- *Translation* -

Report on the Opinion of the Independent Financial Advisor on Connected Transactions

of

Samart Digital Public Company Limited

Prepared by

Welcap Advisory Company Limited

24 March 2023

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Definitions

Abbreviations		**Meaning**
SDC or The Company	:	Samart Digital Public Company Limited
SAMART	:	Samart Corporation Public Company Limited
SAV	:	Samart Aviation Solutions Public Company Limited (SAV)
IFA or the Independent Financial Advisor	:	Welcap Advisory Company Limited
Report on the Opinion of the IFA	:	Report on the Opinion of the Independent Financial Advisor on Connected Transactions
Connected Transaction	:	Connected Transaction (Type: Receiving Financial Assistance from SAMART)
The SEC	:	The Office of the Securities and Exchange Commission
The SET	:	The Stock Exchange of Thailand
The Public Limited Companies Act	:	Public Limited Companies Act, B.E.2535 (including amendments)
The Securities and Exchange Act	:	Securities and Exchange Act B.E.2535 (including amendments)
Notification on Connected Transactions	:	Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions dated 31 August 2008 (including amendments), and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546 (2003) dated 19 November 2003 (including amendments) ("Notifications on Connected Transactions").

Part 1 : Executive Summary

The Board of Directors' Meeting of Samart Digital Public Company Limited (**"The Company"** or **"SDC"**) No. 2/2023, held on 16 March 2023, passed a resolution to approve of the Connected Transaction of the Type: Receiving Financial Assistance from Samart Corporation Public Company Limited ("SAMART"), which is a Connected Party. The maximum loan amount is not more than 750.00 THB million. The interest rate is the interest rate of SAMART's financing costs on the date of entering into the loan agreement plus 0.25% per annum; this interest rate must not exceed the interest rate of SDC's financing costs on the date of entering into the loan agreement. It will be in the form of a loan agreement, and its terms will include: a repayment period of not more than 6 years, or an end date of not later than 2028, with a loan limit of 750.00 THB million. Details are as follows:

1) The Company's Extraordinary General Meeting of Shareholders No. 1/2020, held on 1 September 2020, approved of a transaction to receive financial assistance from SAMART, with a maximum loan amount of not more than 600.00 THB million and a repayment date of not later than 2025. At present, SDC has accepted 322.30 THB million of loans since the transaction was approved, and the remaining possible loan amount is 277.70 THB million.
2) SDC has considered the Company's financial needs, and wishes to receive financial assistance in the form of an additional 472.30 THB million in loan credit.

SDC estimated the total loan limit of 750.00 THB million in order to be in accordance with its liabilities to repay the principal loan amount to financial institutions in 2023. The Company considered requesting approval to utilize the remaining loan credit from Point 1) using the same conditions as the new loan limit received from receiving financial assistance via this Transaction, as the previous loan limit included a condition that repayment to SAMART had a due date of within 2025, which may lead to a lack of liquidity, and is not in accordance with incoming cash flow according to the Company's projections.

The Company's purpose in receiving financial assistance from this transaction is to repay loans to financial institutions according to the Company's loan restructuring agreements, and to use as working capital to support the Company's business operations. The Company expects to receive financial assistance from SAMART in approximately Q4/2023. It is expected that SAMART would be able to list Samart Aviation Solutions Plc. ("SAV") in the Stock Exchange of Thailand by that time, and it would use funds from the sale of SAV's prior common shares to the public as a funding source to provide financial assistance to the Company.

In receiving the aforementioned financial assistance from Samart Corporation Public Company Limited (SAMART), SAMART is considered a connected party because SAMART is the Company's largest shareholder, directly holding shares totalling 63.64% of the Company's registered and paid-up capital, and both companies also have mutual directors and shareholders. The Transaction's loan limit is 750.00 THB million, and the repayment period is not exceeding 6 years. The interest rate is not exceeding 5.30% (which is equal to SDC's interest rates of its financing costs at present) according to the agreement's interest rate conditions, which states that this interest rate must not exceed the interest rate of SDC's financing costs on the date of entering into the loan agreement. The value of the Transaction is 238.55 THB million, and the size of the transaction is 6,620.22% of the value of net tangible assets of the Company according to the Company's financial statements as of 31

December 2022, which was audited by an auditor. The transaction size is larger than 20.00 THB million, and larger than 3.00% of the Company's net tangible assets.

As of 16 March 2023, SAMART had average financing costs of 4.62% per annum. This was calculated by weighted average of financing costs of interest bearing debt that SAMART owes to financial institutions, both short- and long-term, as well as financing costs of SAMART's debentures. When adding the rate according to the company group's policies in calculating intra-group interest rates of 0.25% per annum, the interest rate for this financial assistance Transaction is equal to 4.87%. Regardless, as the interest rate may change according to SAMART's financing costs on the date of the loan agreement, the transaction size calculations shown above uses an interest rate of 5.30%, which is equal to SDC's current interest rate. The principal is assumed to be not more than 750.00 THB million, and repayment period assumed to be not more than 6 years.

This Transaction is considered a Connected Transaction according to Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions dated 31 August 2008 (including amendments), and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546 (2003) dated 19 November 2003 (including amendments). Therefore, the Company must request approval to enter into the Transaction from the Shareholders' Meeting, and must receive approval from not less than three-quarters of total votes from shareholders who are present at the meeting and eligible to vote, excluding votes from interested shareholders. Additionally, the Company must appoint an Independent Financial Advisor ("IFA") to provide an opinion on the reasonableness of the Transaction, and the fairness of the price and conditions of the Transaction to the shareholders of the Company to be considered when deciding to approve or not approve of entering into the Transaction.

After having considered relevant information, including: conditions for entering into the Transaction, advantages and disadvantages of entering into the Transaction, risks of entering into the Transaction, advantages and disadvantages of not entering into the transaction, as well as the appropriateness of entering into the Transaction, the Opinion of the Independent Financial Advisor can be summarized as follows:

1. Appropriateness of Interest Rates and Conditions of Entering into the Transaction

The IFA considered the interest rate of the loan agreement and compared it to interest rates of loans that the Company received from financial institutions as of 31 December 2022. Details are as follows.

Loan Provider	Interest Rate
Financial Institution No. 1	MLR-1.25% or **equal to 5.320% per annum**
Financial Institution No. 2	MLR-1.50% or **equal to 5.325% per annum**
Financial Institution No. 3	MLR-1.025% or **equal to 5.325% per annum**
Financial Institution No. 4	MLR-1.25% or **equal to 5.200% per annum**
Financial Institution No. 5	MLR-1.25% or **equal to 5.325% per annum**
Financial Institution No. 6	MLR-2.00% or **equal to 5.025% per annum**
Average	**Equal to 5.30% per annum**

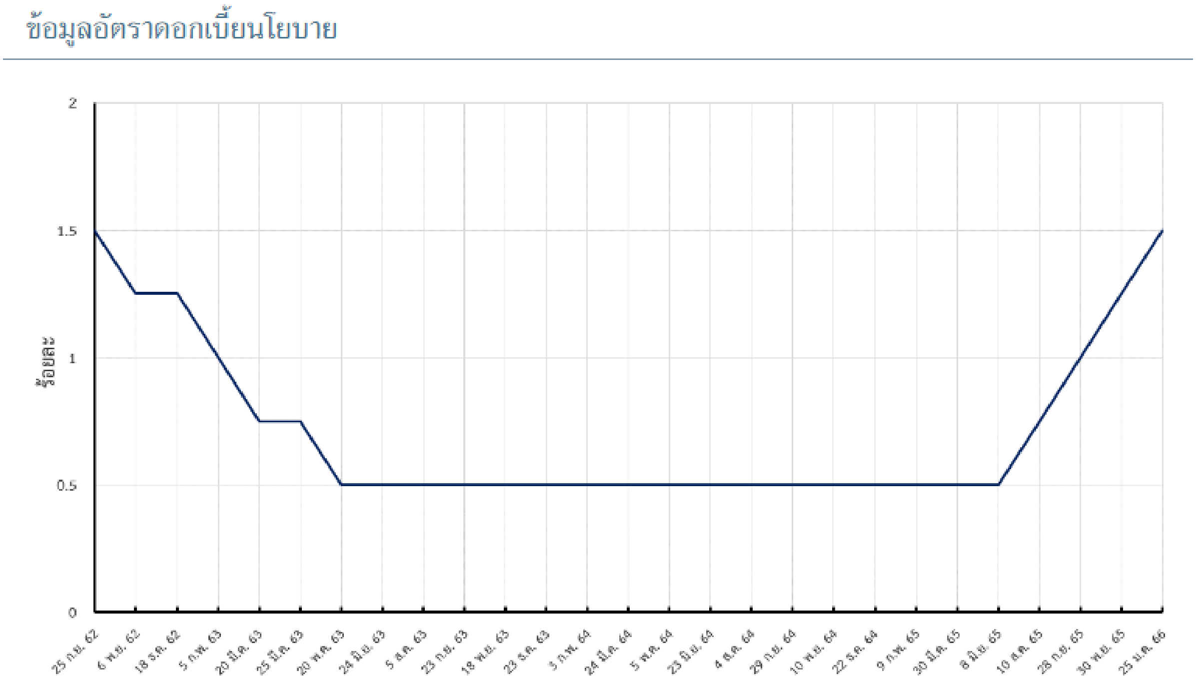
Long Term Loans from SAMART	**Average of Actual Financing Costs of SAMART plus 0.25% per annum, or equal to**

(Receiving Financial Assistance via this Transaction)	**4.62+ 0.25 = 4.87% per annum**

The details of the financial cost calculation of SAMART as of March 7, 2023 are as follows:

Source of Fund	Interest rate per annum
Short Term Loan	Weighted average rate **4.463 %**
Debentures	Weighted average rate **4.250 %**
Long Term Loan	Weighted average rate **5.470 %**
Letter of Guarantor	MLR-1.25% or equal to **4.000 %**
Average	**4.62 %**

Although this Transaction specifies that the Company borrows from SAMART only, when considering the reasonableness of the interest rate of loan agreements, the IFA is of the opinion that: when considering the Company's operating results, which showed consistent losses over the past 5 years (2018-2022) (2018-2022); and the debt to equity ratio as of 31 December 2022, which was a high ratio of 71.10; and also rising interest rates at present; it is not likely that the Company can find a new funding source that can provide loans from a financial institution at a similar interest rate to the long term interest rates that the Company currently receives from financial institutions.



Policy Interest Rate

Source: Bank of Thailand (https://www.bot.or.th/Thai/MonetaryPolicy/Pages/OverviewPolicyRate.aspx)

Therefore, as of the date of the loan agreement, the Company receiving a loan from SAMART at an interest rate that is equal to the actual financing costs of SAMART plus 0.25% per annum (equal to 4.87% per annum), which is lower than the financing costs of interest rates from loans from financial institutions at present (equal to 5.30% per annum), is considered reasonable in the current situation.

Additionally, refinancing with other financial institutions will result in the Company being liable to pay prepayment fees of an additional 2.00%, or 0.33% per annum, which may mean that the Company must accept loans from a new financial institution at a net interest rate of not higher than 4.54% per annum, so that when combined with prepayment fees of an additional 2.00%, this would result in the same financing costs as the interest rate of 4.87% per annum of the loan agreement with SAMART. Searching for a funding source that provides term loans at an interest rate of less than 4.54% per annum with a 6 year repayment period is highly unlikely.

Additionally, if the Company wishes to raise funds by issuing bonds while the Company's Credit Rating is Unrated, the Company's financing costs of bond interest would be higher than 4.87% per annum (which is the expected interest rate of the loan agreement with SAMART) according to comparisons with non-rated debentures used for comparison. Details are as follows:

Examples of Non-rated Debenture Used for Comparison

Name of Debenture	Credit Rating	Issuance and Offering Date	Interest Rate	Term of Debenture
NRF254A	Non-rated	20 October 2022	6.75%	2 years 6 months
ETC254A	Non-rated	26 October 2022	6.50%	2 years 6 months
SABUY258A	Non-rated	17 February 2023	6.45%	2 years 6 months
CMC252A	Non-rated	23 February 2023	7.50%	2 years
JKN252A	Non-rated	24 February 2023	7.00%	2 years

Source: ThaiBMA

According to the above information, loans from financial institutions and issuing bonds would result in a higher financing cost than entering into this agreement to accept loans from SAMART. Therefore, **the IFA is of the opinion that the interest rate of this loan agreement is appropriate.**

After considering conditions of the draft of this loan agreement with SAMART, the IFA is of the opinion that the conditions of the loan agreement are in accordance with the company group's policies regarding important business transactions with connected parties, and are beneficial to the Company's liquidity management, as follows:

- The repayment period for the principal is set in accordance with the Companys' business plans, such as expanding the Digital Trunked Radio System (DTRS) project. According to the Company's business plans, DTRS clients will be expanded to over 200,000 clients.
- The outstanding principal can be paid in whole or in part before the due date. (Without penalty for early repayment) unless the company still has the outstanding restructuring debts with financial institutions. SAMART will allow the Company to pay the debt under the debt restructuring agreement to the financial institution **first**. However, such debt payment must not be later than December 30, 2025.
- There are no conditions requiring collaterals, mortgages, or personal guarantees; there are no conditions requiring insurance for assets that are used as collaterals or mortgages.

- There are no loan fees, prepayment fees, or credit line maintenance fees.
- There are no requirements for maintaining a debt to equity ratio, dividend payment conditions, maintaining shareholding proportions, specifying members of management, limitations regarding acquiring additional funding sources via loans, etc.

Regardless, this loan agreement with SAMART does not specify a fixed interest rate. The interest rate will be equal to SAMART's actual financing costs on the date of entering into the loan agreement plus 0.25% per annum for the entire period of the agreement. This means that the Company bears risks from fluctuations in interest rates; the Company will have higher financing costs if interest rates are rising, and the Company might have lower financing costs if interest rates are falling. Additionally, from entering into this Transaction, the Company still has to act in accordance with conditions regarding repaying remaining loans to other financial institutions according to the proportion of loan balance owed to each institution to the Company's total balance (Pari Passu) which is the general practice used by financial institutions.

The IFA is of the opinion that the conditions of the Transaction are reasonable and is in accordance with general practices. The Company's shareholders do not lose benefits, and there are conditions advantageous to the Company which allow the Company to use the obtained capital immediately according to the Transaction's purposes. Therefore, **the IFA is of the opinion that the conditions for entering into this Transaction are appropriate.**

2. Advantages of Entering into the Transaction

2.1 Helps the Company to manage liquidity according to its current business plans

Entering into this Transaction will help improve the Company's liquidity in management in accordance with the Company's current business plans. For example, expanding the Digital Trunked Radio System (DTRS) project. According to the Company's business plans, DTRS clients will be expanded to over 200,000 clients. If these projects are completed, it would be beneficial to the Company's operating results.

2.2 Helps to diversify risks related to funding sources

As of 31 December 2022, the Company has total interest bearing debt of 3,061.06 THB million, of which 2,570.13 THB million is loans from financial institutions. The ratio of loans from financial institutions to total interest bearing debt is 83.96%. Therefore, borrowing from SAMART will diversify risks from receiving funding from financial institutions. Additionally, conditions specified when borrowing from SAMART are more flexible than loan agreements with financial institutions.

2.3 Helps reduce financing costs and increases the Company's liquidity

This Transaction involves accepting a long-term loan from SAMART. The interest rate is equal to the actual financing costs of SAMART as of the date of the loan agreement plus 0.25% per annum according to the company group's policies in calculating intra-group interest rates. The total loan limit is not more than 750.00 THB million. The purpose is for the Company to use the capital to repay loans to financial institutions early. Therefore, when considering Section 4.3: Appropriateness of Interest Rates and Conditions of Entering into the Transaction, Subsection "Appropriateness of Interest Rates," it can be seen that the loans from SAMART at this time have a financing cost of only 4.87% per annum, which is lower than the average interest rate of all loans that the Company currently receives from financial institutions (5.30% per annum). The decrease in financing costs will also contribute to increasing the Company's liquidity.

2.4 Positively affects financial covenants of loan agreements from financial institutions

In entering into this Transaction, according to financial covenants, the calculations of the debt to equity ratio of financial institutions who are the Company's creditors will be calculated as part of equity according to conditions related to calculating the ratio of debt to equity of financial institutions who are the Company's creditors. Therefore, the Company will have an increased ability to maintain said financial ratio, and the Company will have a better financial status. The Company will have a net interest-bearing debt to equity ratio in accordance with financial institutions' requirements; this ratio will be reduced to 1.57 from 6.62 when calculated using the Company's 2022 financial statements.

3. Disadvantages of Entering into the Transaction

- None -

4. Advantages of Not Entering into the Transaction

- None -

5 Disadvantages of Not Entering into the Transaction

5.1 The Company will lose the opportunity to access a funding source with a lower financing cost

If the Company decides to not enter into this Transaction, the Company will lose the opportunity to access a funding source with a lower financing cost than the average interest rate of all loans that the Company currently receives from financial institutions (5.30% per annum). Entering into this Transaction will help reduce the Company's interest expenses and increase the Company's liquidity.

5.2 Loss of opportunity to diversify risks related to sources of funding

If the Company decides to not enter into this Transaction, the Company will lose the opportunity to diversify risks related to sources of funding. As of 31 December 2022, the Company has a ratio of loans from financial institutions to total interest-bearing debt of 83.96%. This shows that the Company relies on loans from financial institutions as a major funding source. Borrowing from SAMART will reduce the Company's reliance on funding sources from financial institutions. Additionally, conditions specified when borrowing from SAMART are more flexible than loan agreements with financial institutions.

5.3 Loss of opportunity for the Company to manage liquidity according to its current business plans

Accepting loans from SAMART currently involves a repayment period of not more than 6 years, or ending not later than 2028. Therefore, if the Company decides to not enter into this Transaction, the Company will lose the opportunity to manage liquidity according to its current business plans. For example, expanding the Digital Trunked Radio System (DTRS) project. According to the Company's business plans, DTRS clients will be expanded to over 200,000 clients. If these projects are completed, it would be beneficial to the Company's liquidity and operating results.

5.4 Loss of opportunity to positively affect conditions of loan agreements from financial institutions

If the Company decides not to enter into this Transaction, the Company will lose the opportunity to improve its financial covenants related to maintaining its debt to equity ratio (D/E Ratio) according to loan agreements with financial institutions. This is because entering into this Transaction would be calculated as equity rather than debt, according to the calculation conditions of financial institutions who are the Company's creditors. Therefore, the Company will have an increased ability to maintain said financial ratio, and the Company will have a better financial status.

6 Risks from Entering into the Transaction

6.1 Risks from Fluctuations of Interest Rates

The interest rate from entering into this Transaction is equal to the actual financing costs of SAMART as of the date of the loan agreement plus 0.25% per annum according to the company group's policies in calculating intra-group interest rates. In the current situation with rising interest rates, if the interest rate that is SAMART's actual financing costs increase, the Company will also have a higher interest burden according to rising interest rates.

6.2 Risks from SAV not being able to sell IPO shares and become listed in the SET

Entering into this Transaction involves an important condition. In order for the loan to be disbursed, SAMART must lead SAV, a subsidiary in which SAMART indirectly holds 100.00% of the shares, to become listed in the SET. In the case that SAV is not able to become listed in the SET, or this process falls behind schedule (procedures are expected to be complete around Q4/2023), the Company will not receive disbursement, or will receive disbursement later than scheduled, which may affect the Company's ability to repay debts at that time.

6.3 The risk that SAMART's financial costs are higher than the Company's financial costs

Due to entering into the transaction this time The interest rate is equal to the actual financial cost of SAMART on the date of the loan agreement plus 0.25 percent per year according to the policy of interest charging among the group of companies. Therefore, if in the future the interest rate is the actual financial cost of SAMART has changed more than the financial cost of the Company. may result in the Company The financial cost of entering into this transaction is higher than the average financial cost of the Company. However, if considering the average financial cost of SAMART and the Company as of December 31, 2022 which is equal to 4.62% and 5.30% (Details in Item 4.3 Appropriateness of Interest Rates and Conditions of the Transaction in Part 4, Page 4). It can be noted that SAMART's average cost of capital is lower than the average cost of capital of the Company. It's about 0.68 percent per year, which is quite a lot. Therefore, it is likely that the average financial cost of SAMART will be higher than the average financial cost of the Company. Therefore, there is a relatively low chance of occurring.

Regardless, SAV previously had plans to list its company in the SET. It had filed for permission to sell IPO shares and had received approval from the SEC on 12 March 2020. However, due to the spread of COVID-19, SAV's IPO plans were put on hold, resulting in SAV not being able to complete the process of offering shares for sale to the public within 1 year after the date the SEC approved of the IPO filing. Therefore, the IPO approval SAV received became ineffective. At present, the COVID-19 situation has improved. Cambodia Air Traffic Services Company Limited, which is SAV's subsidiary, could return to its usual business operations. Therefore, SAMART believes it appropriate for SAV to undergo the IPO process again according to the resolutions of SAMART's Board of Directors Meeting No. 1/2023. The SAMART group expects to be able to complete the process according to schedule.

7 Advantages of Entering into a Connected Transaction Compared to a Transaction with Outside Parties

7.1 Swiftness in Operations

As the Company is a subsidiary of SAMART, the process can proceed more swiftly compared to transactions with outside parties.

7.2 Helps reduce risks from delays in finding other funding sources; allows access to a funding source with a lower financing cost

As the Company is a subsidiary of SAMART, the Company has access to a funding source with a lower financing cost compared to other funding sources. This is because the financing costs from entering into this Transaction refers to SAMART's actual financing costs on the date of the loan agreement (SAMART's financing costs are lower than the Company's) plus 0.25% per annum according to the company group's policies in calculating intra-group interest rates. Additionally, the process of securing a different funding source, such as by requesting credit from a different financial institution/person, issuing bonds, or capital increases may not proceed quickly, and may incur additional related financing costs, or higher financing costs compared to this loan from SAMART.

7.3 Being able to specify important conditions in this agreement to be in accordance with the Company's needs

As the Company is a subsidiary of SAMART, with directors, management and major shareholders from the same group, SAMART clearly understands the background and business plans of the Company, and specifies important conditions in this loan agreement with SAMART to be in accordance with the Company's needs and specifications. The conditions of the loan agreement still are in accordance with principles of fairness.

7.4 The conditions of the loan agreement are more flexible than loan agreements from financial institutions

As the Company is a subsidiary of SAMART, with directors, management and major shareholders from the same group, SAMART clearly understands the background and business plans of the Company, and specifies important conditions in this loan agreement with SAMART to be in accordance with the Company's needs. The conditions are also more flexible when compared to conditions in loan agreements from financial institutions. For example, the repayment period is specified as not more than 6 years, or ending not later than 2028. However, the agreement does not specify principal payment installments, does not specify conditions requiring collaterals, mortgages, or personal guarantees, etc.

8 Disadvantages of Entering into a Connected Transaction Compared to a Transaction with Outside Parties

8.1 <u>There are additional expenses from operating according to the Notification on Connected Transactions</u>

Entering into this Transaction with SAMART, who is a Connected Person of the Company, is considered a significant Connected Transaction according to Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions dated 31 August 2008 (including amendments), and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546 (2003) dated 19 November 2003 (including amendments).

