



Samart

DO IT BY HEART Technology for All

2009 | *annual report*

SAMART CORPORATION PUBLIC COMPANY LIMITED

SAMART
SMART solutions, SMART life

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Do it by Heart. Technology for All

Technology enables modern innovations, but leading edge innovations must be created with hearth and soul.

We at SAMART have successfully blended our heartfelt dedication and technology in delivering our solutions.

Vision :

Be the most **recognized company**
for advance technology
that **enrich lives.**

Mission :

- Offer value solutions to best serve customers' needs.
- Enrich relationship with partners.
- Deliver beyond shareholders expectation.
- Be a company of choice for customers & employees.

Core Strategies :

- Foresee the changes and plan well for the future.
- Meet every customer's need & demand.
- Develop advance & differentiate technology solutions.
- Strengthen financial performance.
- Work closely and effectively with key alliances.
- Expand market base & brand preference overseas.
- Expand our business portfolio in valuable technology-related area.
- Drive "SAMART" to be a learning organization and a center of excellence.

Messages from the Board of Directors



Dr. Tongchat Hongladaromp

At the beginning of 2009, nobody can imagine how 2009 will turn out to be. The sub-prime mortgages problem in USA, the collapsed of Bear Stearns and Lehman Brothers and the unwinding and deleveraging of various financial derivatives starting from mid 2008 threaten to plunge the world economy into the second Great Depression. Thus, we see that by mid March 2009, the world's various stock markets indices had dropped to levels achieved some 20 years ago. Fortunately, with the coordinated economic stimulus program adopted by major economies in the world, the world economies managed to arrest the downturn by mid 2009 and start to grow again. In Thailand, we have the additional uncertainty on the political front as a new Government was just formed in late 2008 after the tumultuous upheavals in 2008.

We are pleased to see that the year 2009 has come to its end and with it, the end of the first decade of the 21st century. And, we are also pleased to report that the Samart Group has managed to generate an increase in its net profit for 2009, amounting to Baht 455 million compared to Baht 261 million in 2008.

The obstacles to turn in this better performance are numerous. SIM group is facing strong challenges from importers of Chinese made handsets in its markets and this has severely affected its gross profit margins. In addition, high inventories at the beginning of 2009 pose another challenge on selling down its inventories to normal level. By end 2009, the management has successfully achieved its target of reducing inventories, maintain its market position and share in mobile handsets and still generating a net profit.

Fortunately, Samtel group were able to put up a stellar financial performance with revenue exceeding Baht 6 billion and net profit exceeding Baht 300 million in 2009. This is achieved through numerous new projects secured in 2009 in the public sector.

Mr. Charoenrath Vilailuck



Also, through its continuous stringent cost control and efficiency and productivity improvement actions, the management has reduced the selling and administration expenses by Baht 400 million in 2009 while at the same time generating higher revenue.

Looking back to the beginning of 2000, at the start of the first decade of the 21st century, the Samart Group was in great financial distress consequent to the economic crisis that began in July 1997. We are pleased to say that 10 years on, the Samart Group has resolved its financial difficulties, its business operations restructured into flexible yet stable profitable operating units, and has improved the shareholders value, with a book value per share exceeding Baht 4.00 by end 2009.

The world economy is still facing many challenges and its growth momentum may falter in the coming years. Regardless, we are well placed to meet future challenges and will continue to develop new sources of revenue and profit that will further enhance our shareholders value.

A handwritten signature in black ink, appearing to read 'Dr. Tongchat Hongladaromp'.

(Dr. Tongchat Hongladaromp)
Chairman

Samart Corporation Public Company Limited

A handwritten signature in black ink, appearing to be a stylized representation of the name 'Charoenrath Vilailuck'.

(Mr. Charoenrath Vilailuck)
Executive Chairman

Samart Corporation Public Company Limited

Board of Directors



1. Dr. Tongchat Hongladaromp

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

2. Mr. Pradang Prichayangkun

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

3. Mr. Seri Suksathaporn

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

4. Mr. Aran Promrata

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

5. Mrs. Siripen Vilailuck

- Director

6. Mr. Charoenrath Vilailuck

- Authorized Director ● Executive Chairman & CEO ● Chairman of the Risk Management Committee



7. Mr. Watchai Vilailuck

- Authorized Director ● President ● Chief Operating Member of Risk Management Committee

8. Mr. Sirichai Rasameechan

- Authorized Director ● Executive Vice Chairman ● Risk Management Committee Member ● Corporate Governance Committee Member

9. Mr. Pairote Varophas

- Authorized Director ● Executive Vice Chairman ● Risk Management Committee Member

10. Mr. Azwan Khan Bin Osman Khan

- Director

11. Mr. Reza Bin Abdul Rahim

- Director



*ICT Solutions,
Technology for All Enterprise Demand*

Audit Committee Report 2009

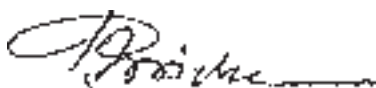
Dear Shareholders of Samart Corporation Public Company Limited

The Audit Committee of Samart Corporation Public Company Limited consists of four independent directors with expertise in finance, accounting, law and business administration : Mr. Pradang Prichayangkun, Chairman of the Committee, Dr. Tongchat Hongladaromp, Mr. Seri Suksathaporn and Mr. Aran Promrata, Committee members. All the members possess adequate qualifications for their posts as required by the Audit Committee's Charter and in accordance with the Stock Exchange of Thailand's regulations and Best Practice guidelines.

