	2023	2022	2023 Percent	2022 Percent	2023	2022	2023	2022
Samart Digital Media Co., Ltd.	200,000	200,000	100	100	219,525	219,525	69,185	60,343
I-Mobile Plus Co., Ltd.	100,000	100,000	100	100	100,000	100,000	(259,655)	(188,305)
Samart Mobile Services Co., Ltd.	490,000	490,000	97.4	97.4	43,917	43,917	505,811	502,315
Lucky Heng Heng Co., Ltd.	2,500	2,500	100	100	2,500	2,500	(22,828)	(11,651)
Zecureasia Co., Ltd.	1,250	1,250	100	100	25	25	(7,799)	(7,597)
Thai Base Station Co., Ltd.	10,000	10,000	100	100	50,000	50,000	(108,710)	(33,262)
Net					415,967	415,967	176,004	321,843
Less: Deficit of investment in subsidiaries under equity method								
I-Mobile Plus Co., Ltd.							259,655	188,305
Lucky Heng Heng Co., Ltd.							22,828	11,651
Zecureasia Co., Ltd.							7,799	7,597
Thai Base Station Co., Ltd.							108,710	33,262
Total							398,992	240,815
Investment in subsidiaries							574,996	562,658

As at 31 December 2023, investments in four subsidiaries (31 December 2022: four subsidiaries) have deficit net book value under equity method. The excess losses are therefore adjusted to short-term loans and trade and other receivables and presented the remaining as liabilities for investment in subsidiary companies under equity method in the statement of financial position as follows:

(Unit: Thousand Baht)

	2023	2022
Presented as allowance for expected credit losses, net from related party transactions (Note 6)		
Trade receivables	5,370	5,370
Other receivables	49,681	42,590
Short-term loans	255,239	166,614
	310,290	214,574
Liabilities for investments in subsidiaries under equity method		
I-Mobile Plus Co., Ltd.	87,208	24,829
Zecureasia Co., Ltd.	1,494	1,412
	88,702	26,241
Total	398,992	240,815

13.2 Share of other comprehensive income

During the years, the Company recognises share of profit (loss) from investments in subsidiaries in the separate financial statements as follows:

(Unit: Thousand Baht)

Subsidiary companies	For the year ended 31 December			
	Separate financial statements			
	Share of profit (loss) from investments in subsidiaries		Share of other comprehensive income (loss) from investments in subsidiaries	
	2023	2022	2023	2022
Samart Digital Media Co., Ltd.	11,801	(91,605)	(2,959)	(372)
I-Mobile Plus Co., Ltd.	(71,350)	(5,456)	-	-
Samart Mobile Services Co., Ltd.	3,496	1,996	-	-
Lucky Heng Heng Co., Ltd.	(11,177)	(4,969)	-	(13)
Zecureasia Co., Ltd.	(202)	(258)	-	-
Thai Base Station Co., Ltd.	(75,448)	(21,822)	-	1
Total	(142,880)	(122,114)	(2,959)	(384)

13.3 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the year	
	2023	2022	2023	2022	2023	2022
	(Percent)	(Percent)				
I-Sport Company Limited and its subsidiaries (Subsidiary companies of Samart Digital Media Co., Ltd.)	50	50	50	50	(22)	(52)

13.4 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)

	I-Sport Company Limited	
	2023	2022
Current assets	14	46
Non-current assets	3	103
Current liabilities	64	107
Non-current liabilities	4	73

Summarised information about comprehensive income

(Unit: Million Baht)

	I-Sport Company Limited	
	For the year ended 31 December	
	2023	2022
Revenue	119	61
Profit	29	(180)
Total comprehensive loss	29	(180)

Summarised information about cash flows

(Unit: Million Baht)

	I-Sport Company Limited	
	For the year ended 31 December	
	2023	2022
Cash flows from (used in) operating activities	16	(134)
Cash flows used in financing activities	(23)	(13)
Net decrease in cash and cash equivalents	(7)	(147)

13.5 The plan to list I-Sport Co., Ltd. on the Market for Alternative Investment (MAI)

On 29 July 2015, the Extraordinary General Meeting of shareholders of I-Sport Co., Ltd., a subsidiary company, passed a resolution to approve the plan to list it on the Market for Alternative Investment (MAI) with the following details.

1. To transform the company into a public limited company for the issuance and the initial public offering (IPO) of its shares and to list on the MAI Stock Exchange.
2. To increase the registered share capital from Baht 120 million (12 million ordinary shares of Baht 10 each) to Baht 160 million (16 million ordinary shares of Baht 10 each) through an issuance of additional 4 million ordinary shares of Baht 10 each to offer 3 million shares to the initial public offering (IPO) and offer 1 million shares to the existing shareholders which are the Company and Siam Sport Syndicate Public Co., Ltd. In addition, Siam Sport Syndicate Public Co., Ltd. intends to offer 1 million shares to the initial public offering (IPO).
3. To change the par value of ordinary shares from Baht 10 per share to Baht 0.25 per share. However, the changing of the par value does not affect to the portion of the issuance of its shares.

As at 31 December 2023, the subsidiary company has not yet proceeded the above matters.

13.6 Dissolution of subsidiary company

On 11 October 2006, an Extraordinary Meeting of the shareholders of I-Mobile (Cambodia) Co., Ltd., a subsidiary company, passed a resolution to liquidate the company. The process of registering that company's dissolution and its subsequent liquidation are in progress.

13.7 Increase in the subsidiary's share capital

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

13.8 Change in subsidiary company's name

On 5 January 2022, the Extraordinary General Meeting of the shareholders of SIM2ASSET Co., Ltd., a subsidiary company, approved to change its name from "SIM2ASSET Co., Ltd." to "Lucky Heng Heng Co., Ltd.". The subsidiary registered with the Ministry of Commerce for the change of its name on 13 January 2022.

13.9 Disposal of investment in subsidiary

On 7 December 2023, the Board of Directors' meeting of I-Sport Company Limited, a subsidiary company, approved the disposal of the entire investment in the ordinary shares of Siam Sport Television Company Limited to unrelated person. The subsidiary sold its entire investment in the ordinary shares of Siam Sport Television Company Limited to the aforementioned person, totaling 23.5 million shares, for total amount of Baht 0.2 million. The subsidiary registered the share transfer and received the payment in full on 25 December 2023.

(Unit: Thousand Baht)

	Consolidated financial statements
	For the year ended 25 December 2023
Proceeds from disposal of investment	235
Less: Cash and cash equivalents at disposal date	(3,056)
Net cash inflows from disposal of investment	(2,821)
Less: Net assets excepted cash and cash equivalents at disposal date	4,064
Gain on disposal of investment	1,243

14. Equipment

(Unit: Thousand Baht)

	Consolidated financial statements										Total
	Condominium	Network equipment and network improvement	Transmission Equipment	Project Equipment	Furniture, fixture and office equipment	Furniture of sound recording room	Motor vehicles	Equipment for rent	Assets under installation		
Cost											
1 January 2022	11,512	550,769	154,353	140,383	956,619	42,474	35,664	1,745	2,266,110		4,159,629
Additions	-	38	39	-	3,276	-	-	-	773,765		777,118
Disposals/Write-off	-	(47)	-	-	(5,413)	-	(1,305)	-	(208)		(6,973)
Transfer in (out)	-	-	-	1,561,779	17,068	-	8,000	-	(1,579,273)		7,574
31 December 2022	11,512	550,760	154,392	1,702,162	971,550	42,474	42,359	1,745	1,460,394		4,937,348
Additions	-	-	-	-	124	-	-	-	153,542		153,666
Disposals/Write-off	-	-	-	-	(418)	-	(820)	(1,745)	(3,485)		(6,468)
Transfer in (out)	-	-	-	405,861	(14,335)	-	-	-	(393,131)		(1,605)
Decrease from disposal of investment in subsidiary	-	(21,976)	(154,392)	-	(27,013)	(42,474)	(6,976)	-	-		(252,831)
31 December 2023	11,512	528,784	-	2,108,023	929,908	-	34,563	-	1,217,320		4,830,110

(Unit: Thousand Baht)