Therefore, the Company needs to arrange for a Shareholders' Meeting and appoint an Independent Financial Advisor to provide an opinion on entering into this Transaction to the Shareholders' Meeting, resulting in the Company incurring additional expenses totaling approximately 0.18% per annum of the total loan limit from this Transaction.

The IFA has considered the reasonableness of the Transaction by considering: the reasonableness of interest rates and reasonableness of conditions of entering into the Transaction; advantages and disadvantages of entering into the Transaction and not entering into the Transaction; advantages and disadvantages of entering into a Connected Transaction compared to a transaction with outside parties; as well as risks from entering into the Transaction. Due to the aforementioned reasons, the IFA is of the opinion that entering into this Transaction will reduce the financing costs and diversify risks related to funding sources for the Company, and help the Company to manage liquidity in accordance with the Company's business plans. Additionally, it is beneficial to calculations related to financial covenants of loan agreements that the Company has with financial institutions. Regardless, the Company's shareholders may also need to consider risks from entering into the Transaction, including risks from fluctuations of interest rates, as well as other conditions, when considering whether to approve of entering into the Transaction.

Due to the above reasons, the IFA is of the opinion that **<u>entering into this Transaction is reasonable</u>**. The Company's shareholders **<u>should consider approving of the Company receiving financial assistance</u>** from SAMART, who is a connected person. However, the decision to vote for approval of entering into this Transaction depends on the shareholders' judgment. Shareholders should consider information in various documents attached to the Invitation Letter to Attend the General Shareholders' Meeting for the Year 2023 at this time, as part of the consideration process to be able to vote appropriately.

Part 2: Operational Guidelines and Information Used to Prepare the Report

The IFA has considered and analyzed information related to entering into this Transaction, which is a Connected Transaction of the Company according to the Notification on Connected Transactions. The IFA used information received from the Company, interviews with the management, and information distributed to the general public, as well as other relevant information which includes, but is not limited to:

1. Resolutions from the Board of Directors Meeting of the Company, and information disclosed via the SET that are related to entering into this Transaction
2. Important documents, such as: Certificates, Memorandums of Association, Regulations, etc.
3. Relevant agreements, such as loan agreements from banks, drafts of loan agreements that are related to entering into this Transaction, etc.
4. Annual Registration Statement and Annual Report (Form 56-1 One Report) of the Company and SAMART
5. Audited Financial Statements of the Company
6. The Company's business plans
7. Interviews with the Company's executives and other related parties
8. Statistical information from the SET, and the state of the industry

The IFA's opinion is based on the assumption that information and/or documents that the IFA received, as well as interviews with the Company's management and related parties, are correct and truthful. The IFA has considered and analyzed the information with care and reason according to professional standards. Additionally, the IFA considers that contracts and business agreements are effective and legally binding; and that there are no changes to conditions, or withdrawals, or cancellations; and that there are no events or conditions that may significantly affect the Company entering into this Transaction.

Therefore, if any information and/or documents that the IFA received are incorrect and/or not truthful; or any contracts and business agreements are not effective and/or not legally binding; and/or there are changes to conditions, withdrawals, or cancellations; and/or there are events or conditions that may significantly affect the Company entering into the this Transaction; then, the IFA's opinion may be affected. The IFA cannot provide its opinion on the impact of such occurrences to the Company or the Company's shareholders.

The IFA's opinion was prepared using the information that the IFA received, including the status of the industry, economic conditions, and other factors that occurred during the preparation period. These factors may significantly change in the future, and may affect the IFA's opinion. The IFA has no obligation to adjust its opinion in this Report on the IFA's Opinion.

This Report on the IFA's Opinion was prepared for the Company's shareholders' consideration to assist in their decision to vote regarding the Company entering into this Transaction according to the Notification on Connected Transactions. The decision to approve or not approve of entering into the Transaction primarily depends on the judgment of the shareholders of the Company. The shareholders of the Company should thoroughly and carefully consider information in various documents attached to the Invitation Letter to Attend the Meeting before voting, so that they can make an appropriate decision.

Regardless, this Report on the IFA's Opinion is not a guarantee of success in entering into various transactions or any consequences that may occur, and the IFA cannot be responsible for any consequences that may occur due to entering into the Transaction, whether directly or indirectly.

Part 3: Characteristics and Details of Transaction

3.1 Background and General Characteristics of Transaction

The Board of Directors' Meeting of Samart Digital Public Company Limited ("The Company" or "SDC") No. 2/2023, held on 16 March 2023, passed a resolution to approve of the Connected Transaction of the Type: Receiving Financial Assistance from Samart Corporation Public Company Limited ("SAMART"), which is a Connected Party. The maximum loan amount is not more than 750.00 THB million. The interest rate is the interest rate of SMART's financing costs plus 0.25% per annum. It will be in the form of a loan agreement, and its terms will include: a repayment period of not more than 6 years, or an end date of not later than 2028, with a loan limit of 750.00 THB million. Details are as follows:

1) The Company's Extraordinary General Meeting of Shareholders No. 1/2020, held on 1 September 2020, approved of a transaction to receive financial assistance from SAMART, with a maximum loan amount of not more than 600.00 THB million and a repayment date of not later than 2025. At present, SDC has accepted 322.30 THB million of loans since the transaction was approved, and the remaining possible loan amount is 277.70 THB million.
2) SDC has considered the Company's financial needs, and wishes to receive financial assistance in the form of an additional 472.30 THB million in loan credit.

SDC estimated the total loan limit of 750.00 THB million in order to be in accordance with its liabilities to repay the principal loan amount to financial institutions in 2023. The Company considered requesting approval to utilize the remaining loan credit from Point 1) using the same conditions as the new loan limit received from receiving financial assistance via this Transaction, as the previous loan limit included a condition that repayment to SAMART had a due date of within 2025, which may lead to a lack of liquidity, and is not in accordance with incoming cash flow according to the Company's projections.

Summarized details related to accepting financial assistance are listed in the following table. The summary of the loan agreement can be found in Attachment 1 Summary of Details of Important Agreements.

Topic	Details
Lender	Samart Corporation Public Company Limited
Borrower	Samart Digital Public Company Limited
Purpose	To be used as capital to repay the Company's loans with financial institutions according to loan restructuring agreements, and to use as working capital to support the Company's business operations.
Amount of Capital	Maximum loan amount of not more than 750.00 THB million
Repayment Period	Interest is to be paid at the end of each month. Principal is to be repaid within 6 years, or an end date of not later than 2028.
Interest Rate	The interest rate is the interest rate of SAMART's financing costs plus 0.25% per annum, according to the company group's policies in calculating intra-group interest rates. Regardless, this interest rate must not exceed the interest rate of SDC's financing costs on the date of entering into the loan agreement

	At present, SAMART's financing costs, on average, is 4.62%. This was calculated by weighted average of financing costs of interest bearing debt that SAMART owes to financial institutions, both short- and long-term, as well as financing costs of SAMART's debentures. When adding the rate according to the company group's policies in calculating intra-group interest rates of 0.25% per annum, the interest rate for this financial assistance Transaction is equal to 4.87%. Regardless, the interest rate may change according to SAMART's financing costs on the date of the loan agreement. However, the interest rate on the date of entering into the agreement must not be higher than SDC's financing costs on the agreement date.
Collaterals	There are no collaterals
Important Conditions	1) The Company has received approval from the General Shareholders' Meeting No. 1/2023, which will be held on 27 April 2023, to enter into this Transaction. 2) SAMART has led Samart Aviation Solutions Plc. (**"SAV"**), which is a subsidiary that SAMART indirectly holds 100.00% of the shares, to become a listed company in the Stock Exchange of Thailand ("The SET").

3.2 Date of Transaction

The Company expects to receive financial assistance from SAMART in approximately Q4/2023. It is expected that SAMART would be able to list SAV in the Stock Exchange of Thailand by that time, and it would use funds from the sale of SAV's prior common shares to the public as a funding source to provide financial assistance to the Company.

3.3 Counterparty and Relationship to Registered Company

Provider of Financial Assistance	:	Samart Corporation Public Company Limited (SAMART)
Receiver of Financial Assistance	:	Samart Digital Public Company Limited (SDC)
Relationship to Company	:	SAMART is the Company's major shareholder, and the two companies have mutual directors and shareholders, as follows:

Relationship and Interests of Connected Persons (as of 31 January 2023)

	SDC	**SAMART**
Mr. Chareonrath Vilailuck (Elder brother of Mr. Watchai Vilailuck)	– Director – No shareholding proportion	– Authorized Director – Holds 11.20% of shares
Mr. Watchai Vilailuck (Younger brother of Mr. Chareonrath Vilailuck)	– Authorized Director – Holds 0.16% of shares	– Authorized Director – Holds 12.62% of shares
Mrs. Sukanya Vanichjakvong (Younger sister of Mr. Chareonrath Vilailuck and Mr. Watchai Vilailuck)	– Holds 0.14% of shares	– Holds 0.19% of shares
Ms. Srintip Vilailuck (Younger sister of Mr. Chareonrath Vilailuck and Mr. Watchai Vilailuck)	– Holds 0.00% of shares	– No shareholding proportion

	SDC	SAMART
Samart Corporation Public Company Limited (Major shareholder of SDC. Mr. Chareonrath Vilailuck and Mr. Watchai Vilailuck are directors)	– Holds 63.64% of shares	
Samart Telcoms Plc. (SAMART is a major shareholder, holding 70.14% of shares. Mr. Chareonrath Vilailuck and Mr. Watchai Vilailuck are directors)	– Holds 0.60% of shares	– No shareholding proportion
Samart U-Trans Co., Ltd. (SAMART is a major shareholder, holding 99.99% of shares. Mr. Chareonrath Vilailuck and Mr. Watchai Vilailuck are directors)	– Holds 0.11% of shares	– No shareholding proportion
Vilailuck International Holding Co., Ltd. (A shareholder of SAMART and SDC. Mr. Chareonrath Vilailuck and Mr. Watchai Vilailuck are directors)	– Holds 0.21% of shares	– Holds 14.78% of shares

3.4 Type and Size of Transaction

The Company's Board of Directors has passed a resolution to approve of entering into the Transaction of the Type: Receiving Financial Assistance from SAMART, which is a Connected Party. The maximum loan amount is not more than 750.00 THB million. The interest rate is the interest rate of SAMART's financing costs on the date of entering into the loan agreement plus 0.25% per annum. This Transaction will be in the form of a loan agreement, which includes a repayment period of not more than 6 years, or an end date of not later than 2028.

The Company has no other Transactions related to receiving financial assistance from Connected Parties in the 6-month period prior to the Board of Directors' Meeting No. 2/2023 held on 16 March 2023. Therefore, the value of the Transaction can be calculated according to the details below:

Calculations regarding Net Tangible Assets of the Company are as follows:

Financial Information	As of 31 December 2022 (THB million)
Total assets	4,251.54
Less Intangible assets	64.63
Less Goodwill	-
Less Deferred Tax Assets	14.47
Less Total Liabilities	4,192.57
Less Non-Controlling Interests	(23.74)
Net Tangible Assets - NTA	**3.60**

Value of Financial Assistance Received = Principal X Interest Rate X Duration of Loan (Years)

= Not more than 750 THB Million X 5.30% X 6

= 238.55 THB Million

Largest Value of Transaction Size	=	Value of Financial Assistance / NTA
	=	238.55 / 3.60
	=	6,620.22%

As of 16 March 2023, SAMART has average financing costs of 4.62%. This was calculated by weighted average of financing costs of interest bearing debt that SAMART owes to financial institutions, both short- and long-term, as well as financing costs of SAMART's debentures. When factoring in the interest rates according to intra-group transaction interest rate policies of 0.25% per annum, the interest rate for this financial assistance would be equal to 4.87% per annum. Regardless, since the interest rate may change according to SAMART's financing costs on the date of entering into the loan agreement, the calculation of the transaction size shown above uses an interest rate of 5.30%, which is equal to SDC's current financing costs. The principal is assumed to be 750.00 THB million, and the duration of loan is 6 years.

The transaction size is calculated to be 6,620.22% of the Company's Net Tangible Assets according to the Company's financial statements as of 31 December 2022, which were audited by an auditor. This transaction size is greater than 20.00 THB million, and greater than 3.00% of the Company's Net Tangible Assets.

This Transaction is considered a Connected Transaction according to Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions dated 31 August 2008 (including amendments), and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546 (2003) dated 19 November 2003 (including amendments). Therefore, the Company must request approval to enter into the Transaction from the Shareholders' Meeting, and must receive approval from not less than three-quarters of total votes from shareholders who are present at the meeting and eligible to vote, excluding votes from interested shareholders. Additionally, the Company must appoint an Independent Financial Advisor to provide an opinion on the reasonableness of the Transaction, and the fairness of the price and conditions of the Transaction to the shareholders of the Company to be considered when deciding to approve or not approve of entering into the Transaction.

3.5 Total Value of Consideration and Terms of Payment

The total value of consideration for receiving financial assistance includes loan interest at the rate of SAMART's financing costs plus 0.25% per annum, according to the company group's policies in calculating intra-group interest rates. Regardless, this interest rate must not exceed the interest rate of SDC's financing costs on the date of entering into the loan agreement (Current rate: approximately 5.30% per annum). The interest rate in the future may change according to SAMART's financing costs, which may be higher or lower than SDC's financing costs at that time.

3.6 Source of Funding Used to Provide Financial Assistance

SAMART would use a proportion of funds from the sale of SAV's prior common shares to the public as a funding source to provide financial assistance to the Company. It is expected that the process will be complete in Q4/2023.

The Board of Directors' Meeting of SAMART No. 1/2023, held on 23 February 2023, passed the following resolutions:

1) Approval for SAV, which is a subsidiary that SAMART indirectly holds shares of via Samart U-Trans Co., Ltd. (**"SUT"**) (accounting for 66.67% of shares) and Samart Inter Holding Co., Ltd. (**"SIH"**) (accounting for 33.33% of shares), to offer capital increase common shares for sale via Initial Public Offering to the public and/or SAMART's shareholders according to proportion of shares held (pre-emptive right), of an amount of not more than 10.00% of registered and paid-up capital after the capital increase, as well as approval for SAV to become a listed company in the SET.
2) Approval to sell SAV's prior common shares that were held via SUT and/or SIH to the general public via Initial Public Offering and to accommodate for allocation as overallotment shares (if any) at an amount of not more than 30.00% of registered and paid up capital after the capital increase.
3) Approval to allocate shares of SAV (amount of not more than 11,742,548 shares) to be offered to SAMART's shareholders according to the proportion of shares held by SAMART's shareholders (pre-emptive). The ratio of SAV shares to be allocated to SAMART's shareholders is 100 shares of SAMART to 1 share of SAV (In case there are fractional shares that result from allocating SAV shares to shareholders of SAMART common shares, discard the whole amount of fractional shares). In this case, allocating rights to shareholders of SAMART according to proportions of shares held (pre-emptive right) will be dependent on the SEC's decision regarding SAV's Application to Offer IPO Shares. The date which determines the list of shareholders' names of SAMART who are eligible to purchase IPO shares of SAV (record date) would be a date after the Application to Offer IPO Shares receives approval from The Office of the Securities and Exchange Commission (**"The SEC"**).

At present, SAV is a subsidiary of SAMART that operates as a holding company, focusing on investment in companies that operate air traffic businesses, or businesses related to air traffic. At present, it holds 100% of shares of Cambodia Air Traffic Services Company Limited (**"CATS"**). CATs is a Cambodian company that operates a business in installing systems and providing air traffic control services in Cambodia as the sole operator according to a concession contract with the Cambodian government since 2001. The duration of the concession is 49 years (between 2002 - 2051). SAV desires to raise funds by issuing and offering sales of IPO shares, and will register all of SAV's common shares on the SET.

SAV will use the capital it receives from fund raising activities to repay loans to financial institutions and to be used as working capital. In this share offering, SAMART desires to offer prior common shares of SAV for sale, which SAMART holds via SUT and/or SIH, of an amount not more than 30.00% of SAV's registered and paid up capital, in the same process. SAMART will use the capital it receives from the sale of prior common shares of SAV as working capital in its business group, including providing financial assistance to the Company in this Transaction.

In the past, the Board of Directors' Meeting of SAMART No. 6/2019 held on 13 August 2019 had passed a resolution to approve of a plan to lead SAV to become a registered company on the SET, and had approved of offering prior common shares of SAV held by SAMART indirectly via SUT and/or SIH for sale along with SAV's

IPO plans. Additionally, the Board of Directors' Meeting of SAMART No. 1/2020 held on 25 February 2020 had passed a resolution to approve of the allocation of common shares of SAV to SAMART shareholders (pre-emptive) according to proportions of share held by SAMART shareholders (pre-emptive right). The ratio of SAV shares to be allocated to SAMART's shareholders is 100 shares of SAMART to 1 share of SAV. The Application to offer said shares for sale had been approved by the SEC on 12 March 2020. However, due to the spread of COVID-19 (**"COVID-19 situation"**), SAV's IPO plans were put on hold, resulting in SAV not being able to complete the process of offering shares for sale to the public within 1 year after the date the SEC approved of the IPO filing. Therefore, the IPO approval SAV received became ineffective. At present, the COVID-19 situation has improved. Cambodia Air Traffic Services Company Limited, which is SAV's subsidiary, could return to its usual business operations. Therefore, SAMART believes it appropriate for SAV to undergo the IPO process again according to the resolutions of SAMART's Board of Directors Meeting No. 1/2023.

3.7 Voting of Interested Directors in the Board of Directors Meeting

In the Board of Directors' Meeting No. 2/2023 held on 16 March 2023 regarding the approval of receiving financial assistance from this Transaction, there were 4 Directors in attendance. Mr. Chareonrath Vilailuck and Mr. Watchai Vilailuck, who are interested Directors in relation to this Transaction, were not in attendance and were not eligible to vote in the Board of Directors' Meeting to approve of said Transaction.

3.8 Shareholders' Meeting and Voting

Accepting loans from SAMART involves accepting financial assistance from the Company's largest shareholder, who directly holds shares totaling 63.64% of paid up and registered capital of the Company. Entering into the Transaction requires receiving approval from not less than three-quarters of total votes from shareholders who are present at the meeting and eligible to vote, excluding votes from interested shareholders.

The list of connected persons, and their relationships with the Transaction, who are not eligible to vote regarding entering into this Transaction are as follows:

Name	Relationship as Director		Shareholding Proportion in the Company	
	SDC	SAMART	No. of Shares (shares)	Proportion (%)
Samart Corporation Public Company Limited	-	-	9,135,380,500	63.64%
Samart Telcoms Plc.	-	-	85,861,200	0.60%
Vilailuck International Holding Co., Ltd.	-	-	30,535,100	0.21%
Mr. Watchai Vilailuck	Authorized Director	Authorized Director	23,343,000	0.16%
Mrs. Sukanya Vanichjakvong	-	-	20,012,000	0.14%
Samart U-Trans Co., Ltd.	-	-	15,160,000	0.11%
Ms. Srintip Vilailuck	-	-	350,000	0.00%
Total			**9,310,641,800**	**64.86%**

Note: Regarding the shareholding proportion as of 31 January 2023, when considered as a percentage of the total number of shares that have been sold and are eligible to vote, the SAMART group and the aforementioned group of major shareholders are considered a group that is acting in concert according to the Notification Re: Acting in concert as a result of the nature of a relationship or behaviour and requirements under Sections 246 and 247

3.9 Opinion of the Board of Directors on Approving of Entering into the Connected Transaction

The Board of Directors' Meeting agrees to approve of entering into this Transaction to receive financial assistance, as this Transaction is reasonable and beneficial to the Company, and can result in the Company being able to repay loans to financial institutions.

3.10 Opinions of Audit Committee and/or the Company's Directors Which Differs from the Opinion of the Board of Directors

The Audit Committee does not have differing opinions from the opinions of the Board of Directors of the Company, and approves of proposing the subject to the Shareholders' Meeting for further consideration.

Part 4: Reasonableness of Transaction

4.1 Purpose of Entering into the Transaction

The Board of Directors' Meeting of SDC No. 2/2023, held on 16 March 2023, passed a resolution to approve of the Connected Transaction of the Type: Receiving Financial Assistance from SAMART, which is a Connected Party. The maximum loan amount is not more than 750.00 THB million. The interest rate is the interest rate of SAMART's financing costs on the date of entering into the loan agreement plus 0.25% per annum. It will be in the form of a loan agreement, and its terms will include: a repayment period of not more than 6 years, or an end date of not later than 2028, with a loan limit of 750.00 THB million. Details are as follows:

1) The Company's Extraordinary General Meeting of Shareholders No. 1/2020, held on 1 September 2020, approved of a transaction to receive financial assistance from SAMART, with a maximum loan amount of not more than 600.00 THB million and a repayment date of not later than 2025. At present, SDC has accepted 322.30 THB million of loans since the transaction was approved, and the remaining possible loan amount is 277.70 THB million.
2) SDC has considered the Company's financial needs, and wishes to receive financial assistance in the form of an additional 472.30 THB million in loan credit.

The Company's purpose in receiving financial assistance from this transaction is to repay loans to financial institutions according to the Company's loan restructuring agreements, and may consider using the capital as additional working capital in the case that there is loan credit available after the repayment of loans. Conditions for the loan to be disbursed are as follows:

1) The Company has received approval from the General Shareholders' Meeting No. 1/2023, which will be held on 27 April 2023, to enter into this Transaction.
2) SAMART has led SAV, which is a subsidiary that SAMART indirectly holds 100.00% of the shares, to become a listed company in the SET.

This loan will be calculated as part of equity according to conditions related to calculating the ratio of debt to equity of financial institutions who are SDC's creditors. Therefore, SDC will have an increased ability to maintain its financial ratios, and will have a better financial status, so that it can expand the Digital Trunked Radio System (DTRS) project. According to SDC's business plans, DTRS clients will be expanded to over 200,000 clients. If these projects are completed, it would allow the Company to repay loans to financial institutions and the Company's loans.

4.2 Background and Necessity of Entering into the Transaction

In the past, the Company's main business was in the form of Trading. That is, the purchase and sale of mobile phones and related equipment. The Company used short-term credit to pay for goods, and used monetary payment for goods that it received from its debtors to repay short-term debts. However, due to intense competition and technological changes since 2015, sales decreased significantly, and the ability to collect debts from its trade accounts receivable were also affected, resulting in the Company starting to have difficulties in managing working capital. Since 2018 and on, the Company had gradually negotiated loan restructuring agreements with 6 financial institutions, generally of the type of extending the repayment periods as well as negotiating other conditions in the loan agreements. After being affected by the business impacts mentioned above, the Company and subsidiaries have adjusted their business operations to 2 main types, as follows:

1. **Digital Network** Operates a business to sell communication devices and electronic devices. Operates a integrated communication business in the digital age, including both network and solutions. Since 2017, the Company has adapted its business to provide fully digital services in the form of providing Digital Trunked Radio System (DTRS) services and the leasing of co-towers to mobile operators in national parks throughout the country. Both projects involve providing services alongside CAT Telecom Public Company Limited (At present, CAT Telecom Public Company Limited has undergone a merger with TOT Public Company Limited and is now known as National Telecom Public Company Limited) and still focuses on operating businesses that provide regular revenue.
2. **Digital Content** Provides services related to providing information, news and entertainment that are up-to-date and corresponds to needs in daily lives of users of all genders and age groups in the form of audio (Voice) and messages or images (Non-Voice) as well as multimedia in various formats such as: the use of VDO Streaming, real-time services and one-on-one services through many channels of communication devices. Information, news and entertainment provided includes general sports results reporting and fortune telling through a center of fortune tellers and horoscopes.