The Audit Committee performed its duties and responsibilities as assigned by the Board of Directors in supervising and overseeing the company's state of affairs in order to ensure that execute their duties with honesty and responsibility of executive directors and management, who are accountable the shareholders of the company, and in accordance with the Company's policy accurately, completely and standard practice. In 2009, the Audit Committee hold a total of 4 meetings with top management, internal auditor and external financial auditor participated as appropriate. This can be summarized as follows:

- 1) **Financial Statements** : The Audit Committee reviewed the Company's quarterly and yearly financial statements and consolidated financial statements for the year 2009 as well as its internal control over financial reporting. The Committee also held a private meeting with the external auditors to review the accuracy and completeness of financial statements, adjustments made to accounting entries which significantly affect such statements, as well as the adequacy for financial information disclosure including recommendation on internal control of external auditors. Based on this review, the Audit Committee believes that the Company's financial reports have been presented fairly in all material respects, and have provided adequate disclosure that conforms with generally accepted accounting principles.
- 2) **Related-Party Transactions** : The Audit Committee considered the related-party transactions among the Company and subsidiaries as well as connected transactions which might have had conflict of interest. The Audit Committee had opinion that the disclosure was adequate, correct and in compliance with related laws and the regulations of the Stock Exchange of Thailand.
- 3) **External Auditors** : The Audit Committee considered the external auditors' performance in the past year including their knowledge, expertise and independence, and consequently recommendation was made to the Board of Directors prior to being presented for approval at the General Shareholders' Meeting.
- 4) **Risk Management and Internal Control System** : The Audit Committee reviewed the risk management policy to be in line with regulations of SET/SEC which consisted of management control, financial control, and compliance control. The Audit Committee concluded that the Company's risk management and systems of internal control are adequate and functioning effectively.
- 5) **Internal Audit** : The Audit Committee considered and approved annual audit plans, scope of works and independence of the Internal Audit Department. The Audit Committee also reviewed the quarterly Internal Audit results and the progress of the audit plan. The Audit Committee concluded that the Company's system of internal auditing is independence, adequate and effective.
- 6) **Corporate Governance** : The Audit Committee reviewed the Company's corporate governance policy to be harmonious with the current business environment and in line with the SET and other related regulations.
- 7) **Audit Committee Charter** : The Audit Committee reviewed and evaluated its annual performance by benchmarking with the Audit Committee Charter and Good Practices. The performance has been effective and followed the terms of reference in the charter.

In conclusion, the Audit Committee had opinion that during the fiscal year 2009, the Company's financial statements were prepared and sufficiently disclosed in accordance with generally accepted accounting principles. The company has established effective risk management and internal control systems, and practiced good corporate governance.



(Mr. Pradang Prichayangkun)

Chairman of the Audit Committee
Samart Corporation Public Company Limited

Report to the Executive Board

Dear Shareholders of Samart Corporation Public Company Limited

Samart strongly believes in the importance of managing the business operations according to the Company's business policies and plans, including any initiatives mandated by the resolutions of the Board of Directors and Shareholders meetings. All such implementations that are needed to be done have to be executed in strict adherence to the Company's good Corporate Governance Policies. Consequently, the Board of Directors appointed an Executive Board to analyze and appraise numerous important issues prior to further consideration by the Board of Directors.

Moreover, as a written guideline, the charter of the Executive Board has been provided in order to clearly specify composition, qualification, term of post, roles and responsibilities of the Executive Board as well as details of meeting arrangement and report to the Board of Directors of the Company.

In 2009, the Executive Board held seven meetings to consider numerous matters concerning the Company that were subsequently reported, with comments and recommendations, to the Board of Directors which can be summarized as follows:

- **Establish Business Strategies and Plans:** The Executive Board analyzed the business plans and problem resolution guidelines for each business operations on a quarterly basis.
- **Monitor, Evaluate, and Follow-up the Performance of the Company and its Affiliates:** The Executive Board reviewed business operation performances of the Company and its affiliates on a regular on-going basis.
- **Follow-up on the Directives Mandated by the Board of Directors:** The Executive Board analyzed and appraised numerous important issues mandated by the Board of Directors such as investment, fiscal year budget as well as consideration on promotion and/or new hire manpower, ext.
- **Establish Remuneration Policies and Employee Salary Guidelines:** The Executive Board analyzed and assessed the increase of salary payment for 2010 and criteria for bonus calculation for 2009. The salary increase and bonus allocation are in line with the Company's operation performance and commensurate with the industry's average remuneration. This recommendation was submitted to the Nominating & Compensation Committee for further consideration.

The Executive Board is intent to perform its duties to the utmost honesty, caution, and thoroughness with the objectives of ensuring the Company's benefits, equity and fairness to all shareholders and stakeholders. To be sure, the Executive Board seeks to ensure the strictest adherence to all rules and regulations, Company's Objectives and Article of Association and comply with good corporate governance in order to achieve its goals for continuity and stability growth of the business.