Consolidated financial statements										
	Condominium	Network equipment and network improvement	Transmission Equipment	Project Equipment	Furniture, fixture and office equipment	Furniture of sound recording room	Motor vehicles	Equipment for rent	Assets under installation	Total
Accumulated depreciation										
1 January 2022	6,721	548,469	152,844	57,031	933,515	36,835	35,664	1,745	-	1,772,824
Depreciation for the year	572	1,816	824	70,617	9,303	2,149	-	-	-	85,281
Accumulated depreciation of assets disposed and write-off	-	(45)	-	-	(1,378)	-	(1,305)	-	-	(2,728)
Accumulated depreciation of assets transferred in	-	-	-	-	-	-	8,000	-	-	8,000
31 December 2022	7,293	550,240	153,668	127,648	941,440	38,984	42,359	1,745	-	1,863,377
Depreciation for the year	571	268	484	135,767	1,990	1,546	-	-	-	140,626
Accumulated depreciation of assets disposed and write-off	-	-	-	-	(418)	-	(820)	(1,745)	-	(2,983)
Decrease from disposal of investment in subsidiary	-	(21,960)	(154,152)	-	(26,962)	(40,530)	(6,976)	-	-	(250,580)
31 December 2023	7,864	528,548	-	263,415	916,050	-	34,563	-	-	1,750,440

(Unit: Thousand Baht)

Consolidated financial statements										
	Condominium	Network equipment and network improvement	Transmission Equipment	Project Equipment	Furniture, fixture and office equipment	Furniture of sound recording room	Motor vehicles	Equipment for rent	Assets under installation	Total
Allowance for impairment loss										
1 January 2022	-	191	-	-	7,856	-	-	-	2,135	10,182
Increase during the year	-	-	-	-	-	-	-	-	392,030	392,030
31 December 2022	-	191	-	-	7,856	-	-	-	394,165	402,212
Increase during the year	-	-	-	96,600	-	-	-	-	305,599	402,199
31 December 2023	-	191	-	96,600	7,856	-	-	-	699,764	804,411
Net book value										
31 December 2022	4,219	329	724	1,574,514	22,254	3,490	-	-	1,066,229	2,671,759
31 December 2023	3,648	45	-	1,748,008	6,002	-	-	-	517,556	2,275,259
Depreciation for the year										
2022 (Baht 78 million included in cost of services, and the balance in selling and distribution expenses and administrative expenses)										85,291
2023 (Baht 137 million included in cost of services, and the balance in selling and distribution expenses and administrative expenses)										140,626

(Unit: Thousand Baht)

	Separate financial statements					
	Condominium	Project Equipment	Furniture, fixture and office equipment	Motor vehicles	Assets under installation	Total
Cost						
1 January 2022	11,512	140,383	849,101	17,604	2,267,690	3,286,290
Additions	-	-	2,978	-	767,667	770,645
Disposals/Write-off	-	-	(5,096)	-	(23)	(5,119)
Transfer in (out)	-	1,561,779	17,068	-	(1,579,273)	(426)
31 December 2022	11,512	1,702,162	864,051	17,604	1,456,061	4,051,390
Additions	-	-	53	-	152,842	152,895
Disposals/Write-off	-	-	(405)	(820)	(3,485)	(4,710)
Transfer in (out)	-	405,860	(14,336)	-	(391,203)	321
31 December 2023	11,512	2,108,022	849,363	16,784	1,214,215	4,199,896
Accumulated depreciation						
1 January 2022	6,721	57,030	833,113	17,604	-	914,468
Depreciation for the year	572	70,617	6,367	-	-	77,556
Accumulated depreciation of assets disposed/ write-off	-	-	(1,121)	-	-	(1,121)
31 December 2022	7,293	127,647	838,359	17,604	-	990,903
Depreciation for the year	571	135,767	1,874	-	-	138,212
Accumulated depreciation of assets disposed/ write-off	-	-	(405)	(820)	-	(1,225)
31 December 2023	7,864	263,414	839,828	16,784	-	1,127,890
Allowance for impairment loss						
1 January 2022	-	-	7,710	-	2,135	9,845
Increase during the year	-	-	-	-	392,030	392,030
31 December 2022	-	-	7,710	-	394,165	401,875
Increase during the year	-	96,600	-	-	305,599	402,199
31 December 2023	-	96,600	7,710	-	699,764	804,074
Net book value						
31 December 2022	4,219	1,574,515	17,982	-	1,061,896	2,658,612
31 December 2023	3,648	1,748,008	1,825	-	514,451	2,267,932
Depreciation for the year						
2022 (Baht 72 million included in cost of services, and the balance in selling and distribution expenses and administrative expenses)						77,556
2023 (Baht 135 million included in cost of services, and the balance in selling and distribution expenses and administrative expenses)						138,212

The Company's project equipment and assets under installation

The Company has invested in the main equipment (Digital Trunked Radio Network) and the supporting systems that provide joint services as follows:

1. The host station control center consists of a set of hardware and software with various functions and is linked together to control connection, channel switching, processing, call control, signaling, and resource and number management within the system. It also manages all Base Stations and Radio Subscribers within the system.

It operates in conjunction with a collaborative support system that includes Network management systems, Conversation recording systems, Vehicle tracking systems, Push to talk application support systems, Call detail recording systems, etc. The installation and distribution of the center's equipment and system control base stations by region can provide continuous services and effectiveness in meeting the customer demands in the field of communication groups with a wide area and keeping up with changing situations.

2. The base stations that provide services will be installed in conjunction with the outdoor antenna installed on building or telecommunication towers which functions as limbs of the network scattered across the country, allowing various walkie-talkies to communicate with each other within the service range of the host station. Currently, there are service areas in 77 provinces.

Active customer groups include government customers, such as the disaster prevention and mitigation group, energy and utilities business group, transportation business group, logistics business group, etc.

- a) As at 31 December 2023, certain equipment items of the Group companies were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 1,774 million (2022: Baht 1,777 million) (separate financial statements: Baht 842 million (2022: Baht 846 million)).
- b) As at 31 December 2023, the Group had an allowance for impairment loss on equipment amounting to Baht 804 million (2022: Baht 402 million), and had Baht 804 million (2022: Baht 402 million) in the separate financial statements.

During the year 2023 the Company assessed the recoverable amount of its equipment for the Digital Trunked Radio System (DTRS) with total cost as at 31 December 2023 amounting to Baht 3,322 million, services based on its value in use through the discounted future cash flows. The resulting recoverable amount is lower than its carrying value due to an anticipated decrease in the number of users. The Company therefore recognised an additional impairment loss on equipment during the year amounting to Baht 403 million. As at 31 December 2023, the Company had an allowance for impairment loss on equipment amounting to Baht 796 million. Although the Group has conducted an evaluation and exercised its best estimate, there remains an uncertainty about potential changes in situations and technologies, which is typical for future events that have yet to occur.

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

15. Goodwill

During the year 2022, I-Sport Co., Ltd., a subsidiary company, fully recognised an impairment loss on the goodwill, which relates to the purchase of shares of Siam Sport Television Co., Ltd. by I-Sport Co., Ltd., amounting to Baht 59 million due to uncertainty of entering into the long-term service agreement with an agency.

16. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements			
	Computer software	Right for air time	Right for telecommunication tower service	Total
Cost				
1 January 2022	100,510	3,191	119,331	223,032
31 December 2022	100,510	3,191	119,331	223,032
Additions	387	-	3,515	3,902
Transfer in	1,928	-	-	1,928
Decreased from disposal of investment in subsidiary	-	(3,191)	-	(3,191)
31 December 2023	102,825	-	122,846	225,671
Accumulated amortisation				
1 January 2022	98,894	3,191	41,263	143,348
Amortisation for the year	720	-	14,329	15,049
31 December 2022	99,614	3,191	55,592	158,397
Amortisation for the year	1,803	-	15,483	17,286
Decreased from disposal of investment in subsidiary	-	(3,191)	-	(3,191)
31 December 2023	101,417	-	71,075	172,492
Net book value				
31 December 2022	896	-	63,739	64,635
31 December 2023	1,408	-	51,771	53,179

Right for air time

On 26 December 2014, I-Sport Co., Ltd., a subsidiary company, purchased shares of Siam Sport Television Co., Ltd. (a subsidiary company) with mutually agreed price. As a result of the purchase of investment under the acquisition method, the subsidiary company recorded the right for air time of sport program as intangible assets with five years useful lives.

Right for telecommunication tower service

On 1 September 2017, the Company purchased shares of Thai Base Station Co., Ltd. (a subsidiary company) with mutually agreed price. As a result of the purchase of investment under the acquisition method, the Company recorded the right for telecommunication tower service as intangible assets with ten years useful lives.

17. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022	2023	2022
Bank overdrafts	MOR	MOR	63,060	65,188	63,060	65,188
Short-term loans from banks	MMR	MMR	2,700	3,000	-	-
Total			65,760	68,188	63,060	65,188

Movement in the short-term loans accounts during the years ended 31 December 2023 and 2022 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2023	2022
Balance at beginning the year	3,000	3,000
Add: Addition	11,700	12,000
Less: Repayments	(12,000)	(12,000)
Balance at end of the year	2,700	3,000

Bank overdrafts are secured by the pledge of some bank deposits and short-term loans from banks of I-Sport Co., Ltd., a subsidiary company, secured by the Company and Siam Sport Syndicate Public Co., Ltd. (another shareholder).

18. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Trade payables				
Trade payables - related parties (Note 6)	1,135,910	176,087	1,135,910	176,087
Trade payables - unrelated parties	139,925	25,405	136,710	21,365
Total trade payables	1,275,835	201,492	1,272,620	197,452
Other payables				
Amount due to and advance from related parties (Note 6)	722,558	220,919	741,280	234,660
Other payables - unrelated parties	269,763	136,635	156,320	20,898
Accrued expenses - related parties (Note 6)	550	477,923	550	477,923
Other accrued expenses	1,227	861	1,226	860
Total other payables	994,098	836,338	899,376	734,341
Total trade and other payables	2,269,933	1,037,830	2,171,996	931,793

19. Short-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Short-term loans from related parties (Note 6)	-	-	536,500	533,000
Short-term loan from unrelated parties	10,379	12,708	-	-
Total short-term loans	10,379	12,708	536,500	533,000

Short-term loan from unrelated parties

Short-term loans as at 31 December 2023 amount to Baht 10.4 million (2022: Baht 12.7 million) are loans from Siam Sport Syndicate Public Co., Ltd., carrying interest at the average 12-month fixed deposit rate of the big five commercial banks plus 0.50 percent per annum.

(Unit: Thousand Baht)

No.	Credit facilities	Significant terms and conditions of loan agreements		Consolidated financial statements/Separate financial statements	
		Repayment schedule	Interest rate	2023	2022
3.	199,940	Repayment on a quarterly basis within the 22nd installment within March 2024 - Installment 1 : Baht 0.02 million - Installment 2 - 5 : Baht 3 million each - Installment 6 : Baht 3.3 million - Installment 7 - 10 : moratorium on principal payment - Installment 11 : Baht 0.6 million - Installment 12 - 20 : Baht 3 million each - Installment 21 : Baht 3 million - Installment 22 : The remaining principal and interest	MLR minus fixed rate per annum	106,872	137,053
4	193,920	Repayment on a quarterly basis within the 26th installment within 30 December 2025 - Installment 1 - 2 : Baht 3 million each - Installment 3 : March 2020 : Baht 3 million April 2020 : Baht 4.98 million - Installment 4 - 8 : moratorium on principal payment - Installment 9 : Baht 3.6 million - Installment 10 - 11 : moratorium on principal payment - Installment 12 : Baht 7 million - Installment 13 : Baht 5 million - Installment 14 - 17 : Baht 3 million each - Installment 18 : December 2023 : Baht 21.18 million - Installment 19 : Baht 9.9 million - Installment 20 - 21 : Baht 12.09 million each - Installment 22 - 25 : Baht 15.91 million each - Installment 26 : The remaining principal and interest	MLR of a bank minus fixed rate per annum	106,837	137,020

(Unit: Thousand Baht)

No.	Credit facilities	Significant terms and conditions of loan agreements		Consolidated financial statements/Separate financial statements	
		Repayment schedule	Interest rate	2023	2022
5	2,034,120	Repayment on a quarterly basis within the 12th installment within 31 January 2024, the first installment in last business day of June 2021 - Installment 1 : Baht 6.6 million - Installment 2 - 10 : Baht 33 million each - Installment 11 : Baht 333 million - Installment 12 : The remaining principal and interest	MLR minus fixed rate per annum	1,175,215	1,507,215
6	179,940	Repayment on a quarterly basis within the 14th installment within 31 January 2024, the first installment in last business day of December 2020 - Installment 1 : Baht 24.32 million - Installment 2 - 3 : moratorium on principal payment - Installment 4 : Baht 3.6 million - Installment 5 - 12 : Baht 3 million each - Installment 13 : Baht 21.20 million - Installment 14 : January 2024 : The remaining principal and interest	MLR minus fixed rate per annum	106,824	137,025
Total long-term loans from financial institutions				1,950,818	2,501,941
Less: Current portion				(1,950,818)	(2,501,941)
Long-term loans from financial institutions - net of current portion				-	-

Movements in the long-term loans account during the years ended 31 December 2023 and 2022 were summarised below.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	2023	2022
Beginning balance	2,501,941	2,726,480
Repayments	(551,123)	(224,539)
Ending balance	1,950,818	2,501,941

Under the Company's loan agreements and memorandum, the Company must comply with certain conditions which, among other things, require the Company to maintain a shareholding percentage and financial ratios.

The Company has engaged in negotiations with financial institutions to amend the terms and extend the repayment period for its long-term loans totaling Baht 299 million. The loan repayments have been extended from December 2023 and January 2024 to March 2024 and January 2025, amounting to Baht 107 million and Baht 192 million, respectively. The amendments were approved by the financial institutions in 2023. In addition, the Company has successfully negotiated an adjustment of terms and an extension of the due date for a long-term loan amounting to Baht 1,439 million. The original due date, initially set for the first quarter of 2024, has been extended to January 2025, and this extension was duly approved by the financial institution in January 2024. However, the Company has not obtained approval from a financial institution to amend the terms and extend the maturity date of the long-term loan of Baht 107 million, scheduled for repayment in January 2024. The Company is currently in the process of negotiating with the financial institution to align the payment terms with the cash flows received from the new business that is within the Company's expertise and experience.

Furthermore, in December 2023, the Company repaid the loan to Samart Corporation Public Company Limited, the parent company, in accordance with the agreement, covering both the principal and accrued interest, amounting to a total of Baht 436 million. The Company has negotiated to alleviate the repayment conditions of the Subordinated Loan by committing to repay a loan amount not exceeding the sum that the parent company will invest in additional shares of the Company. The financial institutions have duly signed and acknowledged this arrangement.

Upon considering compliance with the conditions specified in the agreements, it was noted that the Company was unable to maintain the required a shareholding percentage. Furthermore, upon reviewing the Company's financial statements as of 31 December 2023, it was noted that the Company was unable to maintain the financial ratios as stipulated in the loan agreements with the aforementioned financial institutions. As a result, the loan of Baht 1,951 million became repayable at call. The Company has classified these loans as current portion. However, the Company expects to receive waivers from the financial institutions, and the outcome of the negotiations will depend on their consideration for approval. Based on past experience, the Company has always received approval from financial institutions for amendments to loan conditions and extensions of repayment periods of long-term loans. In addition, the Company has received a Letter of Intent from its parent company committing to providing continuous financial support to the Group.

21. Convertible debentures

On 27 April 2023, the Annual General Meeting of shareholders of the Company passed a resolution to approve the issuance and offering of new convertible debentures of the Company, totaling not exceeding Baht 160 million, to specific investors, namely Advance Opportunities Fund and Advance Opportunities Fund 1, who are not considered connected persons. The purpose of this issuance is to secure working capital for the Company, invest in projects and repay loans from financial institutions. The convertible debentures are unsubordinated and unsecured, and will mature in 3 years with an interest rate of 0.50% per annum.

Movements of convertible debentures net from convertible debenture expenses for the year ended 31 December 2023 and 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2023	2022
Balance beginning of the year	37,964	27,632
Convertible debentures	150,000	500,000
Deferred interest expenses	(12,000)	(40,000)
Issuing during the period	138,000	460,000
Amortisation of debenture expenses	13,948	39,332
Total	189,912	526,964
Convert during the period	(168,000)	(489,000)
Balance end of the year	21,912	37,964

The management of the Company decided to classify the convertible debentures as financial liabilities since the number of shares required for their redemption will vary with the conversion price and the effective interest rate earned by the debenture holders will be close to the market interest rate or the Company's finance costs. Moreover, the conversion to share capital will take no more than one year from the date the debentures are issued. Therefore, the value of the financial liabilities is the fair value as at the transaction date and there is, consequently, no remaining embedded derivative.

On 18 March 2022, the Extraordinary General Meeting of the Company's shareholder passed a resolution approving the issuance and offering of the convertible debentures to private placement investors who are not related with the Company in the amount of not exceeding Baht 1,000 million. The proceeds from this debenture issuance will be used for working capital, investments in projects and repayments of loans from financial institutions. The convertible debentures details are summarised below.