Additionally, at present, both of these business types are in the process of expanding. Therefore, past operating results still show losses and inconsistent cash flows. The spread of COVID-19 had effects on many business and industry sectors, especially the chipset and semiconductor industry, where manufacturers could not manufacture enough goods to meet needs. This is due to measures to prevent and control the spread of COVID-19 in each country that imposes working from home and online education, as well as the birth of new technologies, such as electric cars, 5G, etc. This led to a rise in demands for electronic devices, which then led to an incongruence between supply and demand capabilities. This had a significant impact on the financial status, operating results, and present and future cash flow for the Company and subsidiaries, especially revenue from its Digital Network business, which did not meet targets as the sales and installations of communication network equipment were delayed. Therefore, between Q3/2022 to Q1/2023, the Company has entered into negotiations and entered into loan restructuring agreements with 6 financial institutions again to extend the repayment period on new conditions, which include: repayment terms, interest rates, etc. so that the Company can repay its debts according to its financial status and business environment. Summarized details related to conditions after the loan restructuring negotiations are as follows:

Financial Institution No.	Proportion of Loans by Credit Balance (%)	As of 31 January 2023		Important Conditions
		Type of Credit	Remaining Credit Balance (THB million)	
1	13.50%	Term loans	337.75	– Interest Rate: MLR-1.25% – Principal repayment: 7.40 THB million per quarter between Q1/2022 to Q3/2023. – All debts to be repaid within December 2023.
2	9.83%	Term loans	245.87	– Interest Rate: MLR-1.50% – Principal repayment: 5.38 THB million per quarter between Q3-4/2022. – Principal repayment of 245.87 THB million or repayment of all remaining debt within March 2023.
3	5.48%	Term loans	137.05	– Interest Rate: MLR-1.025% – Principal repayment: 3 THB million per quarter between Q4/2022 to Q34/2023. – All debts to be repaid within December 2023.
4	5.48%	Term loans	137.02	– Interest Rate: MLR-1.25% – Principal repayment: 5 THB million per quarter between Q1-3/2023. – Principal repayment: 10 THB million per quarter in Q4/2023. – Principal repayment: 12.09 THB million per quarter between Q1-4/2024. – Principal repayment: 15.91 THB million per quarter between Q1-4/2025. All debts to be repaid within December 2025.
5	60.24%	Term loans	1,507.22	– Interest Rate: MLR-1.25% – Principal repayment: 33 THB million per quarter between Q1-3/2023. – Principal repayment: 333 THB million within December 2023. – All debts to be repaid within January 2024. – SDC must repay debts in advance in whichever amount is larger between: 1) 300 THB million 2) 7.5% of the capital received from the sales of SAV shares held by companies in the SAMART group via IPO (after deducting not more than 3% expenses)

Financial Institution No.	Proportion of Loans by Credit Balance (%)	As of 31 January 2023		Important Conditions
		Type of Credit	Remaining Credit Balance (THB million)	
				– This payment will be used to repay the principal starting with the nearest payments first (in order to maturity).
6	5.48%	Term loans	137.03	– Interest Rate: MLR-2.00% – Principal repayment: 3 THB million per quarter between Q4/2022 to Q2/2023. – All debts to be repaid within September 2023
	100.00%		**2,501.94**	

It can be seen that the Company has the obligation to repay loan principal and interest from 2022 through 2025. Most of the principal repayment obligations are in late 2023 through early 2024. In 2023, the Company has a principal repayment obligation to all financial institutions totalling approximately 717.10 THB million, and in Q1/2024, it has a principal repayment obligation to all financial institutions totalling approximately 1,687.10 THB million.

Therefore, the Company considered receiving financial assistance from SAMART, and expects to be able to receive the borrowed amount during that period, according to the expectation that SAV, a subsidiary in which SAMART indirectly holds 100.00% of the shares, will be able to become listed on the SET around that time period. As for liabilities extraneous to the loan limit it receives from receiving financial assistance from SAMART, the Company will consider using internal cash flow and cash from other funding sources to repay its debts.

4.3 Appropriateness of Interest Rates and Conditions of Entering into the Transaction

The IFA has considered various aspects of appropriateness in receiving financial assistance from SAMART, who is a major shareholder of and Connected Person to the Company, in the form of a long-term loan agreement. The interest rate is equal to the actual financing costs of SAMART as of the date of the loan agreement plus 0.25% per annum, according to the company group's policies in calculating intra-group interest rates. The total loan limit is not more than 750.00 THB million, and the repayment period is not exceeding 6 years or an end date of not later than 2028. The purpose is for the Company to use the capital to repay loans to financial institutions early. The IFA has considered the appropriateness of entering into the Transaction as follows:

Appropriateness of Interest Rates

The IFA considered the interest rate of this loan agreement and compared it to interest rates of loans that the Company received from financial institutions as of 31 December 2022. Details are as follows.

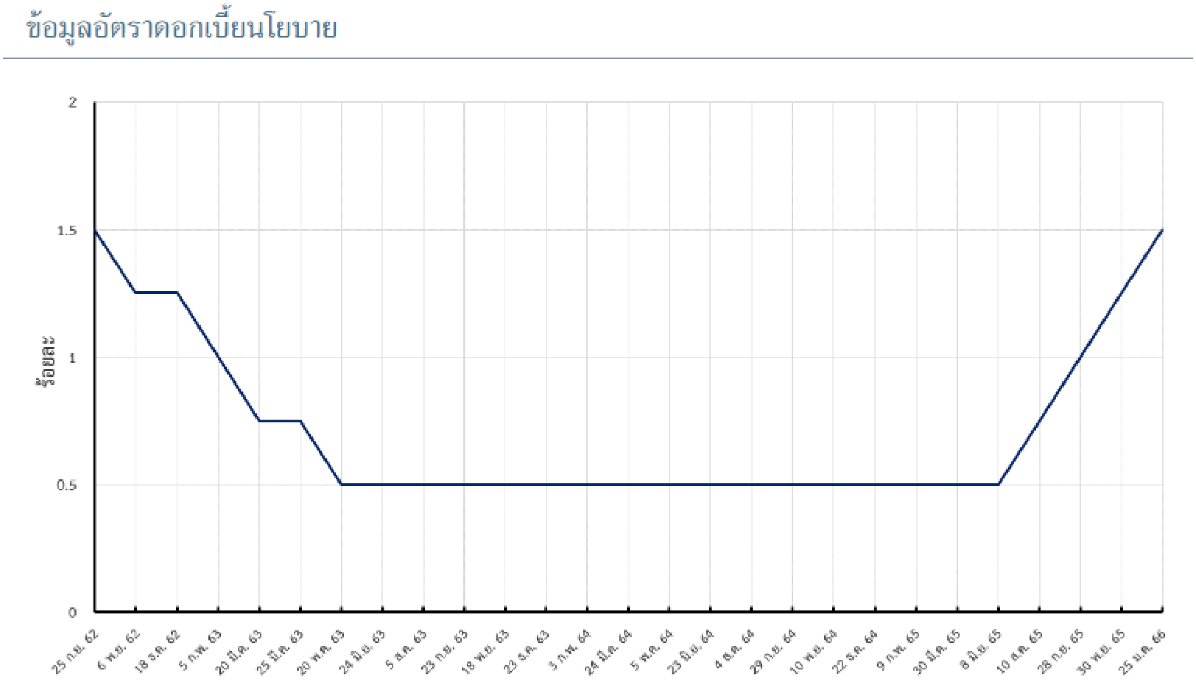
Loan Provider	Interest Rate
Financial Institution No. 1	MLR-1.25% or **equal to 5.320% per annum**
Financial Institution No. 2	MLR-1.50% or **equal to 5.325% per annum**
Financial Institution No. 3	MLR-1.025% or **equal to 5.325% per annum**
Financial Institution No. 4	MLR-1.25% or **equal to 5.200% per annum**
Financial Institution No. 5	MLR-1.25% or **equal to 5.325% per annum**
Financial Institution No. 6	MLR-2.00% or **equal to 5.025% per annum**
Average	**Equal to 5.30% per annum**

Long Term Loans from SAMART (Receiving Financial Assistance via this Transaction)	**Average of Actual Financing Costs of SAMART plus 0.25% per annum, or equal to 4.62+ 0.25 = 4.87% per annum**

The details of the financial cost calculation of SAMART as of March 7, 2023 are as follows:

Source of Fund	Interest rate per annum
Short Term Loan	Weighted average rate **4.463 %**
Debentures	Weighted average rate **4.250 %**
Long Term Loan	Weighted average rate **5.470 %**
Letter of Guarantor	MLR-1.25% or equal to **4.000 %**
Average	**4.62 %**

Although this Transaction specifies that the Company borrows from SAMART only, when considering the reasonableness of the interest rate of loan agreements, the IFA is of the opinion that: when considering the Company's operating results, which showed consistent losses over the past 5 years (2018-2022); and the debt to equity ratio as of 31 December 2022, which was a high ratio of 71.10; and also rising interest rates at present; it is not likely that the Company can find a new funding source that can provide loans from a financial institution at a similar interest rate to the long term interest rates that the Company currently receives from financial institutions.



Policy Interest Rate

Source: Bank of Thailand (https://www.bot.or.th/Thai/MonetaryPolicy/Pages/OverviewPolicyRate.aspx)

Therefore, as of the date of the loan agreement, the Company receiving a loan from SAMART at an interest rate that is equal to the actual financing costs of SAMART plus 0.25% per annum (equal to 4.87% per annum), which is lower than the financing costs of interest rates from loans from financial institutions at present (equal to 5.30% per annum), is considered reasonable in the current situation.

Additionally, refinancing with other financial institutions will result in the Company being liable to pay prepayment fees of an additional 2.00% of the principal, or 0.33% per annum, which may mean that the Company must accept loans from a new financial institution at a net interest rate of not higher than 4.54% per annum, so that when combined with prepayment fees of an additional 2.00%, this would result in the same financing costs as the interest rate of 4.87% per annum of the loan agreement with SAMART. Searching for a funding source that provides term loans at an interest rate of less than 4.54% per annum with a 6 year repayment period is highly unlikely.

Additionally, if the Company wishes to raise funds by issuing bonds while the Company's Credit Rating is Unrated, the Company's financing costs of bond interest would be higher than 4.87% per annum (which is the expected interest rate of the loan agreement with SAMART) according to comparisons with non-rated debentures used for comparison. Details are as follows:

Examples of Non-rated Debenture Used for Comparison

Name of Debenture	Credit Rating	Issuance and Offering Date	Interest Rate	Term of Debenture
NRF254A	Non-rated	20 October 2022	6.75%	2 years 6 months
ETC254A	Non-rated	26 October 2022	6.50%	2 years 6 months

Name of Debenture	Credit Rating	Issuance and Offering Date	Interest Rate	Term of Debenture
SABUY258A	Non-rated	17 February 2023	6.45%	2 years 6 months
CMC252A	Non-rated	23 February 2023	7.50%	2 years
JKN252A	Non-rated	24 February 2023	7.00%	2 years

Source: ThaiBMA

Summary

According to the above information, loans from financial institutions and issuing bonds would result in a higher financing cost than entering into this agreement to accept loans from SAMART. Therefore, **the IFA is of the opinion that the interest rate of this loan agreement is appropriate.**

Appropriateness of Conditions of Entering into the Transaction

After considering conditions of the draft of this loan agreement with SAMART, the IFA is of the opinion that the conditions of the loan agreement are in accordance with the company group's policies regarding important business transactions with connected parties, and are beneficial to the Company's liquidity management, as follows:

- The repayment period for the principal is set in accordance with the Companys' business plans, such as expanding the Digital Trunked Radio System (DTRS) project. According to the Company's business plans, DTRS clients will be expanded to over 200,000 clients.
- The outstanding principal can be paid in whole or in part before the due date. (Without penalty for early repayment) unless the company still has the outstanding restructuring debts with financial institutions. SAMART will allow the Company to pay the debt under the debt restructuring agreement to the financial institution **first**. However, such debt payment must not be later than December 30, 2025.
- There are no conditions requiring collaterals, mortgages, or personal guarantees; there are no conditions requiring insurance for assets that are used as collaterals or mortgages.
- There are no loan fees, prepayment fees, or credit line maintenance fees.
- There are no requirements for maintaining a debt to equity ratio, dividend payment conditions, maintaining shareholding proportions, specifying members of management, limitations regarding acquiring additional funding sources via loans, etc.

Regardless, this loan agreement with SAMART does not specify a fixed interest rate. The interest rate will be equal to SAMART's actual financing costs on the date of entering into the loan agreement plus 0.25% per annum for the entire period of the agreement. This means that the Company bears risks from fluctuations in interest rates; the Company will have higher financing costs if interest rates are rising, and the Company might have lower financing costs if interest rates are decreasing.

The IFA is of the opinion that the conditions of the Transaction are reasonable and is in accordance with general practices. The Company's shareholders do not lose benefits, and there are conditions advantageous to the Company which allow the Company to use the obtained capital immediately according to the Transaction's purposes. Therefore, **the IFA is of the opinion that the conditions for entering into this Transaction are appropriate.**

4.4 Advantages of Entering into the Transaction

4.4.1 Helps the Company to manage liquidity according to its current business plans

Entering into this Transaction will help improve the Company's liquidity in management in accordance with the Company's current business plans. For example, expanding the Digital Trunked Radio System (DTRS) project. According to the Company's business plans, DTRS clients will be expanded to over 200,000 clients. If these projects are completed, it would be beneficial to the Company's operating results.

4.4.2 Helps to diversify risks related to funding sources

As of 31 December 2022, the Company has total interest bearing debt of 3,061.06 THB million, of which 2,570.13 THB million is loans from financial institutions. This consists of overdraft and short-term loans from financial institutions of 68.19 THB million, and long term loans from financial institutions that have a due repayment date of within 1 year of 2,501.94 THB million. The ratio of loans from financial institutions to total interest bearing debt is 83.96%. Therefore, borrowing from SAMART will diversify risks from receiving funding from financial institutions. Additionally, conditions specified when borrowing from SAMART are more flexible than loan agreements with financial institutions.

4.4.3 Helps reduce financing costs and increases the Company's liquidity

This Transaction involves accepting a long term loan from SAMART. The interest rate is equal to the actual financing costs of SAMART as of the date of the loan agreement plus 0.25% per annum according to the company group's policies in calculating intra-group interest rates. The total loan limit is not more than 750.00 THB million. The purpose is for the Company to use the capital to repay loans to financial institutions early. Therefore, when considering Section 4.3: Appropriateness of Interest Rates and Conditions of Entering into the Transaction, Subsection "Appropriateness of Interest Rates," it can be seen that the loans from SAMART at this time have a financing cost of only 4.87% per annum, which is lower than the average interest rate of all loans that the Company currently receives from financial institutions (5.30% per annum). The decrease in financing costs will also contribute to increasing the Company's liquidity.

4.4.4 Positively affects financial covenants of loan agreements from financial institutions

In entering into this Transaction, according to financial covenants, the calculations of the debt to equity ratio of financial institutions who are the Company's creditors will be calculated as part of equity according to conditions related to calculating the ratio of debt to equity of financial institutions who are the Company's creditors. Therefore, the Company will have an increased ability to maintain said financial ratio, and the Company will have a better financial status. The Company will have a net interest bearing debt to equity ratio in accordance with financial institutions' requirements; this ratio will be reduced to 1.57 from 6.62 when calculated using the Company's 2022 financial statements.

4.5 Disadvantages of Entering into the Transaction

- None -

4.6 Advantages of Not Entering into the Transaction

- None -

4.7 Disadvantages of Not Entering into the Transaction

4.7.1 The Company will lose the opportunity to access a funding source with a lower financing cost

If the Company decides to not enter into this Transaction, the Company will lose the opportunity to access a funding source with a lower financing cost than the average interest rate of all loans that the Company currently receives from financial institutions (5.30% per annum). Entering into this Transaction will help reduce the Company's interest expenses and increase the Company's liquidity.

4.7.2 Loss of opportunity to diversify risks related to sources of funding

If the Company decides to not enter into this Transaction, the Company will lose the opportunity to diversify risks related to sources of funding. As of 31 December 2022, the Company has a ratio of loans from financial institutions to total interest bearing debt of 83.96%. This shows that the Company relies on loans from financial institutions as a major funding source. Borrowing from SAMART will reduce the Company's reliance on funding sources from financial institutions. Additionally, conditions specified when borrowing from SAMART are more flexible than loan agreements with financial institutions.

4.7.3 Loss of opportunity for the Company to manage liquidity according to its current business plans

Accepting loans from SAMART at this time involves a repayment period of not more than 6 years, or ending not later than 2028. Therefore, if the Company decides to not enter into this Transaction, the Company will lose the opportunity to manage liquidity according to its current business plans. For example, expanding the Digital Trunked Radio System (DTRS) project. According to the Company's business plans, DTRS clients will be expanded to over 200,000 clients. If these projects are completed, it would be beneficial to the Company's liquidity and operating results.

4.7.4 Loss of opportunity to positively affect conditions of loan agreements from financial institutions

If the Company decides not to enter into this Transaction, the Company will lose the opportunity to improve its financial covenants related to maintaining its debt to equity ratio (D/E Ratio) according to loan agreements with financial institutions. This is because entering into this Transaction would be calculated as equity rather than debt, according to the calculation conditions of financial institutions who are the Company's creditors. Therefore, the Company will have an increased ability to maintain said financial ratio, and the Company will have a better financial status.

4.8 Risks of Entering into the Transaction

4.8.1 Risks from Fluctuations of Interest Rates

The interest rate from entering into this Transaction is equal to the actual financing costs of SAMART as of the date of the loan agreement plus 0.25% per annum according to the company group's policies in calculating intra-group interest rates. In the current situation with rising interest rates, if the interest rate that is SAMART's actual financing costs increase, the Company will also have a higher interest burden according to rising interest rates.

4.8.2 Risks from SAV not being able to sell IPO shares and become listed in the SET

Entering into this Transaction involves an important condition. In order for the loan to be disbursed, SAMART must lead SAV, a subsidiary in which SAMART indirectly holds 100.00% of the shares, to become listed in the SET. In the case that SAV is not able to become listed in the SET, or this process falls behind schedule (procedures are expected to be complete around Q4/2023), the Company will not receive disbursement, or will receive disbursement at a later date than scheduled, which may affect the Company's ability to repay debts at that time.

Regardless, SAV previously had plans to list its company in the SET. It had filed for permission to sell IPO shares and had received approval from the SEC on 12 March 2020. However, due to the spread of COVID-19, SAV's IPO plans were put on hold, resulting in SAV not being able to complete the process of offering shares for sale to the public within 1 year after the date the SEC approved of the IPO filing. Therefore, the IPO approval SAV received became ineffective. At present, the COVID-19 situation has improved. Cambodia Air Traffic Services Company Limited, which is SAV's subsidiary, could return to its usual business operations. Therefore, SAMART believes it appropriate for SAV to undergo the IPO process again according to the resolutions of SAMART's Board of Directors Meeting No. 1/2023. The SAMART group expects to be able to complete the process according to schedule.

4.9 Advantages of Entering into a Connected Transaction Compared to a Transaction with Outside Parties

4.9.1 Swiftness in Operations

As the Company is a subsidiary of SAMART, the process can proceed more swiftly compared to transactions with outside parties.

4.9.2 Helps reduce risks from delays in finding other funding sources; allows access to a funding source with a lower financing cost

As the Company is a subsidiary of SAMART, the Company has access to a funding source with a lower financing cost compared to other funding sources. This is because the financing costs from entering into this Transaction refers to SAMART's actual financing costs on the date of the loan agreement (SAMART's financing costs are lower than the Company's) plus 0.25% per annum according to the company group's policies in calculating intra-group interest rates. Additionally, the process of securing a different funding source, such as by requesting credit from a different financial institution/person, issuing bonds, or capital increases may not proceed quickly, and may incur additional related financing costs, or higher financing costs compared to this loan from SAMART.

4.9.3 Being able to specify important conditions in this agreement to be in accordance with the Company's needs

As the Company is a subsidiary of SAMART, with directors, management and major shareholders from the same group, SAMART clearly understands the background and business plans of the Company, and specifies important conditions in this loan agreement with SAMART to be in accordance with the Company's needs and specifications. The conditions of the loan agreement still are in accordance with principles of fairness.

4.9.4 The conditions of the loan agreement are more flexible than loan agreements from financial institutions

As the Company is a subsidiary of SAMART, with directors, management and major shareholders from the same group, SAMART clearly understands the background and business plans of the Company, and specifies important conditions in this loan agreement with SAMART to be in accordance with the Company's needs. The conditions are also more flexible when compared to conditions in loan agreements from financial institutions. For example:

- The repayment period of the loan is not exceeding 6 years, or an end date of no later than 2018. This is in accordance with the Company's business plans, as there are no specified principal repayment installments in between. Therefore, the Company can better plan its management of its cash flow, especially estimating operating results from its new business, which can generate cash flow to offset liabilities during each period
- There are no conditions requiring collaterals, mortgages, or personal guarantees; there are no conditions requiring insurance for assets that are used as collaterals or mortgages.
- There are no loan fees, prepayment fees, or credit line maintenance fees.
- There are no requirements for maintaining a debt to equity ratio, dividend payment conditions, maintaining shareholding proportions, specifying members of management, limitations regarding acquiring additional funding sources via loans, etc.

4.10 Disadvantages of Entering into a Connected Transaction Compared to a Transaction with Outside Parties

4.10.1 There are additional expenses from operating according to the Notification on Connected Transactions

Entering into this Transaction with SAMART, who is a Connected Person of the Company, is considered a significant Connected Transaction according to Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions dated 31 August 2008 (including amendments), and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546 (2003) dated 19 November 2003 (including amendments).

Therefore, the Company needs to arrange for a Shareholders' Meeting and appoint an Independent Financial Advisor to provide an opinion on entering into this Transaction to the Shareholders' Meeting, resulting in the Company incurring additional expenses totaling approximately 0.18% per annum of the total loan limit from this Transaction.

4.11 Summary of Opinion on Reasonableness of Transaction

The IFA has considered the reasonableness of the Transaction by considering: the reasonableness of interest rates and reasonableness of conditions of entering into the Transaction; advantages and disadvantages of entering into the Transaction and not entering into the Transaction; advantages and disadvantages of entering into a Connected Transaction compared to a transaction with outside parties; as well as risks from entering into the Transaction. Due to the aforementioned reasons, the IFA is of the opinion that entering into this Transaction will reduce the financing costs and diversify risks related to funding sources for the Company, and help the Company to manage liquidity in accordance with the Company's business plans. Additionally, it is beneficial to calculations related to financial covenants of loan agreements that the Company has with financial institutions. Regardless, the Company's shareholders may also need to consider risks from entering into the Transaction, including risks from fluctuations of interest rates, as well as other conditions, when considering whether to approve of entering into the Transaction.