(Mr. Charoenrath Vilailuck)

Executive Chairman

Samart Corporation Public Company Limited

Report of the Risk Management Committee

Dear Shareholders of Samart Corporation Public Company Limited

The Company realizes the importance of Risk Management for the Company in carrying on its business operations; thus, a comprehensive Risk Management Policy for the Company as well as its subsidiaries has been launched with the objective to mitigate any risks affecting the on-going business operations. In addition, the Company has appointed appropriate individuals the members of the Risk Management Committee, Company 's Directors, all concerned management staffs of each department, as well as Internal Audit Department, to continuously monitor and evaluate related risks as set out in the Risk Management Plans, together with setting up appropriate preventive and corrective measures.

During 2009, the Risk Management Committee held 5 meetings with the following results:

- **Risk Management Plan for 2009**

The Risk Management Committee held the meeting with respective department to prepare the Risk Management Plan in 2009 set by the Risk Management Committee. The Committee also delegated the Internal Audit Department to be the coordinator for these meetings and propose risk mitigation plans for the Committee's review and approval.

- **Risk Assessment**

The Risk Management Committee held the risk assessment schedule with all concerned subsidiaries. The session highlighted effect of internal and external risk factors on respective businesses. Accordingly a risk mitigation plan with built in countermeasures was suggested. The aim of risk assessment was to help group subsidiaries achieve their business goals respectively.

- **Following up Risk Management Mitigation and Prevention**

Risk Management Committee arranged meeting with concerned department on a quarterly basis to monitor the business performance and risks of subsidiaries. Internal audit was assigned to check the performance as per the plan.

According to the issues and tasks mentioned above, the Risk Management Committee ensured that the Corporate Risk-Management operations have been carried out efficiently and effectively in line with the good Corporate Governance Principle, sufficient internal control including compliance with the law and regulations concerning Company's business.



(Mr. Charoenrath Vilailuck)

Chairman of the Risk Management Committee
Samart Corporation Public Company Limited

Report of the Corporate Governance Committee

Dear Shareholders of Samart Corporation Public Company Limited

The Company is aware of the importance of the corporate governance and strongly believes that the system and process of ensuring good corporate governance are one of the key foundations of maximizing shareholders' benefits, bringing fairness to all stakeholders, and enhancing the competitiveness of the Company's operations. Consequently, the written corporate governance policy, business ethics have been established since 2005. At the same time, the Corporate Governance Committee ("**CG Committee**") has been appointed to oversee and monitor the business operation to be complied with good corporate governance and the Company's Policy to ensure the efficiency of the management.

Moreover, as a written guideline, the charter of the CG committee has been provided in order to clearly specify composition, qualification, term of post, roles and responsibilities of CG committee as well as details of meeting arrangement and report to the Board of Directors of the Company.

The CG Committee held meetings on two occasions in 2009 in order to assess the policies and implementation processes to support and promote the Company's good corporate governance. The Committee each time has subsequently reported to the Board of Directors, which can be summarized as follows:

- **Review Corporate Governance Policies:** To be more appropriate, the Committee regularly reviewed and revised numerous agenda of the Corporate Governance Policies every year;
- **Monitor the work of the Committees to ensure the compliance of the Corporate Governance Policy:** The Committee has to ensure the compliance of all Committees' operation to the Company's Corporate Governance Policy by having all Committees to report their activities during 2009 and disclose in the Annual Report for acknowledgement of the shareholders as well as to review and revise the charter of each committee;
- **Criteria of Report on Interest of the Board of Directors and Executives.** The Committee set criteria and procedure of the report on the interest of the Board of Directors and the Executives of the Company to comply with the Securities and Exchange Act (No. 4) B.E. 2551;
- **The Company's Board of Directors' Self-Assessment:** To comply to the Company's Corporate Governance Policy, the Committee supported the Board of Directors to ensure having an annual Board Self-Assessment.
- **Proposal by minority shareholders to be included in the agenda of shareholders' meeting:** The Committee supported the minority shareholders for having the rights to propose matters to be included in the shareholders' meeting within the criteria set by the Board of Directors of the Company.

Continually doing business with Corporate Governance Practice as the Company's culture, the Company and its two listed subsidiaries, Samart i-mobile Pcl. and Samart Telcoms Pcl., have been ranked from the Thai Institute of Directors Association (IOD), the Stock Exchange of Thailand ("SET") and the Securities and Exchange Commission ("SEC"), in the corporate governance survey of the Thai listed companies, as the **Excellence** companies with over 90 percent score of which are better comparing to previous year.

Total number of companies joined the survey was 290 companies.

Moreover, SEC, with cooperation of the Thai Investors Association, and Thai Listed Companies Association held the Annual General Meeting (AGM) Assessment for listed companies for the fourth consecutive year in order to ensure that the listed companies reiterate the importance of AGM arrangement and the respect of the equitably treatment of shareholders. The Company and the two listed subsidiaries were classified as **Excellence**.

From the above evaluation, it's been proved that SAMART's emphasizes for corporate governance recognition, dedicate and adhere to a strict compliance with the Company's Corporate Governance Policy. This pursuit of excellence will ensure that Samart is building long-term endurance and growth for our business operations-that can be sustainable and result in great benefits for all stakeholders, for the community and for our nation as a whole.