Type of convertible debentures	Senior Unsecured Convertible Debentures
Currency	Thai Baht
Total principal amount	Not exceeding Baht 1,000 million as it can be broken down into 4 tranches as follows: <ol style="list-style-type: none"> 1. Tranche 1 not exceeding Baht 200 million, divided into 20 sets of Baht 10 million per set 2. Tranche 2 not exceeding Baht 250 million, divided into 25 sets of Baht 10 million Baht per set 3. Tranche 3 not exceeding Baht 250 million, divided into 25 sets of Baht 10 million per set 4. Tranche 4 not exceeding Baht 300 million, divided into 15 sets of Baht 20 million per set
Conversion condition	The Company gradually will issue the Convertible Debentures in order of the Tranche (1-4) based on the liquidity of the Company. The issuance shall follow the condition precedent which is approved by the Securities and Exchange Commission and other related regulators including requirements and conditions of such convertible debentures. <p>The timeframe of the conversion is within 3 years after shareholder's meeting approved the issuance. However, if the Company does not issue all convertible debentures within 3 years, the Company may request an approval of the shareholders' meeting to issue the unissued convertible debentures depending on the requirement for the Company's liquidity.</p>
Interest rate	0.50 percent per annum, provided that the interest will be paid on a quarterly basis.

Maturity period	3 years after the issuance of each Tranche.
Payback condition	Repay in lumpsum after each due of specific Tranche according to the term and condition of the Convertible Debenture. In such, for each Tranche the maturity period is not over 3 years after the issuance Convertible Debenture.
Redeem rights before due date	The holders of the Convertible Debentures may or may not have rights to redeem the Convertible Debentures before due date and/or the issuer of the Convertible Debentures may or may not have rights to redeem the Convertible Debentures before due date too. The redemption has to be followed by the terms and conditions of each set aligned with rules, regulations, laws and/or permissions from related authorised Governmental Bodies.
Conversion ratio	Principle amount of the Convertible Debentures dividend by the conversion price.
Conversion price	Not lower than 90 percent of market price which does not in the case the price is lower than the offering price offered pursuant to the Notification No. Tor Chor. 72/2558. The market price shall be calculated based on the weighted average price of the Company's shares trading on the Stock Exchange of Thailand for at least 7 consecutive business days but not more than 15 consecutive business days prior to the date the debenture holders exercise their conversion rights. The weighted average price is calculated from the average price weighted by the trading volume of each consecutive business days ("Floating Conversion Price") However, if the conversion price calculated above is lower than the par value of the Company's shares. The Company must issue additional compensation shares for the calculation of all shares issued at par value is based on the conversion price.
Conversion period	The holder of the Convertible Debentures may exercise their rights of conversion of the Convertible Debentures into the Company's until the close of business on the date falling 1 week prior to the maturity date of the Convertible Debentures.
Number of ordinary shares reserved for conversion	2,213,029,597 shares (equivalent to 12.9 percent of the total issued shares of the Company after registering the paid-up capital which are based on the assumption that the Convertible Debentures shall be entirely exercised.)
Secondary market for ordinary shares issued after conversion	The Company shall arrange to list the ordinary shares issued after the conversion of the Convertible Debentures on the Stock Exchange of Thailand or other stock exchange where the shares of the Company is a listed security at that time.

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

22. Leases

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 4 - 10 years.

a) Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2023 and 2022 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Transmission Equipment	Right-of-use building space	Motor vehicles	Total
1 January 2022	150,514	12,740	2,554	165,808
Addition	-	2,398	-	2,398
Depreciation for the year	(26,061)	(2,379)	(1,417)	(29,857)
Allowance for impairment	(77,292)	-	-	(77,292)
31 December 2022	47,161	12,759	1,137	61,057
Depreciation for the year	(9,784)	(2,394)	(611)	(12,789)
Decrease	-	(47)	-	(47)
Write-off right-of-use assets	(364)	-	-	(364)
Reversal of impairment loss on right-of-use assets	77,292	-	-	77,292
Decrease from leases termination	(114,305)	(4,475)	(526)	(119,306)
31 December 2023	-	5,843	-	5,843

(Unit: Thousand Baht)

	Separate financial statements
	Right-of-use building space
1 January 2022	10,601
Depreciation for the year	(1,446)
31 December 2022	9,155
Depreciation for the year	(1,434)
Decrease from lease modification	(97)
Decrease from lease termination	(4,475)
31 December 2023	3,149

b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Lease payments	7,870	130,224	4,601	12,072
Less: Deferred interest expenses	(910)	(12,266)	(625)	(1,809)
Total	6,960	117,958	3,976	10,263
Less: Portion due within one year	(1,507)	(40,046)	(541)	(1,185)
Lease liabilities - net of current portion	5,453	77,912	3,435	9,078

Movements of the lease liabilities account during the years ended 31 December 2023 and 2022 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Balance at beginning the year	117,958	126,881	10,262	11,390
Increase (decrease) from lease modification	(47)	2,398	(97)	-
Increase in interest during the year	5,777	6,542	481	542
Lease payments	(30,576)	(17,863)	(1,702)	(1,670)
Decrease from lease termination	(86,152)	-	(4,968)	-
Balance at end of the year	6,960	117,958	3,976	10,262

A maturity analysis of lease payments is disclosed in Note 38.1 under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Depreciation expense of right-of-use assets	12,789	29,857	1,434	1,446
Interest expense on lease liabilities	5,777	6,542	481	542
Expense relating to short-term leases	296	660	-	-
Expense relating to leases of low-value assets	336	740	-	-

d) Other

The Group had total cash outflows for leases for the year ended 31 December 2023 of Baht 18 million, including the cash outflow related to short-term lease, leases of low-value assets. (2022: Baht 19 million).

Siam Sport Television Co., Ltd., a subsidiary company, has entered into the hire purchase agreements with related company and leasing companies for rental of motor vehicles with transmission tools and equipment and media asset management system for use in its operations, whereby the lease agreements carried interest 7.26 percent per annum and it is committed to pay rental on a monthly basis. The terms of the agreements are generally 3 years.

On 17 November 2021, the subsidiary company entered into a memorandum of amendment to lease agreement with the related company, in order to extend the payment period of rental order to lease agreement by 3 years.

During the year 2022, the subsidiary company recognised an impairment loss on such right-of-use assets of Baht 77.3 million to reduce the carrying amount of the assets to their recoverable amounts, because of the uncertainty of entering into the long-term service agreement with an agency.

Subsequently, on 15 December 2023, the subsidiary requested to terminate the aforementioned hire purchase agreement. The subsidiary has proposed that another company (which is not a related company) become the new buyer at a price of Baht 61.5 million. Therefore, the subsidiary wrote off the right-of-use assets and lease liabilities amounting to Baht 114.8 million and Baht 81.2 million, respectively, and reversed the allowance for impairment of right-of-use assets amounting to Baht 77.3 million. The subsidiary recognised a profit of Baht 43.7 million from the termination of this lease agreement in profit or loss for the year ended 31 December 2023.

23. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Provision for long-term employee benefits at beginning of year	12,108	12,950	6,392	6,271
Included in profit or loss:				
Current service cost	709	677	230	318
Interest cost	229	155	82	60
Reversal from disposal of investment in subsidiary	(5,509)	-	-	-
Employee transferal	-	(68)	-	(68)
Gain on settlement	-	(1,046)	-	(430)
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Financial assumptions changes	-	(448)	-	(141)
Experience adjustments	-	1,399	-	382
Reversal from disposal of investment in subsidiary	2,959	-	-	-
Benefits paid during the year	(2,349)	(1,511)	(2,349)	-
Provision for long-term employee benefits at end of year	8,147	12,108	4,355	6,392

The Group expects to pay Baht 0.6 million of long-term employee benefits during the next year (Separate financial statements: Baht 0.6 million) (2022: Baht 2 million and Separate financial statements: Baht 2 million).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 6 - 35 years (Separate financial statements: 6 years) (2022: 6 - 35 years and separate financial statements: 6 years).

Significant actuarial assumptions are summarised below.