Due to the above reasons, the IFA is of the opinion that **entering into this Transaction is reasonable**.

Part 5 : Summary of the Opinion of the Independent Financial Advisor

Please see the Summary of the Opinion of the Independent Financial Advisor in Part 1 “Executive Summary” of this Report on the IFA’s Opinion.

When considering whether to approve or not approve of entering into this Connected Transaction of the Company according to the Notification on Connected Transactions; the Company’s shareholders may consider information, supporting reasons, and opinions in various topics that the IFA has presented in this Report on the IFA’s Opinion. Regardless, the decision to approve or not approve of entering into this Connected Transaction of the Company primarily depends on the judgment of the shareholders of the Company.

Welcap Advisory Company Limited, as Independent Financial Advisor to the Company, guarantees that it has considered and studied various information carefully and reasonably according to professional standards, and has given its reasoning on the basis of reasonableness and fair analysis, prioritizing the benefits to the Company’s shareholders.

Respectfully

....	....
(Pipath Kittiakrastien)	(Sith Boonchusanong)
Director	Director

....

(Natiprada Khumphant)

Operation Controller

Attachment 1: Summary of Details of Important Agreements

Draft of Loan Agreement

Topic	Details
Lender	Samart Corporation Public Company Limited
Borrower	Samart Digital Public Company Limited
Purpose	The Borrower agrees to use capital received from the loan to repay the Company's debts to financial institutions according to loan restructuring agreements, and to use as working capital to support the Company's business operations.
Duration	Loans related to this Agreement have a duration of [.] years total, with a start date of [.], and the Borrower agrees to repay its debt according to this Agreement down to lower and lower amounts, to be repaid completely by 30 December 2018, which is the end date of the Agreement.
Collaterals	There are no collaterals
Interest Rate	The interest rate shall be the rate of the Lender's financing costs plus 0.25% per annum, from the date of the loan until the repayment is complete. Regardless, this interest rate must not exceed the interest rate of the Borrower's financing costs on the date of entering into the loan agreement. (Currently: 5.30% per annum)
Repayment of Principal, Interest and Other Expenses	1. Loans related to this Agreement have a duration of [.] years total, with a start date of [.], and the Borrower agrees to repay its debt according to this Agreement down to lower and lower amounts, to be repaid completely by 30 December 2018, which is the end date of the Agreement. 2. The Borrower may partially repay all the remaining debt early, but the debt must be repaid by 30 December 2018. The Borrower must pay for outstanding expenses (if any) and interests up to the last overdue date until all the debt is repaid. The Borrower must inform the Lender via written notice no less than 7 (seven) days in advance, unless the Borrower still has loan restructuring liabilities owed to financial institutions, in which case, the Lender agrees to allow the Borrower to repay loans according to loan restructuring agreements with financial institutions first. This debt must be repaid by 30 December 2018. 3. The Borrower agrees to pay for any expenses incurred due to operating according to this Agreement.
Default Conditions	1. When the Borrower does not repay the principal with interest according to the specified amount and/or date 2. When the Borrower does not operate, or operates, in a way that is a breach of contract of this Agreement. 3. When the Court orders for the Borrower to cease business operations, or to be considered insolvent, or to be put under temporary or absolute receivership, or for its assets to be seized by officials.
Default Interest Rate	In the case that the Borrower defaults on the loan, whether principal or interest, the Borrower allows the Lender to charge interest for the remaining owed loan amount, at the rate of 15% per annum, starting on the time of default.
Consequences of Default	1. In the case that the Borrower does not act according to conditions of this Agreement, in the way described under the topic "Default Conditions" No. 1 and 2 of this Agreement, and

	the Borrower does not remedy the situation within 30 (thirty) days after the date of not acting according to said conditions, the Borrower is considered to have defaulted on the loan. The Lender has the right to demand the Borrower repay loans to the Lender after the Borrower has paid off loans according to loan restructuring agreements to financial institutions. 2. In the case that there is an incident that falls under "Default Conditions" No. 3 of this Agreement, the Borrower must repay the principal with interest or any other owed amount. The Borrower is considered to have defaulted on the loan. The Lender has the right to demand the Borrower repay loans to the Lender after the Borrower has paid off loans according to loan restructuring agreements to financial institutions.
Important Conditions	1) The Company has received approval from the General Shareholders' Meeting No. 1/2023, which will be held on 27 April 2023, to enter into this Transaction. 2) The Lender has led Samart Aviation Solutions Plc. ("SAV"), which is a subsidiary that SAMART indirectly holds 100.00% of the shares, to become a listed company in the Stock Exchange of Thailand ("The SET").

Attachment 2 : Summary of Information on Samart Digital Public Company Limited

1. General Information

Company Name	:	Samart Digital Public Company Limited
Nature of Business	:	Sells communication devices and electronic devices, and provides full-service communication business in the digital age, including both network and solutions.
Headquarters	:	99/7 Moo 4 Software Park, 34th Floor, Chaengwattana Road, Klong Gluar, Pak-Kred, Nonthaburi 11120
Registered Capital	:	1,715,097,937.00 THB, consisting of 17,150,979,387 common shares, with a par value of 0.10 THB per share (as of 31 December 2022).
Registered and Paid-Up Capital	:	1,397,486,515.40 THB, consisting of 13,974,865,154 common shares, with a par value of 0.10 THB per share (as of 31 December 2022).

2. Policies and Overall Business Operations

The Company operates a business in the sales of communication devices and electronic devices, and provides integrated communication business in the digital age, including both network and solutions. It also provides services related to providing information, news and entertainment that is up-to-date in the form of audio (Voice) and messages or images (non-Voice). The Company operates 2 main types of businesses: Digital Network and Digital Content.

Vision

Operate a business that is progressive, stable and sustainable by choosing integrated innovations in communications in the digital age for the purpose of easier, comfortable, and technologically up-to-date daily living.

Mission

- We are determined in crafting superb experiences for customers with every product and superior full-service services, creating everything for the sake of trust and satisfaction in product quality and good impressions of services excellent beyond expectations.
- We invent and create content, applications, and platforms via diverse digital media to respond to customer needs. We are determined to develop and look for opportunities to cooperate with business allies to expand our business for constant growth and development.

Business Goals

Focuses on the development of new digital businesses that correspond to changing consumer behavior, and develop new sales channels, as well as continuously developing new channels for communicating content.

Important Changes and Developments During Past 3 Years

2020 : In 2020, the Company entered into loan restructuring agreements with various financial institutions in order to change conditions regarding the repayment of credit debt of the type of short-term loans to a new due date of not later than 31 March 2023. According to loan agreements and memorandums, the Company must act according to some conditions as stated in the agreements, such as: maintaining shareholding proportions of Samart Corporation Public Company Limited within the company group, maintaining various financial ratios. The Company also received financial assistance from Samart Corporation Public Company Limited with a credit limit of not more than 600 THB million. This Transaction has been approved by the Company's Extraordinary General Meeting of Shareholders on 1 September 2020

2021 :

The Company's Extraordinary General Meeting of Shareholders No. 1/2021, held on 8 June 2021, passed a resolution for the Company to issue and offer convertible debentures for sale, with a total value of not more than 1,000,000,000 THB, via private placement to investors who are not Connected Persons to the Company. These include: Advance Opportunities Fund ("AO Fund") and Advance Opportunities Fund 1 ("AO Fund 1"). The purpose is to use received capital as working capital, for investments in projects, and to repay debts to banks. These shares are convertible debentures which are unsubordinated and without warrantee. They have a maturity of 3 years after the date of issuance and the interest rate is 0.50% per annum. Additionally, the Meeting also passed a resolution for the Company to undergo a capital increase (value: 370,370,370.40 THB) by issuing 3,703,703,704 common shares at a par value of 0.10 THB per share to be reserved for the exercise of aforementioned convertible debentures. As of 31 December 2021, the Company has offered and issued convertible debentures totaling 700,000,000 THB. Shareholders of convertible debentures exercised their conversion rights for a combined value of 670,000,000 THB million (1,175,420,524 common shares of the Company). The remaining 2,528,283,180 common shares were reserved for the exercise of convertible debentures.

: The National Telecommunication Public Company Limited ("NT") has entered into an agreement with Provincial Electricity Authority ("PEA") to provide leasing of Digital Trunked Radio System (DTRS) services for use in 9 districts in Northern, Northeastern and Southern Thailand for a period of 48 months. It has also entered into an agreement with the Ministry of Interior to aid in communications in emergencies for a period of 36 months. The Company, as a business partner of NT for the purpose of expanding capabilities of DTRS services, receives revenue sharing from airtime totaling approximately 1,200 THB million including VAT. The Company will receive its revenue share from airtime on a monthly basis throughout the duration of the service, which starts in 2022. Revenue from airtime depends on the procurement and installation of equipment of National Telecommunication Public Company and partners in the agreement. Additionally, the Company expects to receive revenue from the sale of radio communications equipment for these two projects, totaling approximately 2,500 THB million. Partial revenue would be recognized gradually, starting in late 2021.

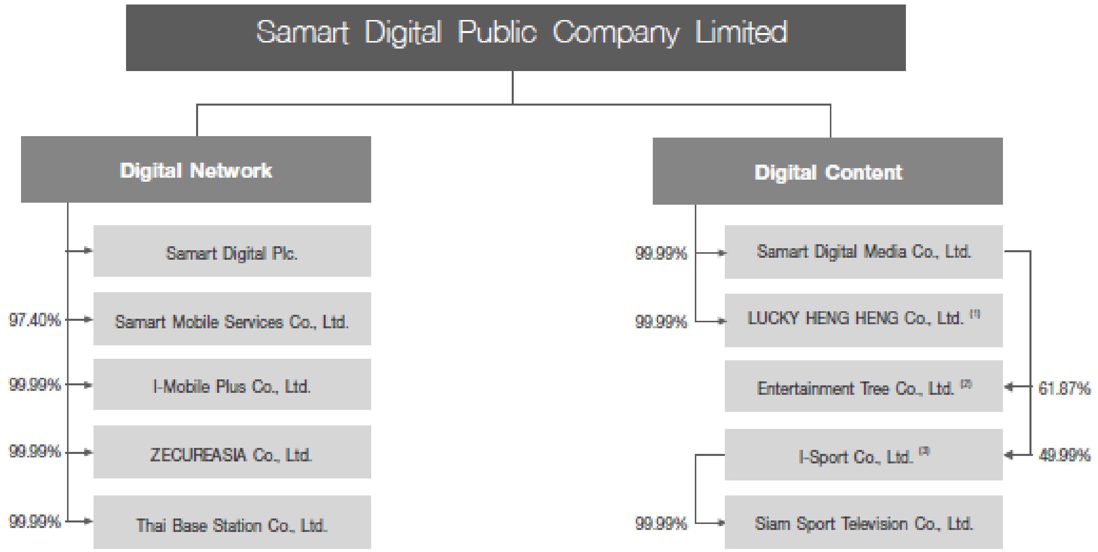
2022 : In 2022, the Company offered and issued the remaining convertible debentures, totalling 300 THB million. The combined amount of convertible debentures add up to the full amount of 1,000 THB million that was approved by the resolution of the Company's Extraordinary General Meeting of Shareholders No. 1/2021, held on 8 June 2021. Shareholders of convertible debentures have exercised conversion rights for issued and remaining shares, totaling 330 THB million (707,062,736 common shares of the Company). 1,821,220,444 remaining common shares were reserved for the exercise of convertible debentures. Therefore, the Company underwent a capital decrease for the aforementioned amount of shares in the Extraordinary General Meeting of Shareholders No. 1/2022 held on 18 March 2022.

: The Extraordinary General Meeting of Shareholders No. 1/2022 held on 18 March 2022 passed a resolution for the Company to issue and offer convertible debentures for sale, with a total value of not more than 1,000,000,000 THB, via private placement to investors who are not Connected Persons to the Company. These include: Advance Opportunities Fund ("AO Fund") and Advance Opportunities Fund 1 ("AO Fund 1"). The purpose is to use received capital as working capital, for investments in projects, and to repay debts to banks. These shares are convertible debentures which are unsubordinated and without warrantee. They have a maturity of 3 years after the date of issuance and the interest rate is 0.50% per annum. Additionally, the Meeting also passed a resolution for the Company to undergo a capital increase (value: 221,302,959.70 THB) by issuing 2,213,029,597 common shares at a par value of 0.10 THB per share to be reserved for the exercise of aforementioned convertible debentures.

As of 31 December 2022, the Company has offered and issued convertible debentures totaling 200 THB million. Shareholders of convertible debentures exercised their conversion rights, and the Company registered a capital increase in 2022 totaling 159 THB million, totaling 767,958,676 ordinary shares of the Company. The remaining 1,445,070,921 common shares were reserved for the exercise of convertible debentures.

Company Group Structure

As of 31 December 2022, SDC has the following company group structure:



Remarks: [(1)] Formerly known as SIM2ASSET Co., Ltd., and changed its name to LUCKY HENG HENG Co., Ltd on January 13, 2022.
[(2)] The remaining portion of 38.13% held by 2 ordinary persons who have business expertise in such company.
[(3)] The remaining portion of 37.50% and 12.51% held by Siam Sport Syndicate Plc. and 11 ordinary persons respectively.

3. Nature of Business

The Company and subsidiaries operates 2 main types of businesses, as follows:

1. Digital Network Operates a business to sell communication devices and electronic devices. Operates a integrated communication business in the digital age, including both network and solutions. Since 2017, the Company has adapted its business to provide fully digital services in the form of providing Digital Trunked Radio System (DTRS) services and the leasing of co-towers to mobile operators in national parks throughout the country. Both projects involve providing services alongside CAT Telecom Public Company Limited (At present, CAT Telecom Public Company Limited has undergone a merger with TOT Public Company Limited and is now known as National Telecom Public Company Limited) and still focuses on operating businesses that provide regular revenue.

2. Digital Content Provides services related to providing information, news and entertainment that are up-to-date and corresponds to needs in daily lives of users of all genders and age groups in the form of audio (Voice) and messages or images (Non-Voice) as well as multimedia in various formats such as: the use of VDO Streaming, real-time services and one-on-one services through many channels of communication devices. Information, news and entertainment 11ovided includes general sports results reporting and fortune telling through a center of fortune tellers and horoscopes.

Revenue Structure

Type of Revenue	2020		2021		2022	
	Amount	Proportion	Amount	Proportion	Amount	Proportion
Digital Network	439	69%	265	67%	513	81%
Digital Content	198	31%	129	33%	119	19%
Total Revenue	**637**	**100%**	**394**	**100%**	**632**	**100%**

Nature of Products and Services

1. Digital Network

- **Digital Trunked Radio System**

On 10 March 2017, the Company entered into an agreement to form a consortium (named "SISC Consortium") with Samart Communication Services Co, Ltd. to enter into a Digital Trunked Radio System service partner agreement with CAT Telecom Public Company Limited (At present, CAT Telecom Public Company Limited has undergone a merger with TOT Public Company Limited and is now known as National Telecom Public Company Limited). The Company was appointed as leader of SISC Consortium group, meaning it was authorized to act on behalf of SISC Consortium. The agreement became effective starting on the date of signing, and will terminate when SISC Consortium has fulfilled all of its duties according to its partnership agreement with CAT Telecom Public Company Limited. The Company has obligations to act according to various conditions and to pay expenses related to the project as specified in the agreement.

Later, on 24 August 2017, SISC Consortium entered into an agreement to become business partners with CAT Telecom Public Co., Ltd. for the purpose of expanding capabilities of Digital Trunked Radio System (DTRS) services. This agreement will terminate on 31 July 2025.

On 2 October 2017, the Company entered into a 3-year agreement with CAT Telecom Public Co., Ltd., automatically extending for 1-year terms until either party terminates the agreement by providing a written notice to the other party before the end of the term. The purpose is to resell ad hoc Trunked Radio system services to end users. According to the conditions in the agreement, the Company has a liability to pay minimum wholesale service fees as specified in the agreement.

The Digital Trunked Radio System (DTRS) project is a service provided in collaboration with The National Telecommunication Public Company Limited ("NT") who is a DTRS service provider with a large network, and the sole service provider with a license to provide services to general customers. The target group mainly includes governmental organizations with regional units or local government units.

In 2021, NT entered into an agreement with Provincial Electricity Authority ("PEA") to provide leasing of Digital Trunked Radio System (DTRS) services for use in 9 districts in Northern, Northeastern and Southern Thailand for a period of 48 months. It has also entered into an agreement with the Ministry of Interior to aid in communications in emergencies for a period of 36 months. The Company, as a business partner of NT for the purpose of expanding capabilities of DTRS services for both of these projects, receives revenue sharing from airtime totaling approximately 1,200 THB million including VAT. The Company will receive its revenue share from airtime on a monthly basis throughout the duration of the service, which starts in 2022. Revenue from airtime depends on the procurement and installation of equipment of National Telecommunication Public Company and partners in the agreement. Additionally, the Company expects to receive revenue from the sale of radio communications equipment for these two projects, totaling approximately 2,500 THB million. Partial revenue would be recognized gradually, starting in late 2021.

- **Co Tower**

The Co-Tower business is under Thai Base Station Company Limited (TBS), which is a subsidiary. It has become a business partner with CAT Telecom Public Company Limited (At present, CAT Telecom Public Company Limited has undergone a merger with TOT Public Company Limited and is now known as National Telecom Public Company Limited) in order to jointly provide telecommunication tower services in various national park areas throughout the country, for a duration of 10 years, so that tourists can effectively utilize mobile phone signals. Additionally, this reduces redundant investment in building additional telecommunication towers, as well as reduces the obstruction of scenery in national park areas.

2. Digital Content

The Company is a service provider of information and news via various types of media, as follows:

- BUG1900 Phone-based variety entertainment. Provides various information via an automatic system. Users can call numbers associated with each type of service using both landlines and mobile phones. Also provides services in the form of hybrid media.
- HoroWorld - is the largest center for fortune tellers and horoscope readings in Thailand. Provides services via website and mobile phones.

On 16 December 2021, the Company launched HoroWorld on a new platform (as a mobile application) in order to adapt to the digital transformation age, and in order to expand its customer base. Its functions include 4 features, as follows:

1. Horo LIVE 24 hrs. - 24-hour live horoscopes
2. Event Bidding - Auctioning horoscope readings with famous fortune tellers
3. Physiognomy Scan
4. Recommended Services - Other auspicious services, such as: naming, changing of family name, various auspicious situations, change of signature, Feng Shui, fortune telling related to license plate numbers and phone numbers

Additionally, the Company produces the television program “Delicious with Khun Reed”, which is operated by Entertainment Tree Co., Ltd. This program focuses on selecting good restaurants to be presented by Khun Reed, or Ms. Rapeephan Lueangaramrat, who acts as program host and chooses restaurants of the type that Khun Reed can guarantee the quality of.

State of Industry

Krungsri Analysis expects that the world economy over the next 3 years is likely to slow down in growth, from 3.2% in 2022 to 2.7% in 2023 before increasing slightly to 3.0% in years 2024-2025. Even though negative effects from COVID-19 are resolving, many factors still pressure the economy, especially the Russia-Ukraine War which led to trade sanctions and an energy crisis that is likely to be prolonged, and the slowing down of the Chinese economy. Additionally, economic polarization led by the United States and China will affect the world supply chain, and may intensify deglobalization. Moreover, the use of high interest rate policies in 2022-2023 to control inflation amidst a high energy price will impact costs and debt burden for the government and private sectors, as well as a tight economic situation in the financial markets. Overall, the world economy is at risk for a severe slump in 2023. The slowing down of worldwide supply may alleviate the pressure of inflation in the next phase, which will allow core countries to lower interest rates to prevent the economy from being weak for a prolonged period of time.

As for the Thai economy, the Krungsri Analysis expects it to expand by approximately 3.5% per annum in 2023-2025, which is an improvement from 3.2% growth in 2022, and a higher growth rate than economies of core countries. Important driving forces include:

(1) The tourism industry, which is growing at an accelerated rate, is positively impacting employment rates, even though time is still required. It is expected that the number of foreign tourists will return to normal numbers from before the spread of COVID-19 in 2025.

(2) The private sector consumption which is slowly growing according to consumers' confidence in spending; the recovery of the labor market, and the spending of the high-income group. The spending of the low-income group will be limited by a high cost of living and household debt which may bear additional burdens from the increased interest rate.

(3) The private sector investment, especially the service industry, which follows the recovery of the tourism industry and related businesses. This also includes investment in the industrial sector, which sees gradual growth following businesses that are related to improving businesses' capabilities in order to move towards a digital economy and the driving force of the Bioeconomy-Circular Economy-Green Economy (BCG Model). Large-scale infrastructure investment in the governmental sector is expected to accelerate, especially projects that support the Eastern Economic Corridor: EEC, which has an investment target of 2.2 trillion THB between 2023-2027.

(4) Exports can still expand, even though growth rates will slow down compared to 2022. Pressuring factors include the slowing down of global trade and the deglobalization trend amidst conflicts between great power countries. Regardless, exporting to some markets or in some categories may alleviate the slowing down of exports. For example, exporting to ASEAN which still sees growth dynamics, as well as exporting in agricultural and food categories which are necessary goods; some categories are able to replace goods that were affected by the Russia-Ukraine crisis. As for Thailand's financial policies to control inflation; they may not be very strict as economic recovery is still weak. It is expected that the policy interest rate is likely to gradually trend upwards and reach 1.75% in Q1/2023. Inflation will still be high in early 2023, before falling back to target levels around the middle of the year. The Baht currency still sees high fluctuations due to strict economic policies by core

countries and risks from other countries. Regardless, revenue from tourism may be able to support the Baht currency to somewhat appreciate in value during some periods.

Gartner, a top global research and advisory company, has estimated the value of IT products and services globally. It expects the trend of global IT spending in 2022 to be valued at 4.5 trillion USD, increasing to 2.4% from 2022, but decreasing from 5.1% when compared to last quarter expectations. Inflation still limits consumers' purchasing power, resulting in a slower growth in IT equipment spending. However, it is expected that the value of IT spending by organizations will still see strong growth overall.

Gartner has the view that both consumers and business organizations are facing extremely different economic situations. While inflation has a severe impact on the consumer market, and is partially responsible for many B2C businesses laying off staff, business organizations will have higher IT spending due to various digital projects even though the global economy is in a slowing down period. Regardless, the fluctuating economy has changed the context of business decisions and is also the reason that IT executives are more hesitant and make decisions more slowly, or have to reprioritize their work.

Gartner expects that this year (2023), Software and IT Services will see the largest amount of growth, at 9.3% and 5.5% respectively. Devices are expected to see (5.1)% negative growth, as both consumers and business organizations are waiting longer between purchases of new equipment. Due to the pandemic, employees and consumers changed their technological equipment in order to better accommodate remote work and study, whether it be tablets, laptops or mobile phones. If there are no important reasons to upgrade, consumers will continue to use their existing equipment for a longer period of time.