(Mr. Seri Suksathaporn)

Chairman of the Corporate Governance Committee
Samart Corporation Public Company Limited

Report to the Nominating and Compensation Committee

Dear Shareholders of Samart Corporation Public Company Limited

Samart realizes the importance of recruiting, selecting, and nominating candidates to assume the positions of Board of Directors and top executives. The Company also realizes the importance of determining their appropriate remuneration packages. Consequently, the Board of Directors established the Nominating and Compensation Committee (“NCC”) to carry out these vital functions. The recruitment process involves screening and nominating candidates that are highly knowledgeable in their fields and who also must meet high qualifications set appropriately for the Board positions and executive levels. The compensation process involves setting policies and guidelines for remuneration packages for the Board of Directors, the Committees’ members, and high level executives.

Moreover, as a written guideline, NCC’s charter has been provided in order to clearly specify composition, qualifications, term of post, roles and responsibilities of NCC as well as details of meeting arrangement and report to the Board of Directors of the Company.

NCC held meetings on four occasions in 2009 to consider numerous matters concerning the Company that were subsequently reported, with comments and recommendations, to the Board of Directors which can be summarized as follows:

- **Nominate and replace position on the Board of Directors as a result of a member retiring due to term expiration**

NCC made the selection and nomination of candidates with strong qualifications and experience from within the same industry as the Company as well as meet all the qualifications, as specified by the Securities Exchange Commission and the Stock Exchange of Thailand, in order to assume the position of Director of the Board, Independent Director and Committees’ members.

- **Determine Compensation for Board Directors and Committees**

NCC thoroughly considered the remuneration package for Board of Directors and Committees’ members by analyzing similar industries’ compensation packages. The objective is to determine the most appropriate remuneration in order to enhance incentives to retain qualified Directors. Any Directors who have also appointed as Committees’ members would receive additional compensation as commensurate with their additional level of responsibility.

- **Consider Compensation and other benefits to Company’s Directors and Employees**

The shareholders in the 2008 Annual General Meeting of Shareholders had approved the issuance of warrants offering to the Company’s Directors and the employee of the Company and its non-listed subsidiaries in order to compensate and increase the motivation of the Company’s directors and employees to contribute the dedication and effort in the best interest of the Company., which will result to a long-term indirect benefit for the Company and shareholders., As the exercise price of the approved warrants was much higher comparing to the market price of the Company’s security of which against the original objectives of the issuance of warrants and could not motivate the employees for their contribution to the Company, the NCC had considered the revision of the exercise price of the warrants proposed for the Board of Directors’ consideration prior to further propose for the approval of the shareholders. Moreover, the NCC also considered the criteria of the re-allocation of the warrants from ceased Directors and employees to the existing ones.

- **Determine appropriate Bonus and Salary Increase**

The Nominating and Compensation Committee considered, together with the Human Resources Department and the Executive Board, the criteria of salary increase for 2010 and the calculation of 2009 bonus. The level of salary increase and bonus allocation was determined to be at an appropriate level commensurate with the Company’s business performance and in line with the industries average remuneration.

Throughout 2009, the NCC performed its duties, responsibilities, cautiously, and honest with thoroughness; working to our full capabilities; being independent with the objectives of ensuring the highest benefits to shareholders; and providing equity and fairness to all stakeholders. To be sure, the Committee has strong intent to seek equitable treatment, fairness, and transparency for all concerned and to ensure the strictest adherence to good corporate governance, according to the Stock Exchange of Thailand, and be internationally recognized.



(Dr. Tongchat Hongladaromp)

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

Financial Highlights

Samart Corporation Public Company Limited and Subsidiaries

(Unit : Million Baht)

Information from Financial Statement	2009	2008
Total Asset	15,519	13,255
Total Liabilities	10,551	8,578
Total Shareholders' Equity	4,967	4,677
Sales and Services Income	17,039	15,855
Total Revenue	17,305	16,278
Gross Profit	2,930	2,981
Net Profit (Loss) (Equity holder of the subsidiaries)	455	262

Financial Ratio	2009	2008
Earning Per Share (Baht)	0.48	0.27
Book Value Per Share (Baht)	4.15	4.02
Dividend Per Share (Baht)	0.25 *	0.20
Net Profit (Loss) Margin	0.03	0.02
Return on Equity	12.03	6.90
Return On Total Assets	3.16	1.98

Remark : * Dividend per share comprised of interim dividend for January - September 2009 of Baht 0.08 and Baht 0.17 which will be proposed for consideration of shareholders in the Annual General Meeting 2010.

To enhance the sustainable growth of Thai society is our commitment



For 55 years of its business, **Samart Group**, as a Thai company determined to progress along with the changes and prosperity of the Thai society, has been realizing the importance of basing its business on **“good corporate governance, accountability to customers and shareholders, and serious social responsibility.”** The group focuses on the development of a strong foundation for its business and comprehensive contributions to the Thai society. This is to take part in improving the quality of life for Thai people, which is fundamental to building a solid and sustainable foundation for the Thai society.

Samart has been contributing to the society through social responsibility projects as follows.

1. Education and vocational training

Determined to develop the potential of Thai people and aware that education provides the foundation for Thailand, Samart therefore intensifies efforts to continuously provide Thai youths with educational opportunities and help them increase their abilities.

1.1 The Samart Innovation Awards project is aimed at developing and promoting the abilities of Thai people through software contests. Samart Corporation PCL. is the only private company that has organized the contests for 7 years (2003-2009).

The 2009 contest expanded its coverage from students to the general public. Importantly we intended to develop software entrepreneurs by promoting the commercial development of software entries in markets in order to help software developers make good careers and income. We expect Thai software developers to prosper in the global market.