(Unit: Percent per annum)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Discount rate	2.0 - 4.9	2.0 - 4.9	2.6	2.0
Salary increase rate	3.0 - 4.5	3.0 - 4.5	3.0 - 4.5	3.0 - 4.5
Turnover rate	0 - 24	0 - 24	0 - 24	0 - 24

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2023 and 2022 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%	
	2023	2022	2023	2022	2023	2022	2023	2022
Discount rate	(0.5)	(0.7)	0.5	0.8	(0.2)	(0.2)	0.2	0.2
Salary increase rate	0.6	0.8	(0.5)	(0.7)	0.2	0.2	(0.2)	(0.2)
	Increase 20%		Decrease 20%		Increase 20%		Decrease 20%	
	2023	2022	2023	2022	2023	2022	2023	2022
Turnover rate	(0.5)	(0.7)	0.6	0.9	(0.2)	(0.2)	0.3	0.2

24. Share capital and warrants

Share capital

	Number of ordinary shares	Registered share capital
	(Thousand shares)	(Thousand Baht)
<u>Registered share capital</u>		
1 January 2022	16,759,170	1,675,917
Decrease in registered share capital	(1,821,220)	(182,122)
Increase in registered share capital	2,213,029	221,303
1 January 2023	17,150,979	1,715,098
Decrease in registered share capital	(3,617,839)	(361,784)
Increase in registered share capital	37,126,442	3,712,644
31 December 2023	50,659,582	5,065,958

Year 2022

On 18 March 2022, an extraordinary general meeting of the Company's shareholders passed the following resolutions:

- Approving the decrease of the Company's registered capital of Baht 182,122,044.40 from Baht 1,675,917,022.50 to the new registered capital of Baht 1,493,794,978.10 by cancelling 1,821,220,444 ordinary shares with par value of Baht 0.10 remaining from the allocation to reserve for the issuance of convertible debentures. The Company registered the decrease in share capital with the Ministry of Commerce on 21 March 2022.
- Approving the increase of the Company's registered capital of Baht 221,302,959.70 from Baht 1,493,794,978.10 to the new registered capital of Baht 1,715,097,937.80 by issuing 2,213,029,597 new ordinary shares with par value of Baht 0.10 in order to reserve for the exercise of the conversion right of the Convertible Debentures. The Company registered the increase in share capital with the Ministry of Commerce on 22 March 2022.

Year 2023

On 27 April 2023, the Annual General Meeting of shareholders of the Company passed the following resolutions.

- Approving the increase in the Company's registered capital of Baht 309,434,611.40, from Baht 1,715,097,937.80 to Baht 2,024,532,549.20, by issuing 3,094,346,114 newly issued ordinary shares with a par value of Baht 0.10 each. The purpose of the issuance is to (1) accommodate the conversion rights of the convertible debentures

and (2) allocate the newly issued ordinary shares by private placement. The Company has already registered the increase in share capital with the Ministry of Commerce on 19 May 2023.

- 2) Approving the allocation of not exceeding 1,207,549,703 newly issued ordinary shares with a par value of Baht 0.10 each to accommodate the conversion rights of the convertible debentures and approve the Company determining the conversion price of convertible debentures to be issued in private placement, which may be lower than the par value but not less than Baht 0.01 per share.
- 3) Approving the issuance and allocation of not exceeding 1,886,796,411 newly issued ordinary shares with a par value of Baht 0.10 each by way of private placement, to be offered to specific investors, including Echelon Capital Holdings Limited, who is not considered a connected person, and/or other investors as determined by the subsidiary for additional private placement. In addition, the resolution approved the subsidiary determining the offering price of the newly issued ordinary shares for private placement, which may be lower than the par value but not less than Baht 0.01 per share. The conversation price is not less than 90 percent of weighted average price of the subsidiary's share trading for not less than 7 consecutive business days but not more than 15 consecutive business days prior to the date the offering price is determined.

On 28 November 2023, an extraordinary general meeting of the Company's shareholders passed the following resolutions:

1. Approving the decrease of the Company's registered capital of Baht 361,783,921.40, from the existing registered capital of Baht 2,024,532,549.20 to the new registered capital of Baht 1,662,748,627.80 by canceling 3,617,839,214 unissued shares with a par value of Baht 0.10 per share, which remained from the share allocation to accommodate (1) the exercise of warrants to purchase ordinary shares of the Company (SDC-W1) allocated to existing shareholders who subscribed and had been allocated the newly issued ordinary shares issued and offered to existing shareholders in proportion to their shareholding (Right Offering) per the resolution of the Annual General Meeting of Shareholders for the year 2018 held on 27 April 2018, and (2) the issuance and allocation of the newly issued ordinary shares through a private placement, i.e., Echelon Capital Holdings Limited, who is not considered a connected person, and/or other investors who are considered private placement, per the resolution of the Annual General Meeting of Shareholders for the year 2023. The Company registered the decrease in share capital with the Ministry of Commerce on 29 November 2023.
2. Approving the issuance and offering of newly issued convertible debentures for use as working capital of the Company for project investments and loan settlement with banks. The total offered value will not exceed Baht 650,000,000, and the offering will be made to specific investors that are Advance Opportunities Fund and Advance Opportunities Fund 1. These funds are identified as not being connected persons of the Company.
3. Approving the increase of the Company's registered capital of Baht 3,403,209,625.60, from the existing registered capital of Baht 1,662,748,627.80 to the new registered capital of Baht 5,065,958,253.40 by issuing 34,032,096,256 ordinary shares with a par value of Baht 0.10 to accommodate (1) the conversion rights of the convertible debentures issued to specific investors, and (2) allocation the newly issued ordinary shares to the existing shareholders in proportion to their shareholding (Right Offering). The Company registered the increase in share capital with the Ministry of Commerce on 30 November 2023.
4. Approving the allocation of newly issued ordinary shares not exceeding 2,855,926,276 shares with a par value of Baht 0.10 per share to accommodate the conversion rights of the convertible debentures issued and offered to Advance Opportunities Fund and Advance Opportunities Fund 1, which are not connected persons of the Company. Additionally, the Company is approved to designate the conversion price of the convertible debentures, which may be lower than the par value of the Company but not less than Baht 0.01 per share.
5. Approving the allocation of the newly issued ordinary shares not exceeding 31,176,169,980 shares, with a par value of Baht 0.10 per share, to offer to existing shareholders in proportion to their shareholding (Right Offering), whether once or several times. The allocation ratio is set at 1 existing ordinary share to 2 newly issued ordinary shares, with fractions resulting from the calculation of such allocation being disregarded, at the offering price of Baht 0.05 per share.

6. Approving the designation of the conversion price of the convertible debentures issued and offered in accordance with the resolution of the Extraordinary General Meeting of Shareholders held on 18 March 2022. The designated conversion price may be lower than the par value of the Company but not less than Baht 0.01 per share.

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

	Number of ordinary shares	Paid-up share capital	Share premium
	(Thousand shares)	(Thousand Baht)	(Thousand Baht)
<u>Issue and paid-up share capital</u>			
1 January 2022	12,499,844	1,249,984	3,167,745
Increase from exercise of convertible debentures	1,475,021	147,503	341,497
31 December 2022	13,974,865	1,397,487	3,509,242
Increase from exercise of convertible debentures	1,724,330	172,433	(4,433)
Issued additional shares	14,093,820	1,409,382	(704,691)
31 December 2023	29,793,015	2,979,302	2,800,118

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

Warrants

On 27 April 2018, the Annual General Meeting of the Company's shareholders passed a resolution to issue warrants no. 1 (SDC-W1) up to 2,200,125,000 units of warrants to the existing shareholders of the Company who subscribe to and are allocated newly issued shares by offering to them in proportion to their shareholdings (rights offering) at the ratio of 4 newly issued shares to 1 warrant, without any cost. The exercise ratio is 1 warrant : 1 share, with an exercise price of Baht 0.5 per 1 ordinary share. The warrants have a life of 5 years and are exercisable on 15th of March, June, September and December of each year throughout the life of the warrants, commencing from 28 December 2018 until 1 June 2023.

	Exercise price	Exercise ratio	Warrants issued	Exercised or cancelled	Warrants as at 31 December 2023
	(Baht per unit)	(Warrants: ordinary shares)	(Thousand units)	(units)	(Thousand units)
SDC-W1	0.50	1:1	1,731,043	1,731,043	-

The warrant has been expired and ceased to be listed securities since 2 June 2023.

25. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside 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.

26. Service income

Service income for the years ended 31 December 2023 and 2022 was summarised as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Service income under telecommunication service license - Type 1	2,096	1,298	2,096	1,298
Other service income	182,067	156,759	79,634	37,382
Total service income	184,163	158,057	81,730	38,680

27. Revenues from contract work

27.1 Contract balances

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Contract assets				
Accrued income	354,738	31,107	349,406	25,384
Total contract assets	354,738	31,107	349,406	25,384
Contract liabilities				
Unearned revenue	(3,497)	(78,450)	(2,821)	(76,885)
Total contract liabilities	(3,497)	(78,450)	(2,821)	(76,885)

27.2 Revenue to be recognised for the remaining performance obligations

As at 31 December 2023, revenue aggregating to Baht 197 million (2022: Baht 1,821 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 197 million (2022: Baht 1,821 million)). The Group expects to satisfy the performance obligations within 2024.