Unit: USD Million	2022 Spending	2022 Growth (%)	2023 Spending	2023 Growth (%)
Data Center Systems	212,376	12	213,853	0.7
Software	783,462	7.1	856,029	9.3
Devices	722,181	-10.6	685,633	-5.1
IT Services	1,244,746	3	1,312,588	5.5
Communications Services	1,422,506	-2.4	1,423,367	0.1
Overall IT	**4,385,270**	**-0.2**	**4,491,471**	**2.4**

Worldwide IT Spending Forecast. Source: Gartner, 2023

As for IT Spending in Thailand in 2023, Gartner expects the number to reach 934.9 THB billion, which is a growth rate of 4.2% compared to 2022. Software and IT Services will see double-digit growth as various organizations show increased spending on digital projects.

Unit: THB Million	2022 Spending	2022 Growth (%)	2023 Spending	2023 Growth (%)
Data Center Systems	26,023	20.7	27,461	5.5
Software	69,813	15.1	80,193	14.9
Devices	205,386	-4.1	195,687	-4.7
IT Services	98,974	9.9	109,306	10.4
Communications Services	496,761	5	522,239	5.1

Overall IT	**896,958**	**4.4**	**934,886**	**4.2**

IT Spending Forecast in Thailand. Source: Gartner, 2566

Gartner has the view that inflation, lack of skills, and supply chain problems will continue to significantly impact Thailand. IT executives will be hesitant, make decisions more slowly, or have to reprioritize. Even though there are such business challenges, regional organizations still show higher spending on digital projects.

As for the growth of the ICT industry in Thailand, the TMB Economic Analysis Center still expects good growth. There are supporting factors from the governmental sector according to the Thailand 4.0 policy; the development of 5G technology, which can lead to growth in businesses that use ICT and create a higher demand for Smart Devices; the policy to develop an area that supports digital industries and innovations (EECd) and the Smart Cities policy. Additionally, a policy that encourages Bioeconomy-Circular Economy-Green Economy (BCG Model), which uses communication technologies, media and digital in order to design, plan, manage, analyze, as well as create platforms for the management and encouragement of said economic strategies effectively. Moreover, Krungsri Research stated that new technology will have an important role in various industries, such as 5G, Internet of Things (IoT) which can be adapted to use in almost every industry, Artificial Intelligence (AI) which can be used in every system in every industry in order to work smarter, Edge Computing, Drones, etc.

Additionally, Big Data Analytics will see constant growth. Technologies related to proving identity and Block Chain technologies will be adapted for use in various platforms and applications to support transactions and digital assets. Moreover, businesses tend to use XaaS (Anything-as-a-Service) in order to provide Digital Service to customers more swiftly, leading to the growth of Cloud Computing. Similarly, cybersecurity technologies will see growth due to cybersecurity laws and the Personal Data Protection Act, which will be effective in 2022, and in order to defend against escalating cybersecurity threats.

Moreover, as for the digital content industry, the Digital Economy Promotion Agency (DEPA) expects it to consistently grow. In 2022, it will have a value of 59,136 THB million, and 72,703 THB million in 2023, especially Virtual Reality (VR) technologies used to connect to a virtual world that can be adapted for use in various industries. Even though there are predictions that the IT, communications and digital market will expand, there are still many factors to watch for, as they affect economic growth. For example, the prevention and control of COVID-19 to limit the spread; fluctuations of the economic sector in foreign countries and global finances; supply chain problems and international transportation; the increase in energy and commodities prices, which may lead to the market expanding less than expected, leading to a higher competitiveness in the market.

At present, all business sectors are heading towards becoming technology companies, whether it be the banking sector, retail sector, media sector, and etc. leading to higher competitiveness in the market with ICT service providers, both directly and indirectly. There are developments of new types of business and innovations in order to respond to customer needs, both in terms of price, quality and positive customer experience. There is a trend towards the development of self-owned digital platforms for the purposes of competition, and marketing is aggressive. There are instances of cooperation across different business networks in order to add value to goods and services. Additionally, service providers as well as digital tech startups from foreign countries are more frequently competing in the Thai domestic market. All the above leads to a constantly increasing level of competitiveness in the IT, communications and digital industry.

4. List of Directors

As of 31 December 2022, the Company has the following List of Directors

No.	Name	Position
1	Mr. Piyapan Champasut	Chairman, Independent Director, Audit Committee
2	Mr. Watchai Vilailuck	Executive Chairman, CEO, Director
3	Mr. Charoenrath Vilailuck	Director
4	Miss Boonrut Mongkolratanakorn	Director
5	Mr. Chotivid Chayavadhanangkur	Independent Director, Audit Committee
6	Mr. Kunthit Arunyakananda	Independent Director, Audit Committee

Source: The Company

5. Shareholding Structure

As of 30 December 2022, the Company has the following list of shareholders:

No.	Name of Shareholder	No. of Shares	%
1	Vilailuck Group	9,310,641,800	66.62
	- Samart Corporation Public Company Limited	9,135,380,500	65.37
	- Samart Telcom Public Company Limited	85,861,200	0.61
	- Vilailuck International Holding Co., Ltd.	30,535,100	0.22
	- Mr. Watchai Vilailuck	23,343,000	0.17
	- Mrs. Sukanya Vanichjakvong	20,012,000	0.14
	- Samart U-Trans Co., Ltd.	15,160,000	0.11
	- Ms. Srintip Vilailuck	350,000	0.00
2	Mr. Nuttapol Jurangkool	240,594,700	1.72
3	Ms. Chomkamol Poompanmoung	217,909,900	1.56
4	Thai NVDR Co., Ltd.	127,388,235	0.91
5	Mr. Thaveechat Jurangkool	106,234,600	0.76
6	Pol. Gen. Somyot Poompanmoung	85,448,200	0.61
7	Ms. Nunnarin Paiboonpredee	80,484,600	0.58
8	Mr. Susitak Achariyasombat	75,238,100	0.54
9	Mr. Ayuth Potchanant	47,500,000	0.34
10	Glisten Intertrade Co., Ltd.	42,915,000	0.31
	Total Shares of Top 10 Shareholders	**10,334,355,135**	**73.95**
	Minority Shareholders	**3,640,510,019**	**26.05**
	Total Shares	**13,974,865,154**	**100.00**

Source : set.or.th

6. Financial Statements

6.1 Statement of Financial Position

Statement of Financial Position	Consolidated Financial Statements, for Year Ended					
	31 December 2020 Audited		31 December 2021 Audited		31 December 2022 Audited	
	THB million	%	THB million	%	THB million	%
Assets						
Current Assets						
Cash and Cash Equivalents	123.56	2.81	171.18	3.76	213.15	5.01
Trade Accounts Receivable and Other Accounts Receivable	501.58	11.42	273.77	6.01	86.46	2.03
Short-Term Loans (Lent)		-		-		-
Inventories	101.76	2.32	242.95	5.34	220.97	5.20
Other Current Financial Assets	0.25	0.01	116.13	2.55	0.77	0.02
Other Current Assets	387.66	8.83	523.52	11.50	688.69	16.20
Total Current Assets	**1,114.81**	**25.38**	**1,327.55**	**29.17**	**1,210.04**	**28.46**
Non-Current Assets						
Bank Deposits Pledged As Collateral	102.85	2.34	103.07	2.26	102.75	2.42
Other Non-Current Assets	21.81	0.50	2.77	0.06	2.67	0.06
Investments in Subsidiaries	-	-	-	-	-	-
Equipment	2,334.86	53.16	2,376.62	52.21	2,671.76	62.84
Right-of-Use Assets	189.51	4.31	165.81	3.64	61.06	1.44
Goodwill	59.32	1.35	59.32	1.30	-	-
Intangible Assets	94.73	2.16	79.68	1.75	64.63	1.52
Deferred Tax Assets	352.20	8.02	312.84	6.87	14.47	0.34
Other Non-Current Assets	122.07	2.78	124.17	2.73	124.17	2.92
Total Non-Current Assets	**3,277.35**	**74.62**	**3,224.29**	**70.83**	**3,041.50**	**71.54**
Total Assets	**4,392.16**	**100.00**	**4,551.83**	**100.00**	**4,251.54**	**100.00**
Liabilities and Shareholders' Equity						
Current Liabilities						
Overdraft and Short-Term Loans from Financial Institutions	6.00	0.14	18.39	0.40	68.19	1.60
Trade Accounts Payable and Other Accounts Payable	533.26	12.14	444.31	9.76	1,037.83	24.41
Short-Term Loans (Borrowed)	22.14	0.50	12.71	0.28	12.71	0.30
Portion of Long-Term Loans from Financial Institutions Due Within 1 Year	1,329.76	30.28	2,595.46	57.02	2,501.94	58.85
Portion of Lease Agreement Liabilities Due Within 1 Year	81.04	1.85	35.03	0.77	40.05	0.94
Income Tax Payable	0.32	0.01	0.24	0.01	0.29	0.01
Unearned revenue	19.39	0.44	21.59	0.47	78.45	1.85

Statement of Financial Position	Consolidated Financial Statements, for Year Ended					
	31 December 2020 Audited		31 December 2021 Audited		31 December 2022 Audited	
	THB million	%	THB million	%	THB million	%
Other Current Financial Liabilities	-	-	-	-	0.97	0.02
Other Liabilities	3.63	0.08	2.17	0.05	1.86	0.04
Total Current Liabilities	1,995.54	45.43	3,129.89	68.76	3,742.28	88.02
Non-Current Liabilities	-	-	-	-	-	-
Long-Term Loans from Connected Companies	322.31	7.34	322.31	7.08	322.31	7.58
Long-term loans from financial institutions, net of current portion	1,511.77	34.42	131.02	2.88	-	-
Convertible Debentures	-	-	27.63	0.61	37.96	0.89
Lease liabilities, net of current portion	50.35	1.15	91.85	2.02	77.91	1.83
Reserve for Long-Term Employee Benefits	16.86	0.38	12.95	0.28	12.11	0.28
Liabilities for investment in subsidiaries under equity method	-	-	-	-	-	-
Total Non-Current Liabilities	**1,901.28**	**43.29**	**585.76**	**12.87**	**450.29**	**10.59**
Total Liabilities	**3,896.82**	**88.72**	**3,715.65**	**81.63**	**4,192.57**	**98.61**
Share Capital						
Registered Capital	1,540.09	35.06	1,675.92	36.82	1,715.10	40.34
Issued and Fully Paid-Up Capital	1,132.44	25.78	1,249.98	27.46	1,397.49	32.87
Share Premium	2,615.29	59.54	3,167.74	69.59	3,509.24	82.54
Deficit on changes in percentage of shareholding in subsidiary	(0.21)	(0.00)	(0.21)	(0.00)	(0.21)	(0.00)
Retained Earnings						
Appropriated - statutory reserve	44.40	1.01	44.40	0.98	44.40	1.04
Unappropriated (deficit)	(3,309.17)	(75.34)	(3,692.46)	(81.12)	(4,868.22)	(114.50)
Other elements of equity	(75.88)	(1.73)	-	-	-	-
Equity attributable to owners of the Company	406.88	9.26	769.46	16.90	82.70	1.95
Non-controlling interests of the subsidiaries	88.47	2.01	66.72	1.47	(23.74)	(0.56)
Total Shareholders' Equity	**495.34**	**11.28**	**836.18**	**18.37**	**58.97**	**1.39**
Total Liabilities and Shareholders' Equity	**4,392.16**	**100.00**	**4,551.83**	**100.00**	**4,251.54**	**100.00**

Source: The Company's Financial Statements

6.2 Income statement

Income statement	Consolidated Financial Statements, for Year Ended					
	31 December 2020 Audited		31 December 2021 Audited		31 December 2022 Audited	
	THB million	%	THB million	%	THB million	%
Sales	410.77	62.33	254.86	60.94	132.27	20.57
Service income	225.86	34.27	138.87	33.21	158.06	24.58
Revenue from contract work	-	-	-	-	341.80	53.16
Other Income	22.40	3.40	24.46	5.85	10.82	1.68
Total Income	**659.03**	**100.00**	**418.19**	**100.00**	**642.95**	**100.00**
Expenses				-		-
Costs of Sales	377.88	57.34	243.55	58.24	126.15	19.62
Costs of Services	207.71	31.52	157.07	37.56	204.85	31.86
Costs of Contract Work	-	-	-	-	330.74	51.44
Sales and Distribution Expenses	47.78	7.25	34.04	8.14	9.78	1.52
Administrative Expenses	139.12	21.11	106.67	25.51	95.72	14.89
Losses From Equipment Impairment	-	-	-	-	393.00	61.12
Other Expenses	1.49	0.23	1.13	0.27	137.51	21.39
Total Expenses	**773.98**	**117.44**	**542.46**	**129.72**	**1,297.75**	**201.84**
Operating loss	**(114.94)**	**(17.44)**	**(124.27)**	**(29.72)**	**(654.80)**	**(101.84)**
Share of loss from investments in subsidiaries	-	-	-	-	-	-
Financial Income	0.87	0.13	0.40	0.10	0.53	0.08
Financing Costs	(173.24)	(26.29)	(196.46)	(46.98)	(183.66)	(28.57)
Impairment loss on financial assets	62.84	9.54	(14.69)	(3.51)	(127.43)	(19.82)
Loss before income tax expenses	**(224.47)**	**(34.06)**	**(335.02)**	**(80.11)**	**(965.36)**	**(150.15)**
Income tax expenses	(129.99)	(19.72)	(20.63)	(4.93)	(299.94)	(46.65)
Loss for the year	**(354.46)**	**(53.79)**	**(355.66)**	**(85.05)**	**(1,265.31)**	**(196.80)**

Source: The Company's Financial Statements

6.3 Cash Flow Statement

Cash Flow Statement	Consolidated Financial Statements, for Year Ended		
	31 December 2020 Audited	31 December 2021 Audited	31 December 2022 Audited
	THB million	THB million	THB million
Cash Flow from Operations			
Losses Before Taxes	(224.47)	(335.02)	(965.36)
Adjustments to reconcile loss before tax to	-	-	-

Cash Flow Statement	Consolidated Financial Statements, for Year Ended		
	31 December 2020 Audited	31 December 2021 Audited	31 December 2022 Audited
	THB million	THB million	THB million
net cash provided by (paid from) operating activities:	-	-	-
Unrealised gain on exchange	5.95	(0.89)	(3.59)
(Gain) loss on change in value of other current financial assets	(0.06)	(0.15)	0.23
Loss on changes in fair value of forward exchange contracts	-	-	0.97
Write-off trade receivables	0.04	0.48	0.92
Write-off other receivables	-	8.83	-
Increase in allowance for expected credit losses - trade receivables	(61.07)	14.40	126.57
Reversal of allowance for diminution in value of - other receivables	(1.48)	(9.01)	-
Reversal of reduction cost of inventory to net realsiable value	(19.28)	(6.17)	(0.12)
Write-off withholding tax deducted at sources	0.19	0.40	0.00
Allowance for diminution in value of other non-current financial assets	(0.30)	-	-
Gain on disposal of other current financial assets	(0.25)	-	-
Share of loss from investments in subsidiaries.	-	-	-
Gain on disposal of equipment	(3.49)	(0.32)	(1.39)
Gain on disposal of intangible assets	(5.50)	-	-
Increase (decrease) in allowance for impairment of equipment	-	(0.00)	392.03
Increase in allowance for impairment of right-of-use assets	-	-	77.29
Depreciation of equipment	131.46	83.17	85.28
Depreciation of right-of-use assets	29.86	30.70	29.86
Allowance for impairment of equipment (reverse)	0.05	-	-
Transfer equipment to expenses	-	-	0.02
Write-off equipment	0.53	0.74	1.81
Write-off goodwill	-	-	59.32
Amortisation of intangible assets	14.82	15.05	15.05
Amortisation of deferred interests under lease agreements	11.88	7.42	6.54
Increase (decrease) in provision for long-term employee benefits	(2.94)	0.74	(0.28)
Finance income	(0.87)	(0.40)	(0.53)
Finance cost	160.28	187.94	167.42
Loss from operating activities before changes in operating assets and liabilities.	35.36	(2.12)	(7.96)
Operating assets (increase) decrease			
Trade and other receivables	553.13	213.41	64.13
Inventories	23.01	(129.73)	20.71
Other current financial assets	-	(115.73)	115.13
Other current assets	88.71	(146.81)	(160.33)

Cash Flow Statement	Consolidated Financial Statements, for Year Ended		
	31 December 2020 Audited	31 December 2021 Audited	31 December 2022 Audited
	THB million	THB million	THB million
Other non-current financial assets	1.73	6.14	0.10
Operating liabilities increase (decrease)	-	-	-
Trade and other payables	25.22	(57.15)	208.85
Other current liabilities and unearned revenue	(141.45)	0.75	56.54
Cash flows from (used in) operating activities	585.69	(231.26)	297.19
Proceeds from disposal of other non-current financial assets	1.47	-	-
Preceeds from disposal of investment held-for-sale	4.96	-	-
Cash paid for interest expenses	(155.52)	(173.40)	(152.72)
Cash paid for income tax	(10.96)	(5.68)	(7.40)
Cash received from withholding tax refundable	20.24	13.98	0.68
Cash received from value added tax	-	-	0.41
Cash paid for employee benefit	-	-	(1.51)
Net cash flows from (used in) operating activities	**445.88**	**(396.36)**	**136.64**
Cash flows from investing activities			
Cash flows from investing activities			
Cash paid to provide short-term loans to related parties	-	-	-
Cash received for interest income	0.87	0.40	0.53
(Increase) decrease in restricted bank deposits	0.74	(0.22)	0.32
Cash paid for acquisition of equipment	(152.21)	(121.26)	(364.23)
Cash paid for acquisition of intangible assets	(13.64)	(1.51)	-
Proceeds from disposal of other non-current financial assets	-	54.64	-
Proceeds from disposal of intangible assets	7.50	-	-
Proceeds from disposal of equipment	3.67	0.03	1.31
Net cash flows used in investing activities	**(153.07)**	**(67.91)**	**(362.07)**
Cash flows from financing activities	-	-	-
Increase in bank overdrafts	-	15.39	49.80
Proceeds from short-term loans from banks	9.00	15.00	12.00
Repayment of short-term loans from banks	(78.98)	(18.00)	(12.00)
Proceeds from short-term loans from related parties	-	-	-
Repayment of short-term loans from related parties	-	-	-
Repayment of short-term loans from unrelated parties	-	(9.43)	-
Repayment of long-term loans from financial institutions	(548.81)	(115.05)	(224.54)
Proceeds from long-term loans from related parties	322.31	-	-

Cash Flow Statement	Consolidated Financial Statements, for Year Ended		
	31 December 2020 Audited	31 December 2021 Audited	31 December 2022 Audited
	THB million	THB million	THB million
Proceed from issuance of convertible debentures	-	644.00	460.00
Payment of principal portion of lease liabilities	(87.42)	(18.45)	(11.32)
Payment of interest expense of lease liabilities	-	(1.56)	(6.54)
Net cash flows from financing activities	(383.90)	511.90	267.40
Net increase in cash and cash equivalents	**(91.09)**	**47.62**	**41.97**
Cash and cash equivalents at beginning of year	214.65	123.56	171.18
Cash and cash equivalents at end of year	**123.56**	**171.18**	**213.15**

Source: The Company's Financial Statements

6.4 Financial Ratios

Financial Ratio		As of 31 December		
		2020	2021	2022
Liquidity Ratio				
Current ratio	(Times)	0.56	0.42	0.32
Quick ratio(1)	(Times)	0.36	0.17	0.11
Cash turnover	(Times)	0.15	(0.15)	0.04
Accounts receivable turnover	(Times)	0.87	1.03	3.52
Average collection period	(Days)	420	356	104
Finished goods turnover	(Times)	5.68	5.70	5.10
Average sale (finished goods) period	(Days)	65	64	72
Inventory turnover	(Times)	5.68	2.32	2.85
Average sale (inventory) period	(Days)	65	158	128
Accounts payable turnover	(Times)	5.65	5.03	5.73
Average payment period	(Days)	65	73	64
Cash cycle	(Days)	420	441	168
Profitability Ratio				
Gross profit margin (2)	(%)	8.02	(1.75)	(4.69)
Operating profit margin(3)	(%)	(8.05)	(35.19)	(123.66)
Other profit margin	(%)	3.40	5.85	1.68
Operating cash flow to profitability	(%)	(870.32)	286.06	(17.48)
Net profit margin	(%)	(52.04)	(79.44)	(182.77)
Return on equity	(%)	(59.32)	(56.48)	(275.80)
Efficiency Ratio				
Return on assets	(%)	(7.06)	(7.43)	(26.70)
Return on fixed assets	(%)	(7.63)	(9.58)	(41.40)

Financial Ratio		As of 31 December		
		2020	2021	2022
Total asset turnover	(Times)	0.14	0.09	0.15
Financial Policy Ratio				
Debt to equity ratio	(Times)	7.87	4.44	71.10
Interest coverage ratio	(Times)	0.36	0.03	(3.55)
Interest bearing debt to EBITDA ratio	(Times)	48.35	577.60	(4.20)
Commitment coverage ratio	(Times)	0.05	0.002	(0.25)
Dividend payout ratio	(%)	-	-	-

Notes (1) Quick Ratio: includes bank deposits pledged as collateral

(2) Gross Profit Margin: Revenue used in calculation includes sales support revenue

(3) Operating profit is defined as profit before taxes and subsidiaries' non-controlling interests

7. Analysis of Operating Results

7.1 Operating Results and Financial Status

In 2021, the Company and subsidiaries had total revenue of 418.19 THB million. This is a decrease of 240.84 THB million or 36.55% from the previous year. It had losses from operations of 124.27 THB million, which is a greater loss than in 2020 by 9.33 THB million or 8.11%. In 2021, the Company had a net loss of 355.66 THB million, which is a greater loss than the previous year by 1.19 THB million. This is due to a decrease in revenue, and increases in gross loss and losses from operations, even though costs of sales, as well as administrative and other expenses, decreased.

In 2022, the Company and subsidiaries had total revenue of 642.95 THB million, which is an increase of 224.76 THB million or 53.74% from the previous year. Losses from operations were 654.80 THB million, which is a greater loss by 530.53 THB million or 426.92% compared to 2021. The Company had a net loss of 1,265.31 THB million, which is a greater loss by 909.65 THB million compared to the previous year. This is mainly due to gross loss, losses from impairment of equipment and financial assets, income tax expenses, and other expenses.

7.1.1 Revenue

Revenue from Sales and Services

Digital Network Business

In 2021, the Company and subsidiaries had revenue from sales and services in the Digital Network Business totaling 265 THB million. This is a decrease of 174 THB million or 39.6% from 2020. This is due to a decrease in sales and installations of communications network equipment.

In 2022, the Company and subsidiaries had revenue from sales and services in the Digital Network Business totaling 513 THB million. This is an increase of 248 THB million or 93.6% from 2021. This is due to an increase in sales and delivery of communications network equipment.