1.2 The i-mobile Creative Synergy Award project is the contest of mobile phone designs and market communications plans. It is another contest that Samart i-mobile PCL. organizes to develop new product designers and promote new products in local and international markets.

1.3 The Samart Scholarship project is to provide capable but poor students with educational opportunities. Scholarships are available for various groups of students.

- **Scholarships for undergraduates** - 5 scholarships are offered to students at Thammasat University every year. (10 scholarships have been awarded so far since 2008.)
- **Scholarships for graduates** - 5-7 scholarships have been offered annually to graduate students at Mahidol University (since 2007).
- **Scholarships for staff's children and other scholarships** - The Samart Foundation supports education by offering scholarships to staff's children, 87 poor students in Lop Buri province and 2 capable but poor students.

1.4 Samart Telecommunications Technician School transfers knowledge about the installation of antennas and satellite dishes which is the original business of and the foundation for the growth of the Samart Group.

1.5 A project to develop other skills and abilities

- **Sports projects** - Sports projects to develop athletic skills and abilities included a sponsorship of 350,000 baht from **Samart Telcoms PCL.** for the football team of Ramkhamhaeng University and a sponsorship from **Samart i-mobile PCL.** for the “4-Universities Championship 2009” tournament organized by the Tha Phrachan Campus of Thammasat University.



- **Contests** - Among other projects, **Samart Corporation PCL.** sponsored a website design contest organized by Rajamangala University of Technology Thanyaburi; and Samart i-mobile PCL. offered a 300,000-baht sponsorship to a contest of outstanding news photos and news clips that the Photojournalists Association of Thailand and the Photojournalists Foundation organized on the Outstanding Photojournalists Day of 2009, and supported youths' expressions in the Miss Teen Thailand pageant.
- **Other projects** - Other projects included the satellite-based system worth 350,000 baht that **Samart Communication Services Co.,Ltd.** donated to support teaching at Kasetsart University Laboratory School and the Samart WIP international call cards worth 50,000 baht that **Samart Telcoms PCL.** presented to the Thai students who obtained Fulbright scholarships.

2. Other social responsibility projects

We have implemented social contribution projects to help communities, the underprivileged and disaster victims and to conserve the environment in order to comprehensively improve the quality of life of Thai people.

2.1 The "Samart D Club" project encourages staff members to voluntarily do social work. Staff are persuaded to initiate social contribution programs so that they learn to help others and thus strengthen the foundation for the society. There have been programs to entertain orphans at the Phayathai Babies' Home on the Children's Day, host a lunch for the elderly at a residential home in Bangkhen and plant trees and release crabs at the Bangpu Nature Education Center.

2.2 Other social responsibility projects

- Social responsibility activities of companies in the group
 - "i-mobile's sponsorship for the Cardiac Children Foundation of Thailand" - **Samart i-mobile PCL.** donated 20,000 baht to the Cardiac Children Foundation of Thailand to help fund the heart operations of 1,160 children in honor of Their Majesties the King and Queen. The donation was raised from the sales of "i-mobile Design by Bie The Star" T-shirts in the "Love Mak Mai" concert.
 - The social responsibility project of the BUG1113 group by **Samart Multimedia Co.,Ltd.** included voice message services to extend best wishes to His Majesty the King through the BUG1113 call center (Income from the services was donated to the Foundation of King Rama Nine, the Great.), activities at Baan Rajawadee (home for mentally disabled children), and call center operations on behalf of the Emergency Home of the Association for the Promotion of the Status of Women.
- Other social responsibility activities through **"Samart Foundation"** included
 - the annual donation of reflective coats and raincoats to police at Pak Kret and Pak Khlong Rangsit police stations; and
 - the construction of a school building and the donation of teaching materials for students at Kong Mong Tha School in Sangkhlaburi district of Kanchanaburi province.
 - a 50,000 baht donation from the welfare fund for the children of staffs of Samart Communication Services Co.,Ltd. to help pay for brain tumor treatment.

The pride of 2009



The internationally recognized IT standard: ISO 20000

One To One Contacts Co.,Ltd. obtained the ISO 20000 certification for its IT service management standard. It is the first contact center of Thailand to receive the certification which proves the world-class technological quality and efficiency of the company.

Prime Minister's Export Award 2009

Samart i-mobile PCL. won the Design Excellence Award 2009 (DEmark) in the Prime Minister's Export Award 2009 presentation for the second consecutive year thanks to its i-mobile TV 620 mobile phone series.

Software Park Thailand : Hall Of Frame 2009

Samart Corporation PCL. received the honorary **Software Park Thailand : Hall of Frame 2009** plaque for its contributions to the nation and the Thai software industry by developing people, improving education and promoting innovations through the Samart Innovation Awards project which was organized for the seventh consecutive year in 2009.



"Standard Social Security Enterprise" Award

Samart Corporation PCL. received an honorary plaque for being an enterprise with corporate social responsibility (CSR) in the fields of educational and religious promotion and support for public services. The honor came from the Nonthaburi Chapter of the Federation of Thai Industries, the Nonthaburi Chamber of Commerce, and the Nonthaburi Provincial Labor Office.

Nature of Business

Samart Corporation Public Company Limited has been established since March 7, 1989, formerly known as Samart Comtech Co., Ltd., with registered capital of Baht 5 million by Vilailuck Group for design, implement and install of telecommunication system business. The Company has converted into a Public Company and listed in the Stock Exchange of Thailand since 1993.