28. Other income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Gain on sales of equipment	394	1,387	349	915
Gain on disposal of investment in subsidiary (Note 13.9)	1,243	-	-	-
Reversal of impairment loss on equipment	2,622	-	2,622	-
Gain from lease modification	43,645	-	494	-
Management fee income	-	-	9,480	8,436
Others	7,457	5,420	4,474	4,235
Total other income	55,361	6,807	17,419	13,586

29. Expenses by nature

Significant expenses classified by nature were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Purchase finished goods for sales	1,135,194	641,375	1,134,538	640,823
Changes in inventories	122,539	21,973	122,518	21,897
Impairment loss on equipment	404,821	392,030	404,821	392,030
Depreciation and amortisation	173,208	132,695	139,647	79,002
Salaries and wages and other employee benefits	55,183	52,440	18,171	17,028
Marketing expenses	7,194	7,577	-	-
Rental expenses from operating lease and services agreements	6,817	6,638	3,664	3,577
Provision for expected credit losses	-	127,430	-	127,382
Impairment loss on right-of-use assets	-	77,292	-	-
Write-off goodwill	-	59,323	-	-
Transmission equipment rental expenses	-	471	-	-

30. Other expenses

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Loss from long-term provision	61,600	-	-	-
Impairment loss on other non-current assets	50,833	-	-	-
Write-off fixed assets	3,485	835	3,485	835
Impairment loss on right-of-use assets	-	77,292	-	-
Write-off goodwill	-	59,323	-	-
Others	517	58	73	-
Total other expenses	116,435	137,508	3,558	835

31. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Interest expenses on:				
Bank loans	137,184	113,491	136,902	113,295
Convertible debentures	14,066	39,427	14,066	39,427
Loans from related parties	15,182	14,504	21,345	17,390
Lease liabilities	5,777	6,542	481	542
Total interest expenses	172,209	173,964	172,794	170,654
Bank charges	9,574	9,697	9,487	9,497
Total finance cost	181,783	183,661	182,281	180,151

32. Income tax

Income tax expenses for the years ended 31 December 2023 and 2022 were made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Current tax				
Current income tax charge	1,734	1,517	-	-
Deferred tax				
Relating to origination and reversal of temporary differences	(89)	298,427	610	291,610
Income tax expenses reported in profit or loss	1,645	299,944	610	291,610

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2023 and 2022 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Deferred tax relating to actuarial loss	-	(48)	-	(24)
Income tax income reported in other comprehensive income	-	(48)	-	(24)

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Accounting loss before tax	(736,857)	(965,365)	(752,922)	(883,524)
Applicable tax rate	15% and 20%	15% and 20%	20%	20%
Accounting loss before tax multiplied by income tax rate	(146,813)	(192,827)	(150,584)	(176,705)
Share of loss from investment in subsidiaries	-	-	28,576	24,423
Effects of:				
Utilisation of tax loss carry forward	-	(79)	-	-
Non-deductible expenses	15,077	728	415	480
Additional expenses deductions allowed	(506)	(834)	-	-
Others	(202)	-	-	-
Total	14,369	(185)	415	480
Write-off of deferred tax assets	-	311,208	-	291,610
Deferred tax assets not recognised	134,089	181,748	122,203	151,802
Income tax expenses reported in profit or loss	1,645	299,944	610	291,610

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

(Unit: Thousand Baht)

	Statement of financial position			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Deferred tax assets				
Allowance for diminution in value of inventories	1	228	-	-
Provision for long-term employee benefits	488	450	-	-
Unused tax loss	18,364	18,364	18,364	18,364
Others	-	8	-	-
Total	18,853	19,050	18,364	18,364
Deferred tax liabilities				
Accumulated amortisation - intangible assets	(3,082)	(3,977)	-	-
Others	(1,217)	(607)	(1,217)	(607)
Total	(4,299)	(4,584)	(1,217)	(607)
Deferred tax, net	14,554	14,466	17,147	17,757

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

(Unit: Thousand Baht)

	Statement of financial position			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Deferred tax assets	14,554	14,466	17,147	17,757
Deferred tax, net	14,554	14,466	17,147	17,757

As at 31 December 2023, the Group has Baht 18 million (2022: Baht 18 million) deferred tax assets in relation to tax loss carried forward deductible against future profit in tax calculation if the Company has sufficient profit.

The Company has signed for a new business under the expertise and experience of the Company and it is able to commence business operations immediately thereafter. The Company expects to gain sufficient profit to utilise tax loss carried forward. It therefore believes that it will benefit from the recorded deferred tax assets, considering the current situation. Although the Company has evaluated and exercised its best estimate, there is still uncertainty regarding the current situation and future changes in circumstances, which is normal for future events that have not yet occurred.

As at 31 December 2023, the Group has deductible temporary differences Baht 3,089 million and separate financial statements: Baht 3,036 million (2022: Baht 2,796 million and separate financial statements: Baht 2,683 million) and unused tax losses which will expire in 2024 - 2028 totaling Baht 1,723 million and separate financial statements: Baht 1,513 million (2022: unused tax losses which will expire in 2023 - 2027 totaling Baht 2,195 million and separate financial statements: Baht 1,816 million), on which deferred tax assets have not been recognised as the Group believes that the future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

33. Basic loss per share

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

Diluted loss per share is calculated by dividing loss for the year attributable to equity holders of the Company (excluding other comprehensive income) by the total sum of the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued according to the portion of exercise.

As at 31 December 2023, the remaining of convertible debentures of Baht 23 million (which derived from the convertible debentures issued) are exclude from the diluted weighted average number of ordinary shares calculation because the effect would have been anti-dilutive.

As at 31 December 2022, the warrants are excluded from the potential ordinary shares since their exercise price is higher than the fair value of the ordinary shares. As at 31 December 2023, the warrant has been expired and ceased to be listed securities since 2 June 2023.

34. 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 units based on their products and services. The Group have two business segments as follows:

1. Digital Network segment
Provision Digital Trunked Radio systems and distribution equipment, audio - visual equipment network and software systems and a mobile antenna services provider (Mobile Virtual Network Operator).
2. Digital Content segment
 - 2.1 Provision of voice services, audiovisual or multimedia services and infotainment services through mobile phones
 - 2.2 Content provider through multimedia channels
 - 2.3 Producer of television
 - 2.4 Provision of multimedia and interactive media services
 - 2.5 Provision of website services
 - 2.6 Provision of entertainment services as part of intelligent marketing strategy

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 total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is set out in Note 6 to the financial statements.

The following tables present revenue and profit and total assets/total liabilities information regarding the Group' operating segments for the years ended 31 December 2023 and 2022, respectively.

(Unit: Million Baht)

	Digital network		Digital content		Adjustments and eliminations		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022
	Sales and service income	1,751	430	99	114	-	-	1,850
Sales and service income from third parties	45	83	17	20	(13)	(15)	49	88
Total sales and service income	1,796	513	116	134	(13)	(15)	1,899	632
Cost of sales and service	1,840	544	90	129	(8)	(11)	1,922	662
Gross profit (loss)	(44)	(31)	26	5	(5)	(4)	(23)	(30)
Unallocated income (expenses):								
Gain on exchange							11	4
Other income							55	7
Selling and distribution expenses							(13)	(10)
Administrative expenses							(72)	(96)
Impairment loss on equipment							(405)	(393)
Other expenses							(116)	(137)
Finance income							1	1
Finance cost							(182)	(184)
Reversal of impairment (loss) on financial assets							7	(127)
Income tax expenses							(2)	(300)
Non-controlling interests of the subsidiaries							(15)	90
Loss for the year							(754)	(1,175)

(Unit: Million Baht)

	Digital network		Digital content		Adjustments and eliminations		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022
Assets								
Trade receivables - net	1,446	78	15	13	(6)	(5)	1,455	86
Inventories - net	98	221	-	-	-	-	98	221
Equipment - net	2,270	2,661	5	11	-	-	2,275	2,672
Deferred tax assets	18	18	-	-	(3)	(4)	15	14
Others	1,769	2,292	74	163	(1,086)	(1,196)	757	1,259
Segment total assets	5,601	5,270	94	187	(1,095)	(1,205)	4,600	4,252
Segment total liabilities	5,272	4,918	69	175	(932)	(900)	4,409	4,193
Additions (decrease) to non-current assets other than financial instruments and deferred tax assets	(457)	290	(132)	(93)	(4)	(4)	(593)	193

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Revenue from contracts with customers				
Sales	91	132	89	131
Service income	184	158	82	39
Revenue from contract work	1,624	342	1,624	342
Total	1,899	632	1,795	512
Timing of revenue recognition:				
Revenue recognised at a point in time	91	132	89	131
Revenue recognised at over time	1,808	500	1,706	381
Total revenue from contracts with customers	1,899	632	1,795	512

Geographic information

The Group operates in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

For the year 2023, the Group had revenue from 2 major customers in amount of Baht 1,703 million and Baht 32 million, arising from contract works deliverable and product sales (2022: the Group had revenue from 2 major customers in amount of Baht 342 million and Baht 34 million, arising from contract works deliverable and product sales).