Digital Content Business

In 2021, the Company and subsidiaries had revenue from sales and services in the Digital Content Business totaling 129 THB million. This is a decrease of 69 THB million or 34.8% from 2020. This is due to a decrease in revenue from its business in providing information via mobile phones, and a decrease in revenue from the live broadcasting of football matches.

In 2022, the Company and subsidiaries had revenue from sales and services in the Digital Content Business totaling 119 THB million. This is a decrease of 10 THB million or 7.8% from 2021. This is due to a decrease in revenue from its business in providing information via mobile phones.

Other Revenue

In 2021, the Company and subsidiaries had other revenue totaling 24.46 THB million, which accounts for 5.85% of total revenue. This is an increase of 2.06 THB million or 9.20% from 2020. This is because in 2021, the Company saw an increase in profits due to exchange rates of 10.80 THB million, while other revenue decreased.

In 2022, the Company and subsidiaries had other revenue totaling 10.82 THB million, which accounts for 1.68% of total revenue. This is a decrease of 13.64 THB million or 55.77% from 2021. This is mainly because in 2022, the Company saw a decrease in profits due to exchange rates of 7.28 THB million.

7.1.2 Costs and Gross Profit

In 2021, the Company and subsidiaries had costs of sales and services totaling 400.62 THB million. This is a decrease of 184.97 THB million or 31.59% from 2020. This is congruent with the decrease in revenue. Costs of sales accounted for 243.55 THB million, and costs of services accounted for 157.07 THB million.

In 2022, the Company and subsidiaries had costs of sales and services, and costs of contract work, totaling 661.74 THB million. This is an increase of 261.12 THB million or 65.18% from 2021. This is congruent with the increase in revenue. Costs of sales accounted for 126.15 THB million, costs of services accounted for 204.85 THB million, and costs of contract work accounted for 330.74 THB million.

Digital Network Business

In 2021, the Company and subsidiaries had costs in the Digital Network business totaling 282.90 THB million. This is a decrease of 146.54 THB million or 34.12% from 2020. This is congruent with the decrease in revenue. Gross loss accounted for 18.19 THB million, or a gross loss margin of 6.87%. The loss is mainly due to recognizing depreciation of DTRS equipment.

In 2022, the Company and subsidiaries had costs in the Digital Network Business totaling 548.44 THB million. This is an increase of 265.54 THB million or 93.87% from 2021. This is congruent with the increase in revenue. Gross loss accounted for 35.10 THB million, or a gross loss margin of 6.84%. The increase in gross loss and gross loss margin is mainly due to recognizing depreciation of DTRS equipment.

Digital Content Business

In 2021, the Company and subsidiaries had costs in the Digital Content business totaling 117.72 THB million. This is a decrease of 38.43 THB million or 24.61% from 2020. This is congruent with the decrease in revenue. Gross profit accounted for 11.29 THB million, or a gross profit margin of 8.75%. The decrease in gross profit is due to the decrease in revenue from its business in providing information via mobile phones, and a decrease in revenue from the live broadcasting of football matches.

In 2022, the Company and subsidiaries had costs in the Digital Content business totaling 113.30 THB million. This is a decrease of 4.42 THB million or 3.76% from 2021. This is congruent with the decrease in revenue. Gross profit accounted for 5.48 THB million, or a gross profit margin of 4.61%. The decrease in gross profit and gross profit margin is due to the decrease in revenue from its business in providing information via mobile phones, as well as increased marketing expenses and operating expenses due to its new Digital Content business related to online fortune telling and merit making via website and application, etc.

7.1.3 Sales and Administrative Expenses

In 2021, the Company and subsidiaries had sales and administrative expenses, including other expenses, totaling 141.84 THB million. This is a decrease of 46.55 THB million or 24.71% from 2020. This was because in 2021, the Company underwent a restructuring process, which resulted in a decrease in salaries, wages and other employee benefits of 35.19 THB million. Additionally, depreciation and amortization costs decreased by 47.24 THB million. As there were equipment whose value had been fully amortized in 2020, sales and administrative expenses, including other expenses, decreased in 2021 compared to 2020.

In 2022, the Company and subsidiaries had sales and administrative expenses, including other expenses, totaling 636.01 THB million. This is an increase of 494.17 THB million or 348.40% from 2021. The main reasons were because in 2022, losses from impairment of equipment was set as 393.00 THB million, due to expectations that the value that could be recouped from equipment was lower than that equipment's book value. Other expenses were 137.51 THB million, which was an increase of 136.38 THB million from the previous year. These other expenses include: losses from impairment of right-of-use assets of 77.29 THB million, amortization of goodwill of 59.32 THB million, due to expectations that the value that could be recouped from assets was lower than that asset's book value.

7.1.4 Financing Costs

In 2021, the Company and subsidiaries had financing costs totaling 196.46 THB million. This is an increase of 23.22 THB million from the previous year. This was mainly because of an increase in financing costs as a result of interests paid due to convertible debentures (amount: 53.71 THB million), an increase in interest due to loans from connected businesses of 9.70 THB million. Meanwhile, loan interest paid to banks decreased by 35.74 THB million due to principal repayment installations throughout 2021.

In 2022, the Company and subsidiaries had financing costs totaling 183.66 THB million. This is a decrease of 12.80 THB million from the previous year. The decrease in financing costs is mainly a result of expenses from issuing convertible debenture and a decrease in loan interest paid to banks due to principal repayment installations throughout 2022.

7.1.5 Income Tax

In 2021, the Company and subsidiaries had income tax expenses totaling 20.63 THB million. This is a decrease of 109.36 THB million from the previous year. This was because in 2020, the Company had tax expenses from amortization of income tax (amount: 113 THB million) as there was an estimation done to benefit from tax losses at the best possible amount due to uncertainties of future profit.

In 2022, the Company and subsidiaries had income tax expenses totaling 299.94 THB million. This is an increase of 279.31 THB million from the previous year. This was because in 2022, the Company had tax expenses from the amortization of deferred income tax (amount: 311.21 THB million) as there was an estimation done to benefit from tax losses at the best possible amount due to uncertainties of future profit.

7.1.6 Net Loss

In 2021, the Company and subsidiaries had a net loss totaling 355.66 THB million, or net loss of 85.05%. This is a larger loss compared to 2020 by 1.19 THB million. The difference between years is slight because: even though 2021 saw decreased revenue and increased loss from operations, income tax expenses were lower than in 2020.

In 2022, the Company and subsidiaries had a net loss totaling 1,265.31 THB million, or net loss of 196.80%. This is a larger loss compared to 2021 by 909.65 THB million. The larger loss is mainly due to setting losses from impairment of equipment to be 393.00 THB million (2021 had no such expenses), and other expenses of 137.51 THB million. Other expenses increased by 136.38 THB million compared to last year. Losses from impairment of financial assets were 127.43 THB million, which is a larger loss than the previous year by 112.73 THB million. This is mainly due to impairment of assets being recorded in accounting. Additionally, income tax expenses were 299.94 THB million, which was a 279.31 THB million increase from the previous year.

7.2 Analysis of Financial Status

7.2.1 Assets

As of 31 December 2020, the Company had total assets of 4,392.16 THB million, which is a decrease of 353.98 THB million from the previous year. Important items in the Company's assets were: Trade Accounts Receivable and Other Accounts Receivable, Other Current Assets, and Equipment.

As of 31 December 2021, the Company had total assets of 4,551.83 THB million, which is an increase of 159.67 THB million from the previous year. Important items in the Company's assets were: Other Current Assets and Equipment.

As of 31 December 2022, the Company had total assets of 4,251.54 THB million, which is a decrease of 300.29 THB million from the previous year. Important items in the Company's assets were: Other Current Assets, and Equipment.

Cash and Cash Equivalents

As of 31 December 2020, cash and cash equivalents of the company group totalled 123.36 THB million. This was a decrease of 91.09 THB million from the previous year. During the year, there was net cash flow received from operating activities of 445.88 THB million, net cash flow used in investment activities of (153.07) THB million, mainly due to cash paid for equipment (152.21) THB million, and net cash flow used in fundraising activities of (383.90) THB million, mainly due to cash paid to repay long-term loans from financial institutions of (548.81) THB million.

As of 31 December 2021, cash and cash equivalents of the company group totalled 171.18 THB million. This was an increase of 47.62 THB million from the previous year. During the year, there was net cash flow received from (used in) operating activities of (396.36) THB million, net cash flow used in investment activities of (67.91) THB million, mainly due to cash paid for equipment (121.26) THB million, and net cash flow received from fundraising activities of 511.90 THB million, mainly due to cash received from issuing convertible debentures of 644.00 THB million, while cash paid to repay long-term loans from financial institutions was (115.05) THB million.

As of 31 December 2022, cash and cash equivalents of the company group totalled 213.15 THB million. This was an increase of 41.97 THB million from the previous year. During the year, there was net cash flow received from operating activities of 136.64 THB million, net cash flow used in investment activities of (362.07) THB million, mainly due to cash paid for equipment (364.23) THB million, and net cash flow received from fundraising activities of 267.40 THB million, mainly due to cash received from issuing convertible debentures of 460.00 THB million, while cash paid to repay long-term loans from financial institutions was (224.54) THB million.

Trade Accounts Receivable

Trade Accounts Receivable and Other Accounts Receivable	2020	2021	2022
Trade Accounts Receivable – Connected Businesses - Net	2.15	63.67	21.77
Trade Accounts Receivable - Non-Connected Businesses - Net	491.79	209.32	64.59
Trade Accounts Receivable and Other Accounts Receivable - Net	7.64	0.78	0.10
Total	**501.58**	**273.77**	**86.46**

As of 31 December 2020, 31 December 2021, and 31 December 2022, the company group had Trade Accounts Receivable and Other Accounts Receivable totalling 501.58, 273.77 and 86.46 THB million respectively. The downward trend is because outstanding debts were repaid, and an item for “Reserve for Credit Losses Expected to Incur” was set. Most Trade Accounts Receivable were Trade Accounts Receivable - Non-Connected Businesses.

Other Current Assets

As of 31 December 2020, other current assets of the company group totals 387.66 THB million. It mainly consists of tax pending] of 194.21 THB and advance payment for equipment of 117.59 THB million. Other current assets of the company group decreased by 229.46 THB million from the previous year. The decrease is mainly due to a decrease in input tax refundable - withholding tax totaling 90.66 THB million, a decrease in unpaid tax] of 69.85 THB million, and a decrease in advance payment for equipment of 52.01 THB million.

As of December 31, 2021, other current assets were THB 523.52 million, mainly consisted of advance payment for goods in the amount of THB 267.68 million, tax to be refunded in the amount of THB 200.22 million. Other current assets of the Company increased from the previous year by THB 212.74 million, mainly from the advance payment for goods in the amount of THB 246.19 million.

As of December 31, 2022, other current assets were THB 689 million. Mainly consisting of advance payment for goods in the amount of THB 386.48 million, input tax awaiting refund in the amount of 231.90 million THB. an increase of THB 165.17 million compared with the end of 2021. This was mainly due to an increase in advance payments for goods in the amount of 118.80 million THB and the input tax pending recovery in the amount of THB 31.69 million.

Equipment

On 31 December 2020, the company group's equipment totalled 2,334.86 THB million. The majority consisted of assets in the process of installment: equipment related to the Digital Trunked Radio System and supporting systems to be used to cooperatively provide services. The value of equipment decreased by 288.76 THB million mainly due to amortization being fully recognized within this term.

On 31 December 2021, the company group's equipment totalled 2,376.62 THB million. The majority consisted of assets in the process of installment: equipment related to the Digital Trunked Radio System and supporting systems to be used to cooperatively provide services. The value of equipment increased by 41.76 THB million as there was an increased investment in equipment related to digital telecommunication radio network systems so that the network can be utilized comprehensively and effectively.

On 30 September 2022, the company group's equipment totalled 2,671.76 THB million. The majority consisted of assets in the process of installment: equipment related to the Digital Trunked Radio System and supporting systems to be used to cooperatively provide services. The value of equipment increased by 295.14 THB million as there was an increased investment in equipment related to digital telecommunication radio network systems so that the network can be utilized comprehensively and effectively.

7.2.2 Liabilities

As of 31 December 2020, the Company had total liabilities of 3,896.82 THB million. This is a decrease of 582.31 THB million from the previous year. Significant changes in assets and liabilities include: short-term loans from financial institutions decreased by 2,284.04 THB million, while long-term loans from financial institutions increased by 1,665.25 THB million.

As of 31 December 2021, the Company had total liabilities of 3,715.65 THB million. This is a decrease of 181.16 THB million from the previous year. Significant changes in liabilities include: long-term loans from financial institutions decreased by 115.05 THB million, and Trade Accounts Payable and Other Accounts Payable decreased by 88.95 THB million.

As of 31 December 2022, the Company had total liabilities of 4,192.57 THB million. This is an increase of 476.92 THB million from the previous year. Significant changes in assets and liabilities include: Trade Accounts Payable and Other Accounts Payable increased by 593.52 THB million, Deferred Income increased by 56.86 THB million, overdrafts and short-term loans from financial institutions increased by 49.80 THB million, while long-term loans from financial institutions decreased by 224.54 THB million.

Long-Term Loans from Financial Institutions

On 31 December 2020, 31 December 2021, and 31 December 2022, the Company had long-term loans from financial institutions of 2,841.53 THB million, 2,726.48 THB million, and 2,501.94 THB million respectively. The decrease is due to gradual repayment of loans to financial institutions.

Trade Accounts Payable and Other Accounts Payable

As of 31 December 2020, the Company had Trade Accounts Payable and Other Accounts Payable of 533.26 THB million. This is a decrease of 69.04 THB million mainly due to Other Accounts Payable and Advances from Connected Businesses decreasing by 79.06 THB million. Other Accounts Payable - Non-Connected Businesses decreased by 53.69 THB million, while Trade Accounts Payable - Non-Connected Businesses increased by 54.18 THB million.

As of 31 December 2021, the Company had Trade Accounts Payable and Other Accounts Payable of 444.31 THB million. This is a decrease of 88.95 THB million mainly due to Trade Accounts Payable - Non-Connected Businesses decreasing by 100.10 THB million. Other Accounts Payable - Non-Connected Businesses decreased by 54.97 THB million. Other Accounts Payable and Advances from Connected Businesses increased by 66.16 THB million.

As of 31 December 2022, the Company had Trade Accounts Payable and Other Accounts Payable of 1,037.83 THB million. This is an increase of 593.52 THB million mainly due to Trade Accounts Payable - Connected Businesses increasing by 176.07 THB million. Outstanding Expenses - Connected Businesses increased by 466.27 THB million, while Other Accounts Payable and Advances from Connected Businesses decreased by 50.01 THB million.

7.2.3 Shareholders' Equity

The Company's Shareholder's Equity as of 31 December 2020 was 495.34 THB million. This was a decrease of 353.98 THB million from 849.32 THB million in the previous year. The reason is from the decrease in retained earnings, which is due to net losses from operations in 2020, which had losses of 354.46 THB million.

The Company's Shareholder's Equity as of 31 December 2021 was 836.18 THB million. This was an increase of 340.84 THB million from the previous year. The reason is from an increase in registered and paid up capital of 117.54 THB million, and an increase in share premium of 552.46 THB million, due to the conversion of convertible debentures in 2021. Retained earnings decreased due to net losses from operations in 2021, which had losses of 355.66 THB million.

The Company's Shareholder's Equity as of 31 December 2022 was 58.97 THB million. This was a decrease of 777.21 THB million from the previous year. The main reason is from a decrease in retained earnings due to net losses from operations in 2022, which had net losses of 1,265.31 THB million. In 2022, the Company underwent an increase in registered and paid-up capital of 147.50 THB million, and there was an increase in share premium of 341.50 THB million due to the conversion of convertible debentures in 2022.

Attachment 3 : Summary of Information on Samart Corporation Public Company Limited

1. General Information

Company Name	:	Samart Corporation Public Company Limited
Nature of Business	:	Operates businesses related to the design and installation of communication systems
Headquarters	:	Software Park Building 35th Floor, 99/1 Moo 4, Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120
Registered Capital	:	1,174,254,794.00 THB, consisting of 1,174,254,794 common shares, with a par value of 1.00 THB per share (as of 31 December 2022).
Registered and Paid-Up Capital	:	1,006,504,143.00 THB, consisting of 1,006,504,143 common shares, with a par value of 1.00 THB per share (as of 31 December 2022).

2. Policies and Overall Business Operations

Samart Corporation Public Company Limited was founded on 7 March 1989 under its prior name, Samart Comtech Co., Ltd., by the Vilailuck Group, with an initial registered capital of 5 THB million, in order to operate businesses related to the design and installation of telecommunication systems. Later, in 1992, the Company underwent a name change to “Samart Corporation Public Company Limited” and transformed into a public company in 1993. At present, the Company operates a business by investing in subsidiaries in the form of a Holding Company. Cambodia Air Traffic Services Company Limited (CATS) is a subsidiary that operates its main business. CATS operates a business in the installation of systems and providing air traffic control services in Cambodia. Samart Corporation Public Company Limited, as the parent company, still has policies to operate other businesses by itself in order to create maximum added value to shareholders. At present, its business structure can be separated into 4 Lines of Business: 1) ICT Solution and Service Business 2) Digital Business 3) Utilities and Transportations Business 4) Technology Related Services Business.

Vision

“Determined to present technological products and services that supports organizations’ sustainability and encourages good quality of life”

Mission

In order to accomplish its Vision, the Samart Group has the following missions in look after its interested parties:

Customers	“Dedicated and attentive in presenting high quality technological products and services, in response to needs, and creating maximum benefits to customers or clients.”

Organization	"Manage and operate businesses effectively, transparently, fairly, and be responsible to interested parties, both directly and indirectly."
Partners	"Strengthen and maintain a strong and sustainable relationship with business partners"
Employees	"Treat employees fairly, encourage the development of potential and career progression."
Shareholders	"Dedicated to creating returns that are worthwhile to shareholders in the long term"
Community, Society and Environment	"Encourage "quality people and moral society" via continuous public service activities, as well as support environment conservation efforts and the appreciative use of resources"

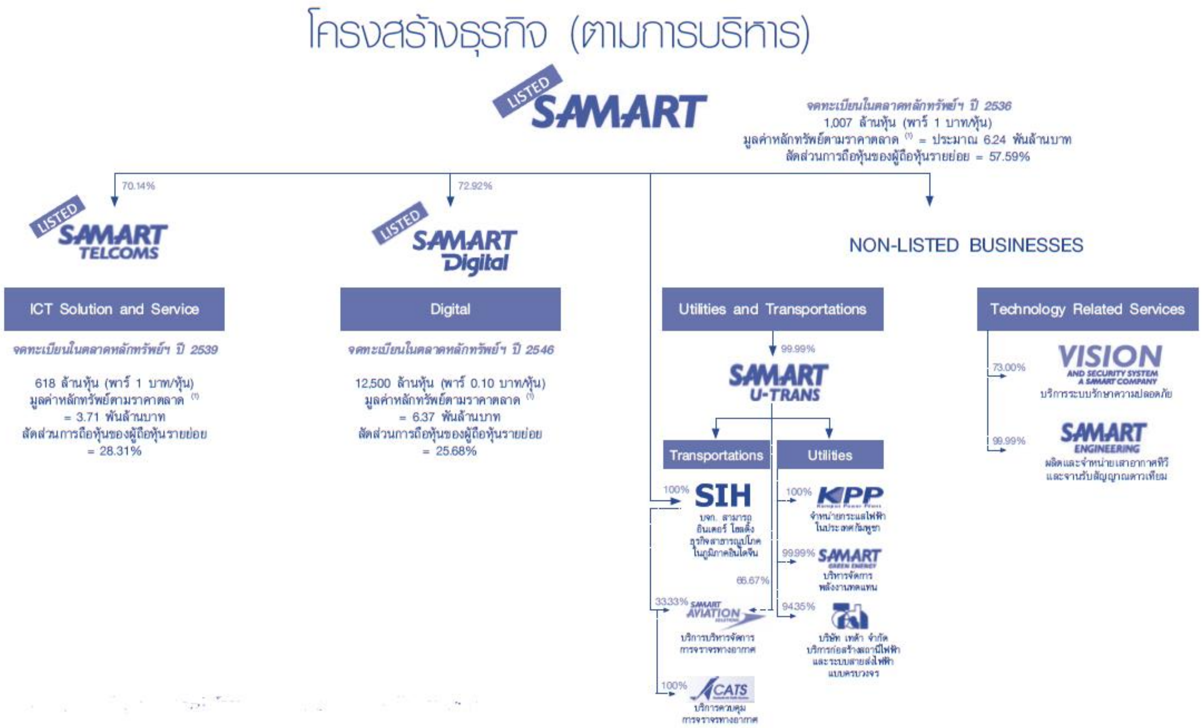
Business Goals

The Samart Group has the goal to become a leader in applying technology as well as a leader in presenting products and services in various facets in Thailand. Additionally, it has the dedication to expand its business to countries in the CLMV area (Cambodia, Laos, Myanmar, and Vietnam). Moreover, the Samart Group has the goal of increasing the proportion of consistent revenue to become 50% of all revenue within the next 3-5 years in order to support the Samart Group for strong and sustainable growth. At present, the Samart Group has the following strategies for operating businesses in each Line of Business:

ICT Solution and Service Business :	Focus on creating consistent revenue in the Line of Business by presenting comprehensive services, such as design-installation-operation, as well as system maintenance services, etc. Additionally, it has expanded its customer base to the private sector so that the Company can grow sustainably.
Digital Business :	Focus on the development of businesses and provide information services using digital technology in accordance with consumers' changed behaviors, while cooperating with partners in developing Digital Trunked Radio System and Co-Towers to create consistent revenue in this Line of Business.
Utilities and Transportations Business and Technology Related Services Business :	Prepare to support new business opportunities in order to have an important role in supporting the country to rapid development, as well as the CLMV region. The Company focuses on the development of infrastructure, flight industry, other transportation systems, and energy related development

<u>Company Group Structure</u>

As of 31 December 2022, SAMART has the following company group structure:



3. Nature of Business

Samart Corporation Public Company Limited (the Samart Group) is a company that focuses on operating businesses related to telecommunications system. At present, its business structure can be separated into 4 Lines of Business: 1) ICT Solution and Service Business 2) Digital Business 3) Utilities and Transportations Business 4) Technology Related Services Business. Subsidiaries operate businesses in each Line of Business. The natures of the businesses are as follows:

1. ICT Solution and Service Business:	Operates a business providing services related to communication, media, and digital solutions technology systems, including Network Solutions, Enhanced Technology Solutions, and Business Applications, by offering Total Solutions and Services including advising, contractor services, design and installation, management, as well as maintenance for organizations in the governmental and private sectors.
2. Digital Business:	Provides comprehensive communication business services in the digital age, including network, solution, and content.
3. Utilities and Transportations Business:	Operates businesses related to providing air traffic control services and the sale of electricity in Cambodia, as well as provide services related

to the design, construction and installation of electricity delivery systems as a comprehensive service.

4. Technology Related Services Business : Operates businesses in the manufacturing and sales of television and satellite receiver equipment; businesses related to the sales of contractor services for the installation and maintenance of security systems and audio and visual communication systems, both wired and wireless.