The business of Samart Group is divided into 3 groups as follows :

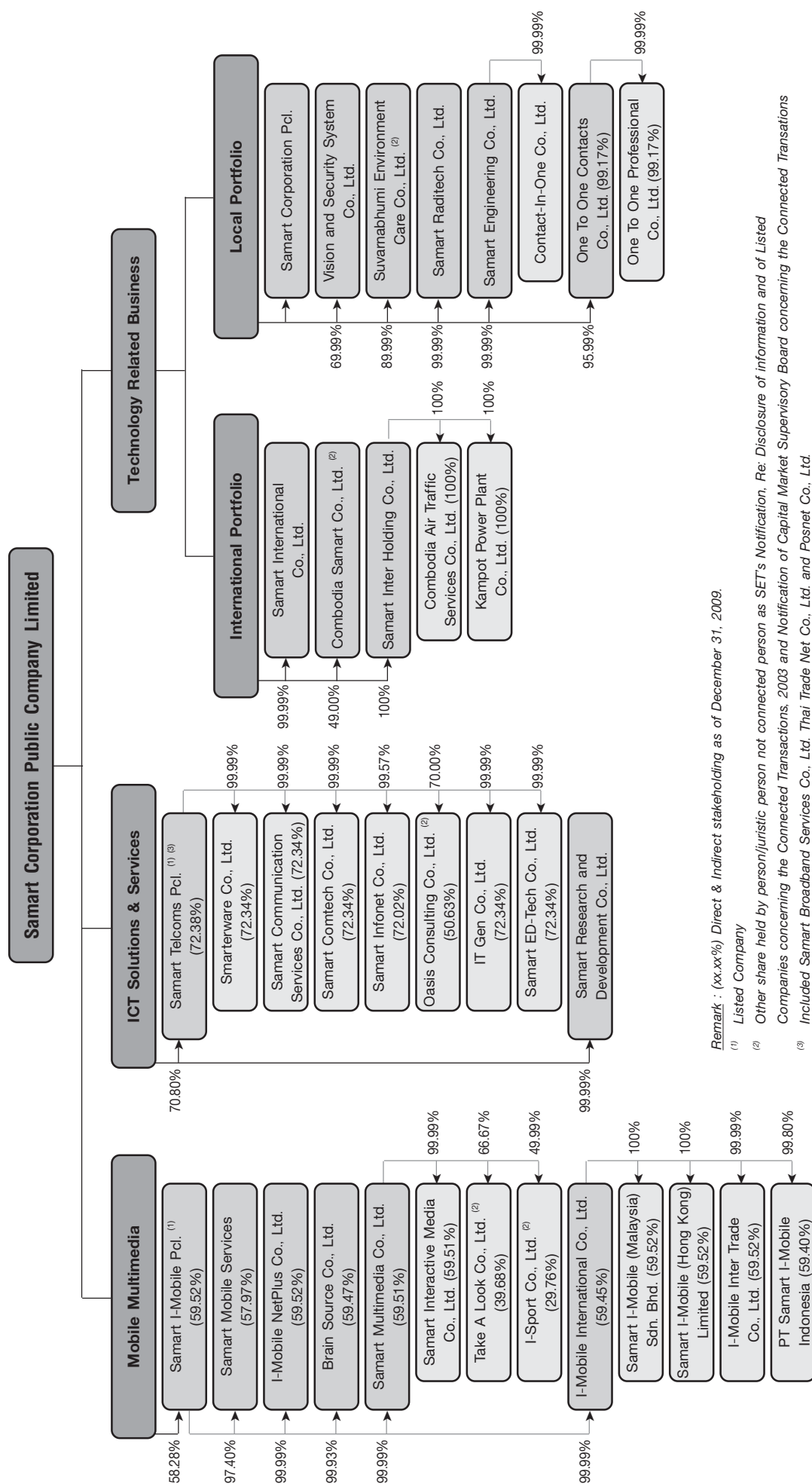
No.	Group of Business	Nature of Business	Percentage of Income * 2009
1	Mobile Multimedia	Integrated mobile and interactive media business including infotainment service provider via advanced media and also provide media and multimedia equipment for local and international.	51.3%
2	ICT Solutions & Services	Provides telecommunication system service through a range of telecommunication networks and also serves the market with total ICT solution system design for both government agencies and private sector.	36.4%
3	Technology Related Business	<p><u>Local Portfolio</u></p> <p>Manufacture and distribution of television and radio antennas and satellite dishes, Call center services for Government agencies and private sector, Distribution, installation and maintenance of Communication and Security Systems including Total Waste Management Solution in Suvarnabhumi Airport.</p> <p><u>International Portfolio</u></p> <p>Provide air traffic control services in Cambodia and Electric Generating supply to Kampot Cement factory in Cambodia.</p>	12.3%

*Remark : * Percentage of 2009 consolidated revenue from Sales and Services.*

Consolidated revenue in 2009 was Baht 17,305 million with gross profit of Baht 2,930 million equivalent to 17.20% of total sales. Selling & Admin Expenses was Baht 2,025 million or 11.70% of total revenue while finance cost was Baht 348 million and tax of Baht 147 million of which resulted to the net profit of Baht 455 million.