35. Provident fund

The Company, subsidiary companies and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company and subsidiary companies contribute to the fund monthly at the rate of 3 - 10 percent of basic salary. Their employees contribute to the fund monthly at the rate of 3 - 15 percent of basic salary. The fund, which is managed by Bangkok Bank Public Company Limited and Bank of Ayudhya Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2023 amounting to approximately Baht 2 million (Separate financial statements: Baht 1 million) (2022: Baht 2 million, Separate financial statements: Baht 1 million) were recognised as expenses.

36. Commitments and contingent liabilities

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

36.1 Lease commitments and service agreements

As at 31 December 2023 and 2022, the Group has future lease payments required under short-term leases, leases of low-value assets and service agreements as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Within up to 1 year	11	11	3	3
Over 1 and up to 3 years	6	-	3	-
Total	17	11	6	3

36.2 Guarantees

36.2.1 Bank guarantees

As at 31 December 2023, there were outstanding bank guarantees issued by banks on behalf of the Group, in respect of the normal course of certain performance bonds as required in their business. The details of bank guarantees are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Performance guarantees	402.49	402.91	393.49	393.91
Guarantee electricity use, among others	-	0.10	-	-
	402.49	403.01	393.49	393.91

36.2.2 Guarantees to related parties

The Company has contingent liabilities in respect of the guarantees of subsidiaries' credit facilities provided to banks as follows:

(Unit: Million Baht)

	Guaranteed facilities	
	2023	2022
I-Sport Co., Ltd.	10	-
I-Sport Co., Ltd. and Siam Sport Television Co., Ltd.	-	10

These guarantees are effective for as long as the underlying obligations have not been discharged by those subsidiaries.

36.3 Commitments in uncalled portions of investments

As at 31 December 2023, the Company has outstanding commitment in respect of uncalled portions of investment in its local subsidiary of approximately Baht 3 million (2022: Baht 3 million).

36.4 Other commitments

36.4.1 The Group entered into the service agreements with various companies between 1 and 3 years. The Group has to pay a monthly facility service fee at the rate stipulated in the agreements.

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

Subsequently, on 24 August 2017, SISC Consortium entered into a business alliance agreement with CAT Telecom Public Co., Ltd. in order to increase its capability to provide Digital Trunked Radio System (DTRS) services. The agreement will terminate on 31 July 2025.

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

36.4.3 As at 31 December 2023, the Company has commitment to a company of approximately USD 17 million or equivalent to Baht 586 million and Baht 42 million (2022: USD 35 million or equivalent to Baht 1,227 million and Baht 521 million) relating to the purchase of inventory for Digital Trunked Radio System (DTRS) services.

36.5 Capital commitment

As at 31 December 2023, the Company has capital commitment of approximately Baht 51 million (2022: USD 1 million or equivalent to Bath 49 million and Baht 565 million) regarding the purchases of equipment for Digital Trunked Radio System (DTRS) services.

As at 31 December 2023, Thai Base Station Co., Ltd., a subsidiary company, has capital commitment of approximately Bath 91 million (2022: Bath 92 million) regarding the purchases of equipment and installation for telecommunication tower service for Tower-Co project.

36.6 Litigation and claims

On 27 November 2009, the Company entered into a Memorandum of Understanding with TOT Public Company Limited for a 3G mobile phone network trial project. Subsequently, on 29 March 2011, the Company entered into an agreement to transfer rights and obligations as per to the Memorandum of Understanding for the trial of the 3G mobile phone network service to I-Mobile Plus Co., Ltd., a subsidiary.

On 22 February 2017, TOT Public Co., Ltd. (now merged with CAT Telecom Public Co., Ltd. to form National Telecom Public Co., Ltd.) submitted a letter to the Office of National Broadcasting and Telecommunications Commission (NBTC) to notify the NBTC of the cancellation of the cooperation under the Memorandum of Understanding with respect to 3G mobile network service trial project prior to notifying of such cancellation to I-Mobile Plus Co., Ltd., a subsidiary company. On 1 March 2017, the subsidiary company submitted a letter to TOT Public Co., Ltd. and the NBTC to notify of the termination of i-mobile 3GX service because the 3GX cellular phone system was frequently disrupted and TOT Public Co., Ltd. was unable to permanently fix the problem. In addition, TOT Public Co., Ltd. had not expanded its base station following its business plan in order to expand the coverage across the country. Subsequently, on 22 June 2017, the NBTC submitted to the subsidiary a letter regarding an approval of the termination of the Telecommunications Business License type 1 and agreed with the company's recovery plan for the users of i-mobile 3GX. Subsequently, the subsidiary submitted a letter notifying the NBTC that it had mutually agreed with TOT Public Company Limited that the date of discontinuing the i-mobile 3GX service would be 18 July 2017.

Later, the subsidiary company has been notified by TOT Public Co., Ltd. demanding the payment for Home Location Register (HLR) amounting to Baht 19 million. However, the management and the legal department of the subsidiary company were of the opinion that the subsidiary company was not liable to such payment because the data storage on HLR did not reach the quota specified in the agreement. The subsidiary company filed a plaint for compensation with TOT Public Co., Ltd. to the Civil Court since October 2018 amounting to Baht 1,941 million. Subsequently, on 9 March 2023, the Court of First Instance ruled that TOT Public Company Limited (currently a National Telecommunications Public Company Limited) made a payment to the subsidiary in the amount of Baht 748 million plus interest at the rate of 7.5% per annum of such principal counting from the date of filing (filing on 4 October 2018) until 10 April 2021 and a rate of 5% per annum, which is the rate under the Civil and Commercial Code from 11 April 2021 onwards until payment is made to the subsidiary. On

5 September 2023, the subsidiary filed an appeal against the judgment of the Court of First Instance, requesting the Court of Appeal to consider the case and order the defendant to pay additional damages totaling Baht 812 million. Currently, the case is being considered by the Court of Appeal

In addition, TOT Public Co., Ltd. submitted a letter to the subsidiary demanding the payment for accrued service fee totaling Baht 137 million (including, Home Location Register, mentioned above). Subsequently, the subsidiary submitted a letter requesting to offset the service fee with prepaid bulk or package that the subsidiary had purchased from TOT Public Co., Ltd. with the balance of Baht 70 million.

Subsequently, during 2020, TOT Public Co., Ltd. filed a suit against the Company and the subsidiary with the Central Administrative Court for breach of an administrative contract with an amount in dispute of Baht 212 million (including interest thereon). The Central Administrative Court issued an order not to accept the specific plaintiff regarding the service fee payment for preparing and storing data in the Home Location Register (HLR) from April 2011 to October 2014 with interest and VAT. Subsequently, during 2021, the Supreme Administrative Court reversed the order of the Central Administrative Court requiring the Central Administrative Court to accept the plaintiff. On 30 April 2021, the Company and the subsidiary filed an amended plaintiff with the Central Administrative Court.

While the case is under the consideration of the Administrative Court, on 21 October 2020, the Company and its subsidiaries filed an objection against the jurisdiction and requested a court decision per the Act on the Determination of the Powers and Duties among Courts. Subsequently, on 27 May 2021, the Committee on Jurisdiction of Courts decided that the case is in jurisdiction of the Court of Justice, not the Administrative Court. Subsequently, on 12 November 2021, the Administrative Court issued a letter notifying of an order to transfer the case to the Civil Court. On 12 January 2022, the Civil Court notified the Company that the case had been transferred from the Administrative Court. On 14 December 2023, the Civil Court issued an order that both the Company and its subsidiary collectively pay Baht 137 million, along with an interest rate of 5% per annum, starting from 20 December 2017, until the complete settlement to TOT Public Co., Ltd. (now known as National Telecom Public Company Limited). As of 31 December 2023, the subsidiary has fully recorded the liability (under provision and other payable). Subsequently, on 9 February 2024, the subsidiary sought an extension for the appeal period, which the court granted, extending the appeal deadline until 14 March 2024.