Revenue Structure

Type of Revenue	2020		2021		2022	
	Amount	Proportion	Amount	Proportion	Amount	Proportion
1. ICT Solution and Service Line of Business	5,371.0	59.0	4,366.2	62.8	4,485.0	49.7
2. Digital Line of Business	598.1	6.6	371.3	5.3	605.9	6.7
3. Call center Line of Business	642.8	7.0	0.0	0.0	0.0	0.0
3. Utilities and Transportations Line of Business	2,113.0	23.2	1,967.7	28.3	2,525.5	28.0
4.Technology Related Services Line of Business	380.8	4.2	249.3	3.6	1,404.1	15.6
Total Revenue	**9,105.7**	**100**	**6,954.5**	**100**	**9,020.5**	**100**

Note The Company sold all common shares in the Call Center Line of Business to outside persons who are not Connected Parties on 9 December 2020.

Nature of Products and Services

1. ICT Solution and Service Line of Business

Operates businesses to provide services related to communications, media and digital solutions technology systems. Can be divided into 3 sub-lines of business, which comprehensively covers many facets of modern technology and solutions. This includes: Network Solutions, Enhanced Technology Solutions, and Business Applications. Subsidiaries provide different types of services in a comprehensive manner, including providing advice, contractor services including design, installation, management and maintenance of media and communications technology systems. Provide services to large organizations in the private sector, state enterprises, governmental units. This line of business includes the following 13 subsidiaries: 1) Samart Telcoms Pcl. 2) Samart Communication Services Co., Ltd. 3) Samart Comtech Co., Ltd. 4) Samart Broadband Services Co., Ltd. 5) Thai Trade Net Co., Ltd. 6) Posnet Co., Ltd. 7) Samart Infonet Co.,Ltd. 8) Smarterware Co., Ltd. 9) Samart EdTech Co., Ltd. 10) Portalnet Co., Ltd. 11) IT Absolute Co.,Ltd. 12) Net Service (Thailand) Co., Ltd. 13) Secureinfo Co., Ltd.

This Line of Business has divided the nature of products and services into 3 sub-lines as follows:

1.1 Network Solutions

Operates a business in telecommunications and information communication systems that are modern and comprehensive. Includes advising, surveying, design, installation, management, as well as maintenance.

Has received trust from top organizations in the governmental and private sectors. Able to provide both Turnkey services and Outsource Services under the knowledge, skills and experience of engineers, and excellence in managing projects that create confidence in handing over quality projects. Also provides high quality services, meeting standards of ISO 20000 (IT Service Management) and ISO 9001 (Quality Management System). Has 30 service centers throughout the country, and provides services from Network Operation Center (NOC) which accepts complaints and troubleshoots problems customers might have during all 24 hours, with services that focus on the customer's satisfaction as priority. Solutions and services in this Sub-Line include:

- Wired High-Speed Network Solutions and Technology
  - Design, installation, and maintenance services of high-speed communication systems via fiber optics using modern technology: DWDM (Dense Wavelength Division Multiplexing) and FTTX (Fiber to the X)
  - High-speed communications services of many types and technologies including: Leased line, MPLS (Multiprotocol Label Switching), DSL (Digital Subscriber Line), Frame Relay, ATM (Asynchronous Transfer Mode) and Software-Defined WAN (SD-WAN)
- Wireless High-Speed Solutions and Technology
  - Solutions related to 4G, LTE และ 5G Technologies
  - Solutions and services for Digital Trunked Radio System (DTRS) andHandset Equipment systems
  - High-Speed Information Transfer Services via Satellite: VSAT (Very Small Aperture Terminal), SCPC (Single Channel Per Carrier) and iPStar

  The Network Solutions sub-line includes Samart Communication Services Co., Ltd. as the main operator. It also includes Samart Telcoms Pcl. , Samart Infonet Co.,Ltd. , Samart Broadband Services Co., Ltd. , and IT Absolute Co.,Ltd.

Additionally, Samart Telcoms Pcl. is a business partner of owners of top information communications technologie, including Cisco, Huawei, Motorola, Nokia, Juniper Networks, Paloalto, etc. It has cooperation related to improving marketing and developing the potential of personnels in providing services in order to strengthen long competitiveness.

1.2 <u>Enhanced Technology Solutions</u>

Operates a business to provide communications, media and digital solution systems services that blend and combine and adapt various technologies to respond to the customer's needs. This includes solutions for specialized high-technology to support customers' important work that require high correctness, precision and stability, which is custom built for each customer to be appropriate and effective. Provides comprehensive services including: Consulting Services, Engineering Design & Software Development, Implementation under Professional Project Management, Outsourcing Services, and Maintenance Services, to customers both in the governmental and private sector. Maintains service standards according to ISO 9001 (Quality Management System) and CMMI, which is a software development standard whose quality is widely accepted in the software industry worldwide, by Samart Comtech Co., Ltd., which is the main operator of this sub-line. Additionally, Samart

Telcoms Pcl. and Smarterware Co., Ltd. have been certified by CMMI Level 3, and Secureinfo Co., Ltd. have been certified by ISO 27001 (Information Security Management Systems: ISMS). Solutions and services for this sub-line include:

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

For the Enhanced Technology Solutions Sub-Line, other than Samart Comtech Co., Ltd. which is the main operator of this sub-line, it also includes Samart Telcoms Pcl. , Smarterware Co., Ltd. , Net Service (Thailand) Co., Ltd. , and Secureinfo Co., Ltd.

1.3 Business Applications

Operates a business to provide solutions and services related to software applications that can improve the capabilities and effectiveness of operations in electronics form: for governmental organizations to provide services to the population, and for organizations in the private sector and business organizations to improve their competitiveness and create satisfaction for customers and clients.

This business sub-line provides various software application services by company groups that have been certified by CMMI Level 3, which is a standard for quality software development. Additionally, it also provides services for the design and development of systems software in a comprehensive manner. This business sub-line has Samart Telcoms Pcl. as the main operator. Solutions and services of this sub-line include:

- Enterprise Resource Planning (ERP) System as well as Enterprise Asset Management (EAM) System and Robotic Process Automation (RPA) System, by Portalnet Co., Ltd.
- Core Banking System Solutions and Banking & Financial Solutions Systems, by Samart Telcoms Pcl.
- E-Payment Solution System Services, Electronic Data Capture (EDC Machine) Systems, Electronic Signature Capture Systems, E-Receipt Platform Systems, Smart Card Systems, Loyalty Services, QR Payment Systems, Applications for Kiosks used for the Sale of Products and Services, as well as Point of Sales Systems, by Posnet Co., Ltd.
- Application Software Services for the Exchange of Business Transactions via Electronics Media (Electronic Data Interchange – EDI), Supply Chain Financing Services, Application Software

Services Related to Supply Chain Management or Systems, as well as Cloud Computing Services, by Thai Trade Net Co., Ltd.

- e-Learning Systems Services, Development of e-Courseware services, and Digital Content, which includes Mobile Applications, by Samart EdTech Co., Ltd.

2. Digital Line of Business

Operates a business to provide comprehensive communication business services in the digital era. Includes network, solution and content. This line of business includes the following 10 subsidiaries: 1) Samart DIGITAL Plc. 2) Samart Mobile Services Co.,Ltd. 3) I-Mobile Plus Co., Ltd. 4) Secure Asia Company Limited 5) Lucky Heng Heng Co., Ltd. 6) Samart Digital Media Co., Ltd. 7) Entertainment Tree Co., Ltd. 8) Thai Base Station Company Limited 9) I-Sport Co., Ltd. 10) Siam Sport Television Co., Ltd. The main operator of this line of business is Samart DIGITAL Plc.and Samart Digital Media Co., Ltd. The business operations of the Company and subsidiaries can be separated into 2 sub-lines as follows:

2.1 Digital Network

Operates a business to sell communication devices and electronic devices. Operates a integrated communication business in the digital age, including both network and solutions. Since 2017, the Company has adapted its business to provide fully digital services in the form of providing Digital Trunked Radio System (DTRS) services and the leasing of co-towers to mobile operators in national parks throughout the country. Both projects involve providing services alongside CAT Telecom Public Company Limited (At present, CAT Telecom Public Company Limited has undergone a merger with TOT Public Company Limited and is now known as National Telecom Public Company Limited) and still focuses on operating businesses that provide regular revenue.

2.2 Digital Content

Provides services related to providing information, news and entertainment that are up-to-date and corresponds to needs in daily lives of users of all genders and age groups in the form of audio (Voice) and messages or images (Non-Voice) as well as multimedia in various formats such as: the use of VDO Streaming, real-time services and one-on-one services through many channels of communication devices. Information, news and entertainment provided includes general sports results reporting and fortune telling through a center of fortune tellers and horoscopes.

3. Utilities and Transportations Line of Business

Provides services related to the management of air traffic for the airspace of Cambodia. Has entered into a concession contract with the Cambodian government with a total duration of 32 years (Concession contract duration: 2002-2034). Later, in December 2017, CATS signed an amendment to said concession contract with the Cambodian government, extending the duration of the concession an additional 7 years after 2034, ending in 2041. In order to extend the duration of the concession, CATS must have investments in additional assets for the project according to the specified conditions in the concession duration extension agreement. Provides 3 types of services, as follows:

1. Provides air traffic control services along flight routes throughout Cambodia. It is the management of air transport according to international regulations and standards. Includes informing news and useful advice

to pilots (Flight Information Service) and Alerting Service so that the aircraft can safely, conveniently, and quickly reach its destination. Also cooperates in the search and rescue of aircraft involved in accidents. The area of service includes managing air traffic around the airport area (Aerodrome control service) the area near the airport (Approach control service) and air traffic along the flight route (Area control service).

2. Provides aviation communication services by sending-receiving and transmitting news related to flight plans, flight schedules, as well as other news that are necessary for aviation operations
3. Provides Radio Navigation Aids, which is providing equipment that is used to assist an aircraft to lift off and land in the airport area.

4. Technology Related Services Line of Business

Technology Related Services Line of Business involves operating a business to manufacture and sell television and satellite receiver equipment; businesses related to the sales of contractor services for the installation and maintenance of security systems and audio and visual communication systems, both wired and wireless; as well as businesses related to waste management services in the Suvarnabhumi Airport area. This Line of Business involves the following 6 companies: 1) Samart Corporation Public Company Limited 2) Vision and Security System Co., Ltd. 3) Suvarnabhumi Environment Care Company Limited 4) Samart Raditech Co.,Ltd. 5) Samart Engineering Co., Ltd. and 6) Cambodia Samart Communication Co., Ltd.

State of Industry

Krungsri Analysis expects that the world economy over the next 3 years is likely to slow down in growth, from 3.2% in 2022 to 2.7% in 2023 before increasing slightly to 3.0% in years 2024-2025. Even though negative effects from COVID-19 are resolving, many factors still pressure the economy, especially the Russia-Ukraine War which led to trade sanctions and an energy crisis that is likely to be prolonged, and the slowing down of the Chinese economy. Additionally, economic polarization led by the United States and China will affect the world supply chain, and may intensify deglobalization. Moreover, the use of high interest rate policies in 2022-2023 to control inflation amidst a high energy price will impact costs and debt burden for the government and private sectors, as well as a tight economic situation in the financial markets. Overall, the world economy is at risk for a severe slump in 2023. The slowing down of worldwide supply may alleviate the pressure of inflation in the next phase, which will allow core countries to lower interest rates to prevent the economy from being weak for a prolonged period of time.

As for the Thai economy, the Krungsri Analysis expects it to expand by approximately 3.5% per annum in 2023-2025, which is an improvement from 3.2% growth in 2022, and a higher growth rate than economies of core countries. Important driving forces include:

(1) The tourism industry, which is growing at an accelerated rate, is positively impacting employment rates, even though time is still required. It is expected that the number of foreign tourists will return to normal numbers from before the spread of COVID-19 in 2025.

(2) The private sector consumption which is slowly growing according to consumers' confidence in spending; the recovery of the labor market, and the spending of the high-income group. The spending of the low-income group will be limited by a high cost of living and household debt which may bear additional burdens from the increased interest rate.

(3) The private sector investment, especially the service industry, which follows the recovery of the tourism industry and related businesses. This also includes investment in the industrial sector, which sees gradual growth following businesses that are related to improving businesses' capabilities in order to move towards a digital economy and the driving force of the Bioeconomy-Circular Economy-Green Economy (BCG Model). Large-scale infrastructure investment in the governmental sector is expected to accelerate, especially projects that support the Eastern Economic Corridor: EEC, which has an investment target of 2.2 trillion THB between 2023-2027.

(4) Exports can still expand, even though growth rates will slow down compared to 2022. Pressuring factors include the slowing down of global trade and the deglobalization trend amidst conflicts between great power countries. Regardless, exporting to some markets or in some categories may alleviate the slowing down of exports. For example, exporting to ASEAN which still sees growth dynamics, as well as exporting in agricultural and food categories which are necessary goods; some categories are able to replace goods that were affected by the Russia-Ukraine crisis. As for Thailand's financial policies to control inflation; they may not be very strict as economic recovery is still weak. It is expected that the policy interest rate is likely to gradually trend upwards and reach 1.75% in Q1/2023. Inflation will still be high in early 2023, before falling back to target levels around the middle of the year. The Baht currency still sees high fluctuations due to strict economic policies by core countries and risks from other countries. Regardless, revenue from tourism may be able to support the Baht currency to somewhat appreciate in value during some periods.

Gartner, a top global research and advisory company, has estimated the value of IT products and services globally. It expects the trend of global IT spending in 2022 to be valued at 4.5 trillion USD, increasing to 2.4% from 2022, but decreasing from 5.1% when compared to last quarter expectations. Inflation still limits consumers' purchasing power, resulting in a slower growth in IT equipment spending. However, it is expected that the value of IT spending by organizations will still see strong growth overall.

Gartner has the view that both consumers and business organizations are facing extremely different economic situations. While inflation has a severe impact on the consumer market, and is partially responsible for many B2C businesses laying off staff, business organizations will have higher IT spending due to various digital projects even though the global economy is in a slowing down period. Regardless, the fluctuating economy has changed the context of business decisions and is also the reason that IT executives are more hesitant and make decisions more slowly, or have to reprioritize their work.

Gartner expects that this year (2023), Software and IT Services will see the largest amount of growth, at 9.3% and 5.5% respectively. Devices are expected to see (5.1)% negative growth, as both consumers and business organizations are waiting longer between purchases of new equipment. Due to the pandemic, employees and consumers changed their technological equipment in order to better accommodate remote work and study, whether it be tablets, laptops or mobile phones. If there are no important reasons to upgrade, consumers will continue to use their existing equipment for a longer period of time.

Unit: USD Million	2022 Spending	2022 Growth (%)	2023 Spending	2023 Growth (%)
Data Center Systems	212,376	12	213,853	0.7
Software	783,462	7.1	856,029	9.3
Devices	722,181	-10.6	685,633	-5.1
IT Services	1,244,746	3	1,312,588	5.5
Communications Services	1,422,506	-2.4	1,423,367	0.1
Overall IT	**4,385,270**	**-0.2**	**4,491,471**	**2.4**

Worldwide IT Spending Forecast. Source : Gartner, 2023

As for IT Spending in Thailand in 2023, Gartner expects the number to reach 934.9 THB billion, which is a growth rate of 4.2% compared to 2022. Software and IT Services will see double-digit growth as various organizations show increased spending on digital projects.

Unit: THB Million	2022 Spending	2022 Growth (%)	2023 Spending	2023 Growth (%)
Data Center Systems	26,023	20.7	27,461	5.5
Software	69,813	15.1	80,193	14.9
Devices	205,386	-4.1	195,687	-4.7
IT Services	98,974	9.9	109,306	10.4
Communications Services	496,761	5	522,239	5.1
Overall IT	**896,958**	**4.4**	**934,886**	**4.2**

IT Spending Forecast in Thailand. Source : Gartner, 2023

Gartner has the view that inflation, lack of skills, and supply chain problems will continue to significantly impact Thailand. IT executives will be hesitant, make decisions more slowly, or have to reprioritize. Even though there are such business challenges, regional organizations still show higher spending on digital projects.

As for the growth of the ICT industry in Thailand, the TMB Economic Analysis Center still expects good growth. There are supporting factors from the governmental sector according to the Thailand 4.0 policy; the development of 5G technology, which can lead to growth in businesses that use ICT and create a higher demand for Smart Devices; the policy to develop an area that supports digital industries and innovations (EECd) and the Smart Cities policy. Additionally, a policy that encourages Bioeconomy-Circular Economy-Green Economy (BCG Model), which uses communication technologies, media and digital in order to design, plan, manage, analyze, as well as create platforms for the management and encouragement of said economic strategies effectively. Moreover, Krungsri Research stated that new technology will have an important role in various industries, such as 5G, Internet of Things (IoT) which can be adapted to use in almost every industry, Artificial Intelligence (AI) which can be used in every system in every industry in order to work smarter, Edge Computing, Drones, etc.

Additionally, Big Data Analytics will see constant growth. Technologies related to proving identity and Block Chain technologies will be adapted for use in various platforms and applications to support transactions and digital assets. Moreover, businesses tend to use XaaS (Anything-as-a-Service) in order to provide Digital Service to customers more swiftly, leading to the growth of Cloud Computing. Similarly, cybersecurity technologies will see growth due to cybersecurity laws and the Personal Data Protection Act, which will be effective in 2022, and in order to defend against escalating cybersecurity threats.

Moreover, as for the digital content industry, the Digital Economy Promotion Agency (DEPA) expects it to consistently grow. In 2022, it will have a value of 59,136 THB million, and 72,703 THB million in 2023, especially Virtual Reality (VR) technologies used to connect to a virtual world that can be adapted for use in various industries. Even though there are predictions that the IT, communications and digital market will expand, there are still many factors to watch for, as they affect economic growth. For example, the prevention and control of COVID-19 to limit the spread; fluctuations of the economic sector in foreign countries and global finances; supply chain problems and international transportation; the increase in energy and commodities prices, which may lead to the market expanding less than expected, leading to a higher competitiveness in the market.

At present, all business sectors are heading towards becoming technology companies, whether it be the banking sector, retail sector, media sector, and etc. leading to higher competitiveness in the market with ICT service providers, both directly and indirectly. There are developments of new types of business and innovations in order to respond to customer needs, both in terms of price, quality and positive customer experience. There is a trend towards the development of self-owned digital platforms for the purposes of competition, and marketing is aggressive. There are instances of cooperation across different business networks in order to add value to goods and services. Additionally, service providers as well as digital tech startups from foreign countries are more frequently competing in the Thai domestic market. All of the above leads to a constantly increasing level of competitiveness in the IT, communications and digital industry.

4. List of Directors

As of 31 December 2022, the Company has the following List of Directors

No.	Name	Position
1	Mr. SERI SUKSATHAPORN	CHAIRMAN OF THE BOARD OF DIRECTORS, INDEPENDENT DIRECTOR, AUDIT COMMITTEE
2	Mr. CHAROENRATH VILAILUCK	EXECUTIVE CHAIRMAN, CHIEF EXECUTIVE OFFICER, DIRECTOR
3	Mr. VICHAI SRIKWAN	VICE CHAIRMAN, INDEPENDENT DIRECTOR, CHAIRMAN OF AUDIT COMMITTEE
4	Mr. WATCHAI VILAILUCK	DIRECTOR
5	Mrs. SIRIPEN VILAILUCK	DIRECTOR
6	Mr. SIRICHAI RASAMEECHAN	DIRECTOR
7	Mr. THANANAN VILAILUCK	DIRECTOR
8	Mr. TEERACHAI PHONGPANANGAM	DIRECTOR
9	Mr. PRINYA WAIWATANA	INDEPENDENT DIRECTOR
10	Mr. PAIROJ BOONKONGCHUEN	INDEPENDENT DIRECTOR, AUDIT COMMITTEE

Source : www.set.or.th

5. Shareholding Structure

As of 30 December 2022, the Company has the following list of shareholders:

No.	Name of Shareholder	No. of Shares	%
1	Vilailuck International Holding Co., Ltd.	149,072,200	14.81
2	Mr. Watchai Vilailuck	126,977,160	12.62
3	Mr. Charoenrath Vilailuck	112,704,960	11.20
4	Mr. Apisak Theppadungporn	39,172,200	3.89
5	Mr. Thananan Vilailuck	26,028,500	2.59
6	Bualuang Long - Term Equity Fund	25,738,200	2.56
7	Mr.Thaveechat Jurangkool	24,933,100	2.48
8	THAI NVDR Co., Ltd.	17,751,533	1.76
9	Police Major General Somyot Poompanmoung	14,290,500	1.42
10	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	13,250,100	1.32
	Total Shares of Top 10 Shareholders	549,918,453	54.65
	Minority Shareholders	**456,585,690**	**45.35**
	Total Shares	**1,006,504,143**	**100.00**

Source : set.or.th

6. Financial Statements

6.1 Statement of Financial Position

Statement of Financial Position	Consolidated Financial Statements, for Year Ended					
	31 December 2020 Audited		31 December 2021 Audited		31 December 2022 Audited	
	THB million	%	THB million	%	THB million	%
Assets						
Current Assets						
Cash and Cash Equivalents	1,599.86	8.87	1,308.56	7.21	1,636.08	8.46
Trade Accounts Receivable and Other Accounts Receivable	2,102.38	11.66	1,758.91	9.69	2,468.91	12.77
Accrued Income	3,061.95	16.98	2,928.63	16.14	2,812.34	14.54
Current portion of finance lease receivables	127.66	0.71	64.22	0.35	102.01	0.53
Short-Term Loans (Lent)	12.07	0.07	0.01	0.00	10.04	0.05
Inventories	605.18	3.36	749.32	4.13	614.74	3.18
Other Current Financial Assets	60.53	0.34	205.20	1.13	33.61	0.17
Other Current Assets	1,323.99	7.34	1,426.08	7.86	1,806.07	9.34
Total Current Assets	**8,893.62**	**49.32**	**8,440.92**	**46.51**	**9,483.78**	**49.05**
Non-current Assets						-
Restricted bank deposits	249.63	1.38	266.70	1.47	343.10	1.77
Other non-current financial assets	119.38	0.66	101.84	0.56	93.77	0.48
Other long-term receivables - net of current portion	130.48	0.72	119.99	0.66	119.62	0.62
Finance lease receivables - net of current portion	43.88	0.24	-	-	450.59	2.33
Investment properties	84.64	0.47	84.64	0.47	84.64	0.44
Property, plant and equipment	5,349.91	29.67	5,999.23	33.06	6,263.06	32.39
Right-of-use assets	491.68	2.73	393.51	2.17	352.24	1.82
Goodwill	392.13	2.17	392.13	2.16	236.71	1.22
Intangible assets	1,003.86	5.57	1,010.44	5.57	1,049.58	5.43
Deferred tax assets	767.46	4.26	710.28	3.91	328.79	1.70
Other non-current assets						
Deposits	59.52	0.33	53.86	0.30	54.60	0.28
Others	444.77	2.47	575.21	3.17	475.37	2.46
Total other non-current assets	504.30	2.80	629.06	3.47	529.97	2.74
Total Non-current Assets	9,137.34	50.68	9,707.83	53.49	9,852.07	50.95
Total Assets	18,030.96	100.00	18,148.74	100.00	19,335.85	100.00
Liabilities & Equity						
Current Liabilities						