In terms of revenue contribution by lines of business (LOB), Mobile Multimedia generated 51.3% of the Group revenue in 2009, while ICT Solutions & Services was 36.4% and Technology Related Business was 12.3%

Business Structure 2009



Remark : (xx.xx%) Direct & Indirect stakeholding as of December 31, 2009.

⁽¹⁾ Listed Company

⁽²⁾ Other share held by person/juristic person not connected person as SET's Notification. Re: Disclosure of information and of Listed

Companies concerning the Connected Transactions. 2003 and Notification of Capital Market Supervisory Board concerning the Connected Transactions

⁽³⁾ Included Samart Broadband Services Co., Ltd. Thai Trade Net Co., Ltd. and Posnet Co., Ltd.

Revenue Structure

(Unit : Million Baht)

Business Group	Operation by Company	% of Holding 2009 ^(*)	2007		2008		2009	
			Revenue	%	Revenue	%	Revenue	%
1) Mobile Multimedia	Samart I-Mobile Pcl.	59.52	11,428.1	59.7	6,880.0	43.4	6,207.2	36.4
	Samart I-Mobile (Malaysia) Sdn.Bhd.	59.52	1,521.3	8.0	639.9	4.0	709.5	4.2
	Samart Multimedia Co., Ltd.	59.52	584.3	3.0	674.6	4.3	739.0	4.3
	Others	-	1,671.0	8.8	2,924.2	18.4	1,108.2	6.4
Sub Total			15,204.7	79.5	11,118.7	70.1	8,763.9	51.3
2) ICT Solutions & Services	Samart Telcoms Pcl.	72.38	941.6	4.9	1,047.9	6.6	3,383.2	19.9
	Samart Communication Service Co., Ltd.	72.34	523.6	2.7	558.6	3.5	1,723.0	10.1
	Samart Comtech Co., Ltd.	72.34	399.2	2.1	717.6	4.5	832.2	4.9
	Others	-	248.4	1.3	511.0	3.3	254.6	1.5
Sub Total			2,112.8	11.0	2,835.1	17.9	6,193.0	36.4
3) Technology Related Business - International Portfolio	Cambodia Air Traffic Service Co., Ltd.	100	707.8	3.7	756.4	4.8	782.7	4.6
	Kampot Power Plant Co., Ltd.	100	104.1	0.6	206.0	1.3	217.2	1.3
	Others	-	2.0	-	5.7	-	3.4	-
	Sub Total		813.9	4.3	968.1	6.1	1,003.3	5.9
- Local Portfolio	Samart Engineering Co., Ltd.	99.99	483.4	2.5	383.6	2.4	319.1	1.9
	One To One Contacts Co., Ltd.	99.17	376.6	2.0	448.4	2.9	541.3	3.2
	Others	-	140.9	0.7	100.8	0.6	218.3	1.3
	Sub Total		1,000.9	5.2	932.8	5.9	1,078.7	6.4
Total Sales and Service income			19,132.3	100.0	15,854.7	100.0	17,038.9	100.0
Share of profit from investments in subsidiary and associated companies accounted			-	-	-	-	-	-
Total			19,132.3	100.0	15,854.7	100.0	17,038.9	100.0

Remark ^() Direct & Indirect stake holding on December 31, 2009.*

Changes during the year

The Company's lines of businesses comprise of Mobile Multimedia, Samart Solutions, Technology Related Businesses and Samart International Holdings incorporated in Hong Kong.

Mobile Multimedia

The core business comprise of selling handsets in domestic and overseas markets as well as variety of contents. Revenues for 2009 dropped 20.7% over 2008 mainly due to lower handset sales in domestic and international markets. The second factor to contribute to the drop in revenues was lower average selling price per unit ("ASP"). A total of 3,546,517 handsets were sold in 2009. A total of 3,027,904 handsets were sold in domestic market while 518,613 were sold in the international markets. Lower handset sales volume and lower average selling price per unit reflected the fact that consumer shifted their preference to lower price model. At the same time consumer was cautious before making a handset purchase due to ongoing economic uncertainties in domestic and international markets. Content sales were up by 9.6% over 2008 mainly due to increased content usage from mobile and fixed line customers.

Company targets replacement users for its handset sales in both domestic and international markets. The attitude of consumer towards the handset purchase in 2009 was a mere commodity rather than the fashion icon. Although, the situation was tough, handset manufacturers were prompt to understand the market needs and launched several low to mid range handsets that were in moderate demand. The lower unit price was also attractive for value conscious end users who in the past have demanded more features for less amount of money. Year 2009 was the perfect year for these consumers as bargaining power shifted to the end users due to oversupply and slack demand. As a result, overall ASP for the handsets sold in domestic and international markets was Baht 2,078 and Baht 3,207 respectively. Despite lower ASP, Gross margins on handsets remained at 12.8%. Slightly 16.1% for 2008. Company also made an effort to clear its slow moving stock and optimized its cost structure to stay competitive. Out of total handset sold by the Company, approximately 93% of handsets were i-mobile brand. In domestic market this proportion was 94% where as in international market the proportion of i-mobile was 92%. I-mobile brand continued to dominate 2nd position in Thailand's handset market with market share of 28% as of December 2009. On domestic distribution side, new distribution channels such as new "Franchisee" were added to expand product reach to the consumers. Company expended its innovative measures such as "Mobile Outlets" to distinguish its product distribution strategy.