The legal advisor of the Group is of the opinion that TOT Public Co., Ltd. is in breach of the contract, resulting in substantial business damages to both the Company and its subsidiary. For the case filed by the subsidiary with the Civil Court, the Civil Court rules in favor of the subsidiary. The subsidiary will prevail at the conclusion of the case. Therefore, the management of the Group maintains confidence that the Group will not incur significant losses in connection with these two cases. However, as of now, the outcomes of these cases remain pending and are contingent upon future judicial procedures.

The subsidiary has exercised prudence in recognising the aforementioned debt in accordance with accounting standards. This recognition does not alter the nature of the case and should not be construed as a waiver of legal rights. Additionally, the recording of this debt does not imply that the Company and its subsidiary will abstain from asserting their rights through the legal justice process in the future. The Company and the subsidiary maintain confidence in their legal position and are committed to pursuing the legal process until its conclusion.

37. Fair value hierarchy

As at 31 December 2022, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows (2023: Nil):

(Unit: Million Baht)

	Consolidated financial statements/ Separate financial statements		
	31 December 2022		
	Level 1	Level 2	Total
Financial assets measured at fair value			
Financial assets at fair value through profit or loss			
Listed equity investment	0.2	-	0.2
Financial liabilities measured at fair value			
Derivatives			
Foreign currency forward contracts	-	1.0	1.0

38. Financial instruments

38.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade receivables, loans, investments, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, 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

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 are regularly monitored. In addition, the Group does not have high concentrations of credit risk since it has a large customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off according to the Group's policy determining the appropriateness.

Market risk

There are two types of market risk comprising foreign currency risk and interest rate risk.

Foreign currency risk

The Group's exposure to foreign currency risk arise mainly from purchasing transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when they consider appropriate. Generally, the forward contracts mature within one year.

The balances of financial liabilities denominated in foreign currencies were summarised below.

Foreign currency	Consolidated financial statements/ Separate financial statements		Exchange rate as at 31 December	
	2022	2021	2022	2021
	(Million)		(Baht per 1 foreign currency unit)	
Financial liabilities				
US dollar	0.56	5.63	34.3876	34.7335

Foreign currency sensitivity

The Group's exposure to foreign currency changes for all other currencies is not material.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to their cash at banks, short-term and long-term borrowings. Most of the Groups' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date.

(Unit: Million Baht)

Consolidated financial statements									
	Fixed interest rates			Floating interest rate		Non-interest bearing		Total	
	Within 1 year		1 - 5 years	2023	2022	2023	2022	2023	2022
	2023	2022	2023	2022	2023	2022	2023	2022	2022
Financial assets									
Cash and cash equivalents	-	-	-	213	66	-	-	66	213
Trade and other receivables	-	-	-	-	-	1,455	86	1,455	86
Restricted bank deposits	103	103	-	-	-	-	-	103	103
Other financial assets	-	-	-	-	-	3	3	3	3
	103	103	-	213	66	1,458	89	1,627	405
Financial liabilities									
Bank overdrafts	-	-	-	65	63	-	-	63	65
Short-term loans from banks	3	3	-	-	-	-	-	3	3
Trade and other payables	-	-	-	-	-	2,270	1,038	2,270	1,038
Short-term loans from unrelated parties	-	-	-	13	10	-	-	10	13
Other current financial liabilities	-	-	-	-	-	-	1	-	1
Long-term loans from related parties	-	-	-	322	-	-	-	-	322
Long-term loans from financial institutions	-	-	-	2,501	1,951	-	-	1,951	2,501
Convertible debentures	-	-	23	38	-	-	-	23	38
	3	3	23	2,579	2,024	2,270	1,039	4,320	3,981

Effective interest rates of financial assets and liabilities were separately shown in related notes to financial statements.

Interest rate sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of floating rate short-term loans and long-term loans affected as at 31 December 2023 and 2022, with all other variables held constant.

Currency	Increase / decrease (%)	Consolidated financial statements		Separate financial statements	
		Effect on loss before tax/ increase (decrease)		Effect on loss before tax increase/(decrease)	
		2023	2022	2023	2022
		(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Baht	+0.10	1,963	2,515	2,211	2,764
	-0.10	(1,963)	(2,515)	(2,211)	(2,764)

The above analysis has been prepared assuming that the amounts of the floating rate borrowings and all other variables remain constant over one year. Moreover, the floating legs of these borrowings are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest payable for the full 12-month period of the sensitivity calculation. This information is not a forecast or prediction of future market conditions and should be used with care.

Liquidity risk

The Group has a policy to control the risk of a shortage of liquidity by maintaining an adequate level of cash and cash equivalents for the Group's operation. As at 31 December 2023, approximately 98% (2022: 89%) of the Group's debt will mature in less than one year (The Company only: 98% (2022: 91%)) based on the carrying value of borrowings reflected in the financial statements. The Group has assessed risk with respect to refinancing its debt and concluded that the Group has access to a source of funding, and the Group can request for roll over debt maturing within 12 months with existing lenders.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2023 and 2022 based on contractual undiscounted cash flows:

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2023				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Bank overdrafts	63	-	-	-	63
Short-term loans from financial institutions	-	3	-	-	3
Short-term loans	10	-	-	-	10
Trade and other payables	2,270	-	-	-	2,270
Lease liabilities	-	2	6	-	8
Long-term loans	2,048	-	-	-	2,048
Convertible debentures	-	-	23	-	23
Total non-derivatives	4,391	5	29	-	4,425

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2022				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Bank overdrafts	65	-	-	-	65
Short-term loans from financial institutions	-	3	-	-	3
Short-term loans	13	-	-	-	13
Trade and other payables	1,038	-	-	-	1,038
Lease liabilities	-	46	84	-	130
Long-term loans from related parties	-	-	366	-	366
Long-term loans	2,560	-	-	-	2,560
Convertible debentures	-	-	41	-	41
Total non-derivatives	3,676	49	491	-	4,216
Derivatives					
Other current financial liabilities	-	1	-	-	1
Total derivatives	-	1	-	-	1

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2023				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Bank overdrafts	63	-	-	-	63
Short-term loans from related parties	537	-	-	-	537
Trade and other payables	2,172	-	-	-	2,172
Lease liabilities	-	1	4	-	5
Long-term loans	2,048	-	-	-	2,048
Convertible debentures	-	-	23	-	23
Total non-derivatives	4,820	1	27	-	4,848

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2022				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Bank overdrafts	65	-	-	-	65
Short-term loans from related parties	533	-	-	-	533
Trade and other payables	932	-	-	-	932
Lease liabilities	-	2	10	-	12
Long-term loans from related parties	-	-	366	-	366
Long-term loans	2,560	-	-	-	2,560
Convertible debentures	-	-	41	-	41
Total non-derivatives	4,090	2	417	-	4,509
Derivatives					
Other current financial liabilities	-	1	-	-	1
Total derivatives	-	1	-	-	1

38.2 Fair value of financial instrument

Since the majority of the Groups' financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

39. Capital management

The primary objective of the Company's 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 2023, the Group's debt-to-equity ratio was 23.2:1 (2022: 71.1:1) and the Company's was 24.4:1 (2022: 54.6:1).

40. Events after the reporting period

40.1 In June and August 2023, the Company issued convertible debentures and offered the newly issued convertible debentures in accordance with the convertible debenture issuance agreement No. 22 - 24, leaving a balance of Baht 23 million in non-convertible debentures. These convertible debentures are set to mature on 6 June 2025. The convertible debenture holders have exercised convertible rights in January and February 2024 of Baht 8 million and Baht 6 million, respectively. The Company registered the latest paid-up share capital with the Ministry of Commerce on 20 February 2024.

In addition, the Company has offered and issued a newly convertible debentures No. 25 - 26 pursuant to the convertible debenture agreement in January and February 2024 totaling of Baht 20 million. The convertible debentures will be matured on 5 January 2027. The convertible debenture holders have exercised convertible rights in February 2024 of Baht 5 million, respectively. The Company registered the latest paid-up share capital with the Ministry of Commerce on 13 February 2024.

40.2 On 22 February 2024, the Board of Director's Meeting of the Company considered to find a solution to the shareholders' equity less than 50% of paid-up capital situation and compliance with the regulations of the Stock Exchange of Thailand in the event that the Company's securities will be marked with "C" (Caution) sign. In this regard, the Company will propose solutions to the situation to the meeting in order to provide information to investors and related parties (Public Presentation).

41. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 22 February 2024.



SAMART *Digital*



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