Statement of Financial Position	Consolidated Financial Statements, for Year Ended					
	31 December 2020 Audited		31 December 2021 Audited		31 December 2022 Audited	
	THB million	%	THB million	%	THB million	%
Bank overdrafts and short-term loans from financial institutions	3,465.91	19.22	2,981.54	16.43	3,140.68	16.24
Trade and other payables	1,634.63	9.07	1,553.83	8.56	2,062.40	10.67
Short term loan	22.14	0.12	12.71	0.07	12.71	0.07
Current portion of debentures	-	-	1,199.38	6.61	-	-
Current portion of long-term loans from financial institutions	1,559.15	8.65	2,987.27	16.46	3,495.19	18.08
Current portion of lease liabilities	82.08	0.46	77.70	0.43	60.69	0.31
Income tax payable	20.70	0.11	7.54	0.04	26.77	0.14
Accrued project cost	1,017.84	5.64	819.42	4.52	1,125.90	5.82
Short-term provisions	81.53	0.45	94.67	0.52	107.94	0.56
Other current financial liabilities	38.30	0.21	27.13	0.15	34.40	0.18
Other current liabilities	500.85	2.78	471.56	2.60	664.31	3.44
Total Current Liabilities	**8,423.15**	**46.71**	**10,232.73**	**56.38**	**10,730.99**	**55.50**
Non-Current Liabilities						
Debentures - net of current portion	1,196.57	6.64	-	-	1,669.39	8.63
Long-term loans from financial institutions - net of current portion	3,438.99	19.07	2,474.34	13.63	1,685.77	8.72
Convertible Debenture	-	-	27.63	0.15	37.96	0.20
Lease liabilities, net of current portion	144.74	0.80	91.89	0.51	181.85	0.94
Long-term provisions	116.38	0.65	130.48	0.72	655.18	3.39
Provision for long-term employee benefits	304.65	1.69	304.47	1.68	310.04	1.60
Deferred tax liabilities	150.84	0.84	140.36	0.77	182.43	0.94
Other non-current financial liabilities	18.70	0.10	18.83	0.10	23.26	0.12
Other Non-current Liabilities	-	-	-	-	-	-
Deposits	1.77	0.01	1.69	0.01	1.69	0.01
Other	0.99	0.01	0.99	0.01	4.27	0.02
Total other non-current liabilities	2.76	0.02	2.68	0.01	5.96	0.03
Total Non-current Liabilities	**5,373.63**	**29.80**	**3,190.69**	**17.58**	**4,751.85**	**24.58**
Total Liabilities	**13,796.77**	**76.52**	**13,423.42**	**73.96**	**15,482.83**	**80.07**
Shareholders' equity						
Registered	1,342.01	7.44	1,509.76	8.32	1,174.25	6.07
Issued and fully paid-up	1,006.50	5.58	1,006.50	5.55	1,006.50	5.21
Share premium	243.40	1.35	243.41	1.34	243.41	1.26
Deficit on changes in percentage of shareholding in subsidiary	(1,207.07)	(6.69)	(503.32)	(2.77)	(246.62)	(1.28)
Retained earnings						

Statement of Financial Position	Consolidated Financial Statements, for Year Ended					
	31 December 2020 Audited		31 December 2021 Audited		31 December 2022 Audited	
	THB million	%	THB million	%	THB million	%
Appropriated - statutory reserve	134.20	0.74	134.20	0.74	134.20	0.69
Unappropriated (deficit)	2,766.88	15.35	2,355.14	12.98	1,397.68	7.23
Other elements of equity	97.08	0.54	147.72	0.81	143.80	0.74
Equity attributable to owners of the Company	**3,041.00**	**16.87**	**3,383.65**	**18.64**	**2,678.97**	**13.85**
Non-controlling interests of the subsidiaries	1,193.18	6.62	1,341.67	7.39	1,174.05	6.07
Total shareholders' equity	**4,234.18**	**23.48**	**4,725.32**	**26.04**	**3,853.02**	**19.93**
Total liabilities and shareholders' equity	**18,030.96**	**100.00**	**18,148.74**	**100.00**	**19,335.85**	**100.00**

Source: The Company's Financial Statements

6.2 Income statement

Income Statement	Consolidated Financial Statements, for Year Ended					
	31 December 2020 Audited		31 December 2021 Audited		31 December 2022 Audited	
	THB million	%	THB million	%	THB million	%
Revenue						
Revenues from sales	794.21	8.37	544.62	7.64	765.24	8.13
Revenue from contract work	4,525.88	47.69	4,035.94	56.61	4,249.65	45.12
Service income	3,785.66	39.89	2,373.98	33.30	4,005.61	42.53
Other income	167.97	1.77	174.90	2.45	397.55	4.22
Profit from sale of investment in subsidiary	217.11	2.29	-	-	-	-
Total Revenue	**9,490.83**	**100.00**	**7,129.45**	**100.00**	**9,418.05**	**100.00**
Expenses	-	-	-	-	-	-
Cost of sale	663.30	6.99	529.16	7.42	721.76	7.66
Cost of contact work	3,760.35	39.62	3,346.90	46.94	3,635.10	38.60
Cost of services	3,570.15	37.62	2,092.35	29.35	3,153.34	33.48
Selling, Distribution expenses	260.04	2.74	222.42	3.12	223.25	2.37
Administrative expenses	1,034.67	10.90	909.08	12.75	899.42	9.55
Other expenses	184.17	1.94	10.17	0.14	1,065.72	11.32
Total expenses	**9,472.68**	**99.81**	**7,110.09**	**99.73**	**9,698.59**	**102.98**
Operatin income	**18.15**	**0.19**	**19.36**	**0.27**	**(280.55)**	**(2.98)**
Finance income	26.92	0.28	12.08	0.17	12.28	0.13
Finance cost	(409.14)	(4.31)	(388.29)	(5.45)	(483.72)	(5.14)
Loss of impairment loss on financial assets	26.79	0.28	(56.87)	(0.80)	(98.69)	(1.05)

Income Statement	Consolidated Financial Statements, for Year Ended					
	31 December 2020 Audited		31 December 2021 Audited		31 December 2022 Audited	
	THB million	%	THB million	%	THB million	%
Loss before tax	**(337.28)**	**(3.55)**	**(413.71)**	**(5.80)**	**(850.67)**	**(9.03)**
Tax	(115.62)	(1.22)	(46.71)	(0.66)	(481.99)	(5.12)
Loss of the year	**(452.89)**	**(4.77)**	**(460.42)**	**(6.46)**	**(1,332.66)**	**(14.15)**

Source: The Company's Financial Statements

6.3 Cash Flow Statement

Statement of cash flows	Consolidated Financial Statements, for Year Ended		
	31 December 2020 Audited	31 December 2021 Audited	31 December 2022 Audited
	THB million	THB million	THB million
Cash flows from operating activities			
Loss before tax	(337.28)	(413.71)	(850.67)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities			
Unrealised (gain) loss on exchange	6.48	(3.90)	(21.22)
(Gain) loss on change in value of other current financial assets	2.73	(3.90)	1.28
Profits from the distribution of investments in marketable equity securities.	(0.25)		
Unrealised loss from forward exchange contracts		0.00	13.58
Gain on sales of asset under finance lease agreements		0.00	(101.00)
Income from pursuing a legal case		0.00	(247.57)
Write-off trade and other receivables	1.56	57.04	82.49
Increase (decrease) in allowance for expected credit losses of trade and other receivables	(98.79)	(20.19)	18.97
Increase (decrease) of allowance for diminution in value of accrued revenue	0.39	14.55	(2.00)
Increase in allowance for expected credit losses of short-term loans to subsidiary		0.00	0.00
Decrease in reduction cost of inventory to net realisable value	(35.89)	(44.53)	(11.88)
Decrease in allowance for expected credit losses of other current assets	0.00	(2.25)	0.00
Increase (decrease) in allowance for expected credit losses of Increase (decrease) in allowance for expected credit losses of other non-current financial assets	1.04	(1.25)	(0.23)
Increase in allowance for expected credit losses of other long-term receivables	70.57	10.00	0.00

Statement of cash flows	Consolidated Financial Statements, for Year Ended		
	31 December 2020 Audited	31 December 2021 Audited	31 December 2022 Audited
	THB million	THB million	THB million
Write-off withholding tax deducted at source	27.50	7.73	8.81
Write-off other current assets	0.00	2.25	0.00
Loss on impairment of investments in subsidiaries		0.00	0.00
Gain on disposals of investments and warrants		0.00	0.00
Profit from selling investments in subsidiaries	(217.11)		
Gain on sales of listed equity investment		0.00	(3.40)
Loss on revaluation of investment properties		0.00	0.00
Depreciation of plant and equipment	1,056.92	397.24	581.54
Depreciation of right-of-use assets	138.18	125.54	120.06
(Gain) loss on disposal of equipment	(10.55)	(31.13)	(2.10)
Gain on disposal of intangible assets	(5.51)	0.00	(0.01)
Gain on change of lease agreements		0.00	(11.22)
Amortisation of deferred interest under lease liabilities		8.56	17.76
Amortisation of unearned interest under lease receivable		(4.54)	(0.40)
Gain on compensation received from insurance	(0.06)	(0.06)	(0.03)
Write-off equipment	0.63	0.74	0.84
Transfer intagible assets to expense	0.01	0.00	0.02
Increase in allowance for impairment of equipment	151.74	0.11	393.00
Profit from reversal of provisions under concession	(8.00)		
Amortisation of intangible assets	162.79	115.47	105.72
Loss from write-off of goodwill		0.00	155.42
Increase in allowance for impaiment of right-of-use assets		0.00	77.29
Reversal loss from provision for penalty from projects delay		0.00	(25.47)
Loss from damage of project termination	0.00	21.59	0.00
Loss from long-term provision		0.00	426.56
Increase in provision for long-term employee benefits	4.09	9.64	3.92
Dividend income	(0.52)	(0.51)	(0.66)
Finance income	(26.92)	(7.54)	(11.88)
Interest expenses	393.84	364.63	440.87
Profit (loss) from operating activities before changes in operating assets and liabilities	**1,277.59**	**601.58**	**1,158.41**
Operating assets (increase) decrease			
Trade and other receivables	1,895.98	303.74	(558.20)
Accrued income	1,132.16	118.77	143.57
Inventories	(207.77)	(192.37)	(290.95)

Statement of cash flows	Consolidated Financial Statements, for Year Ended		
	31 December 2020 Audited	31 December 2021 Audited	31 December 2022 Audited
	THB million	THB million	THB million
Other current financial assets	273.07	(140.77)	159.42
Other current assets	69.87	(240.59)	(308.23)
Other non-current financial assets	(30.19)	5.89	8.29
Other non-current assets	(110.78)	(48.23)	103.86
Operating liabilities increase (decrease)	0.00	0.00	0.00
Trade and other payables	(67.67)	(238.89)	854.75
Other current financial liabilities	14.59	(11.18)	(6.30)
Other current liabilities	(345.13)	(31.63)	152.85
Other non-current financial liabilities	7.72	0.14	4.43
Other non-current liabilities	3.31	(0.08)	3.28
Cash flows from (used in) operating activities	3,912.75	126.39	1,425.17
Cash paid for interest expenses	(412.59)	(349.04)	(398.39)
Cash paid for corporate income tax	(351.49)	(148.08)	(180.49)
Cash received from withholding tax refundable	217.11	126.37	58.04
Cash received from value added tax refundable	0.00	92.86	0.41
Net cash flows from (used in) operating activities	**3,365.79**	**(151.50)**	**904.74**
Cash flows from investing activities			
Cash paid to provide short-term loans to subsidiary companies	(1.01)		
Cash received from repayment of short-term loans to subsidiary companies	(0.02)		
Cash paid to exercise of warrants		0.00	(0.22)
Cash paid to provide short-term loans to unrelated party		0.00	(24.90)
Cash received from repayment of short-term loans to unrelated party	1.24	12.09	14.94
Net cash inflows from sales of investments in subsidiaries	410.42		
Cash paid to provide short-term loans to employees		(0.02)	(0.17)
Cash received from repayment of short-term loans to employees		0.00	0.10
Cash paid for additional purchase of investments in subsididaries		0.00	0.00
Cash received from interest income	15.08	6.63	6.90
Proceeds from disposals of listed equity investments	6.42	54.64	14.52
Dividend received from listed equity investments	0.52	0.51	0.66
Dividend received from subsidiaries		0.00	0.00
Increase in restricted bank deposits	(0.52)	(17.07)	(76.40)
Cash received from lease receivables under finance lease agreement	122.03	111.86	64.62
Proceeds from disposal of equipment	18.96	30.57	6.90
Cash paid for acquisitions of equipment and assets under installation	(2,148.24)	(1,000.27)	(1,191.66)

Statement of cash flows	Consolidated Financial Statements, for Year Ended		
	31 December 2020 Audited	31 December 2021 Audited	31 December 2022 Audited
	THB million	THB million	THB million
Cash received from insurance claims	0.06	0.06	0.16
Proceeds from disposal of intangible assets	7.52	0.00	0.11
Cash paid for acquisition of intangible assets	(106.25)	(23.10)	(49.67)
Decreased portion of non-controlling interests of subsidiaries	(0.30)		
Net cash flows used in investing activities	**(1,674.09)**	**(824.10)**	**(1,234.10)**
Cash flows from financing activities			
Increase in bank overdrafts	(0.00)	15.39	49.80
Proceeds from short-term loans from financial institutions	5,260.22	4,298.91	4,106.34
Cash paid to settle short-term loans from financial institutions	(6,390.56)	(4,296.28)	(3,855.79)
Cash receive to bill of exchange	100.00		
Cash paid to bill of exchange	0.00	(100.00)	0.00
Decrease in trust receipts	(486.49)	(2.39)	(141.21)
Proceed from short-term loans from subsidiary companies	0.00	0.00	0.00
Repayment of short-term loans from subsidiary companies	0.00	0.00	0.00
Cash received from issuance debentures	1,601.00	0.00	1,675.30
Cash paid to debentures redemption	(2,050.00)	0.00	(1,201.00)
Cash paid for the cost of issuing debentures	(5.64)		
Proceed from issuance of convertible debentures	0.00	644.00	460.00
Proceeds from disposals of investment and warrants	0.00	236.51	0.00
Repayment of short-term loans from unrelated parties	0.00	(9.43)	0.00
Proceeds from long-term loans from financial institutions	1,101.04	66.98	143.40
Cash paid for front-end fee of long-term loans from financial intitutions	(16.50)	(4.00)	(1.00)
Cash paid for front-end fee of debentures		0.00	(8.38)
Cash paid to settle long-term loans from financial institutions	(756.96)	(125.05)	(471.49)
Cash paid to settle long-term loans from related parties		0.00	0.00
Cash paid to settle liabilities under lease agreements	(100.99)	(90.76)	(90.29)
Dividend paid	(150.95)		
cash recevied from exercise of warrants	0.00	0.00	0.00
Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiaries	(138.44)	0.00	(20.29)
Net cash flows from financing activities	**(2,034.28)**	**633.88**	**645.39**
Increase in translation adjustments	26.96	50.42	11.50
Net increase (decrease) in cash and cash equivalents	**(315.62)**	**(291.30)**	**327.52**
Cash and cash equivalents at beginning of the year	1,915.47	1,599.86	1,308.56
Cash and cash equivalents at end of the year	**1,599.86**	**1,308.56**	**1,636.08**

Source: The Company's Financial Statements

6.4 Financial Ratios

Financial Ratio		As of 31 December		
		2020	2021	2022
Liquidity Ratio				
Current ratio	(Times)	1.06	0.82	0.88
Acid test ratio	(Times)	0.98	0.75	0.83
Receivable turnover ratio	(Times)	1.69	1.67	2.14
Average collection period	(Days)	215.98	218.39	170.83
Inventory turnover ratio	(Times)	17.49	9.91	12.07
Days sales outstanding	(Days)	20.87	36.83	30.24
Payable turnover ratio	(Times)	6.97	5.29	6.03
Payment period	(Days)	52.37	69.00	60.53
Cash cycle	(Days)	184.48	186.22	140.54
Profitability Ratio				
Gross Profit Margin	(%)	12.21	14.18	16.74
Operating Profit Margin	(%)	0.79	(0.37)	(4.07)
Net profit margin	(%)	(3.26)	(5.46)	(10.14)
Return On Equity	(%)	(9.21)	(12.11)	(31.51)
Efficiency Ratio				
Return On Assets	(%)	(1.58)	(2.15)	(5.10)
Return On Fixed Assets	(%)	16.44	3.46	(1.94)
Financial Policy Ratio				
Debt to equity	(Times)	3.26	2.84	4.02
Interest coverage	(Times)	3.63	1.64	0.96
Debt serviceability	(Times)	0.28	0.08	0.07

7. Analysis of Operating Results

7.1 Operating Results and Financial Status

This section explains SAMART's historical financial information, including financial status, operating results, and past cash flow according to consolidated financial statements (audited) as of year ended 31 December 2020, 2021 and 2022.

7.1.1 Revenue

Revenue from Sales and Services

SAMART's revenue from sales was 794.21 THB million, 544.62 THB million, and 765.24 THB million for years ended 31 December 2020 - 2022 respectively. In 2021, revenue from sales decreased by 249.59

THB million or 31.43% compared to the previous year. In 2022, revenue from sales increased by 220.62 THB million or 40.51% compared to the previous year.

SAMART's revenue from contract work was 4,525.88 THB million, 4,035.94 THB million, and 4,249.65 THB million for years ended 31 December 2020 - 2022 respectively. In 2021, revenue from contract work decreased by 489.94 THB million or 10.99% compared to the previous year. In 2022, revenue from contract work increased by 213.71 THB million or 5.30% compared to the previous year.

SAMART's revenue from services was 3,785.66 THB million, 2,373.98 THB million, and 4,005.61 THB million for years ended 31 December 2020 - 2022 respectively. In 2021, revenue from services decreased by 1,411.67 THB million or 37.29% compared to the previous year. The decrease in revenue is due to the COVID-19 crisis, which caused a decrease in revenue from the ICT Solution & Service Business and the Utilities & Transportations Business, especially its business in providing air traffic management services in Cambodia. In 2022, revenue from services increased by 1,631.62 THB million or 68.73% compared to the previous year.

Other Revenue

SAMART's other revenue was 167.97 THB million, 174.90 THB million, and 397.55 THB million for years ended 31 December 2020 - 2022 respectively. In 2021, other revenue increased by 6.93 THB million or 4.13% compared to the previous year. In 2022, other revenue increased by 222.65 THB million or 127.30% compared to the previous year.

Total Revenue

In 2021, SAMART had total revenue of 7,129.45 THB million. This is a decrease of 2,361 THB million or 24.88% from the previous year. In 2021, the Company's revenue from contract work and revenue from services decreased to 6,955 THB million from 9,106 THB million, which is a decrease of 23.62% from the previous year. The decrease in revenue is due to the COVID-19 crisis, which caused a decrease in the revenue from ICT Solution & Service Business and the Utilities & Transportations Business, especially its business in providing air traffic management services in Cambodia.

In 2022, SAMART had total revenue of 9,418.05 THB million. This is an increase of 32.10% from the previous year (2021). In 2022, the Company's revenue from contract work and revenue from services increased to 9,021 THB million from 6,955 THB million, which is an increase of 29.71% from the previous year. The increase in revenue is due to the resolution of the COVID-19 crisis, which caused an increase in the revenue from ICT Solution & Service Business and the Utilities & Transportations Business, especially its business in providing air traffic management services in Cambodia, which improved due to the country's re-opening.

7.1.2 Expenses

Costs

SAMART's costs of contract work was 3,760.35 THB million, 3,346.90 THB million, and 3,635.10 THB million for years ended 31 December 2020 - 2022 respectively. In 2021, costs of contract work decreased by

413.45 THB million or 10.99% compared to the previous year. In 2022, costs of contract work increased by 288.20 THB million or 8.61% compared to the previous year.

SAMART's costs of services were 3,570.15 THB million, 2,092.35 THB million, and 3,153.34 THB million for years ended 31 December 2020 - 2022 respectively. In 2021, costs of services decreased by 1,477.80 THB million or 41.39% compared to the previous year. In 2022, costs of services increased by 1,060.99 THB million or 50.71% compared to the previous year; the Company had a higher cost of services due to higher sales.

Sales and Distribution Costs and Administrative Costs

SAMART's sales and distribution costs were 260.04 THB million, 222.42 THB million, and 223.25 THB million for years ended 31 December 2020 - 2022 respectively. In 2021, sales and distribution costs decreased by 37.62 THB million or 14.47% compared to the previous year. In 2022, sales and distribution costs increased by 0.83 THB million or 0.37% compared to the previous year.

SAMART's administrative costs were 1,034.67 THB million, 909.08 THB million, and 899.42 THB million for years ended 31 December 2020 - 2022 respectively. In 2021, administrative costs decreased by 125.59 THB million or 12.14% compared to the previous year. In 2022, administrative costs decreased by 9.66 THB million or 1.06% compared to the previous year.

7.1.4 Financing Costs

SAMART's financing costs were 409.14 THB million, 388.29 THB million, and 483.72 THB million for years ended 31 December 2020 - 2022 respectively. In 2021, financing costs decreased by 20.85 THB million or 5.10% compared to the previous year. In 2022, financing costs increased by 95.43 THB million or 24.58% compared to the previous year.

7.1.5 Net Profit/Net Loss

SAMART's net losses were 452.89 THB million, 460.42 THB million, and 1,332.66 THB million for years ended 31 December 2020 - 2022 respectively. In 2021, net losses were larger by 7.52 THB million or 1.66% compared to the previous year. In 2022, net losses were larger by 872.24 THB million or 189.44% compared to the previous year.

7.2 Analysis of Financial Status

7.2.1 Assets

SAMART's total assets were 18,030.96 THB million, 18,148.74 THB million, and 19,335.85 THB million for years ended 31 December 2020 - 2022 respectively. In 2021, total assets increased by 117.79 THB million or 0.65% due to the decrease in Trade Accounts Receivable and Other Receivables, and a decrease in Accrued Income. In 2022, the Company's total assets increased by 1,187.11 THB million or 6.54%, mainly due to an increase in Trade Accounts Receivable and Other Receivables.

7.2.2 Liabilities

SAMART had total liabilities of 13,796.77 THB million, 13,423.42 THB million, and 15,482.83 THB million for years ended 31 December 2020 - 2022 respectively. In 2021, total liabilities decreased by 373.35 THB million or 2.71% from the previous year. In 2022, the Company's total liabilities increased by 2,059.41 THB million or 15.34% from the previous year.

7.2.3 Shareholders' Equity

SAMART had total shareholders' equity of 4,234.18 THB million, 4,725.32 THB million, and 3,853.02 THB million for years ended 31 December 2020 - 2022 respectively. In 2021, total shareholders' equity increased by 491.14 THB million or 11.60% from the previous year. In 2022, the Company's total shareholders' decreased by 872.30 THB million or 18.46%.