On the overseas front, Company divested its 49% stake in C-mobile joint venture in Malaysia to Celcom (Malaysia) Berhad and continues to sell its products via whole sale and other retail channels. In Other existing markets such India and Indonesia which suffered a 30% depreciation in currency in 2008, imported handsets were unable to compete with the locally produced branded handsets. As a result, handset sales were lower in both India and Indonesia as compared to 2008 sales figures. With the gradual appreciation of the local currencies in later part of 2009, it is expected that, imported handsets shall be price competitive again in these markets. Operations in Vietnam were quiet due to the same reasons attributed to the currency. Handset sales in market such as Bangladesh, Lao and Cambodia were slightly up as compared to 2008. Company also sold its handsets in new markets in Middle East and S-E Asia. If feedback is encouraging, then Company might appoint dealers and resume the distribution. In India and Indonesia, Company is closely working with dealers/distributors to increase the sales quantity and increase the market share. Gross margins on handsets sold in international markets improved as percentage of i-mobile handsets sold were higher as compared to 2008.

As Company is bundling its content access platform "i-link" in every handset sold, non-voice content usage surged as number of hits increased to one million per quarter since 2008. Voice content programs such as 1900-1900-xx continue to remain popular. Fortune telling was ranked as the most popular content service for second consecutive year. Company has retained top notch fortune tellers and their content is easily accessible via fixed line, mobile, and website. To give its customers "real" experience of fortune telling, Company opened "Horo World" shop at a prime location in Bangkok. Company's directory services "BUG 1113" remained popular and attracted higher traffic as compared to previous year. As of December 2009, Company has over 50,000 subscribers for its content service.

Samart i-mobile ("SIM") received type I license from National Telecom Commission ("NTC") to be a Mobile Virtual Network Operator ("MVNO"). SIM has signed an MOU with Telephone Organization of Thailand ("TOT") to act as an MVNO for TOT's 3G services. Under the MOU terms, SIM will provide all services similar to the mobile operator, except for investment in the network equipments. SIM started its MVNO operations on December 3, 2009 under the brand name "I-mobile 3GX". The services are initially for Bangkok region and as TOT expand its network, SIM will be a nation wide MVNO Operator. Since the first week of opening, SIM has sold 1,000 SIM cards.

ICT Solutions & Services

ICT related spending by Corporate and Government sector increased year on year. Government spending on IT sector was upbeat in 2009. As a result, Company was successful in winning the projects. Company recorded highest revenues since its inception and had healthy project backlog of Baht 6,500 million as of December 2009. Key projects implemented in 2009 were 1 million Broadband ports, IP Core Project, networking project for ministry of interior, etc. While the backlog includes five year IT outsourcing for "CUTE" system at Suvarnabhumi International Airport, project for department of land.

Technology Related Business

International Portfolio

2009 was another turbulent year for regional and Global airlines. The Global air traffic was lackluster due to ongoing economic crisis. This resulted in major air lines closing routes and reducing frequencies on popular routes. To everybody's surprise, Oil traded in "acceptable" range of \$33-\$78 in 2009. Total flights handled by Cambodia Air Traffic Services (CATS) were up by 5% compared to previous year. Company is currently installing radar system at Sihanukville airport in southern Cambodia. The system is expected to be operational by mid 2010.

Kampot Power Plant Company limited successfully installed four diesel generating sets of 6MWe capacity each and started its full scale operations beginning January 14, 2008. For the year 2009 Company delivered 88Gwh of electricity to the off taker Kampot Cement Company.

Domestic Portfolio

Company's Call Center business which operates domestic Call Center services for corporate and Government agencies were successful in extending its service contracts with private and Government sector clients. Company is working with strategic partner to extend the scope of services offered to the domestic clients.

Vision and security systems "VSS" was successful in winning bids from Government clients to set up the security system in the new buildings and other locations. Company recorded its highest revenues since its acquisition in 2005

Social Contribution

Company continues to contribute towards social development by undertaking various activities in social sphere. For year 2009, key highlights were: i-mobile Creative Synergy Award project a contest to develop mobile phone design thus encouraging creative talent among the new generation. Under the Samart Scholarship project Company provided scholarships to undergraduates and graduates to pursue their respective studies. Knowing the importance of sports and the youth, Company sponsored Sports projects to develop athletic skills and abilities. Samart Telcoms PCL sponsored the football team of Ramkhamhaeng University and Samart i-mobile PLC. sponsored "4-Universities Championship 2009" tournament organized by the Tha Phrachan Campus of Thammasat University. Other projects included the satellite-based system which Samart Communication Services Co.,Ltd. donated to support the teaching at Kasetsart University.

Industry and Competitive Analysis

Macro Economy

Thai economy survived another turbulent year in 2008 and is expected to shrink 2.5%-3.0%. Optimism from new political landscape faded soon as the impact from airport closure in Dec. 2008 started to reflect in services sector in the first quarter of 2009. Knowing the reality, Government shifted its growth agenda to public sector mega projects which were announced sometimes in mid 2009. Following sharp contractions in first two quarters, Thai economy reported optimism in third quarter growth figures. The contraction mainly resulted from the dramatic drop in exports to U.S. & European markets.

Economies of the world were crawling on “Stimulus”. Higher unemployment, lack of credit were the key factors in dampening the consumer demand. The massive destruction in the credit markets prompted Governments to inject huge capital in the US and European financial system. Borrowing rates were at the historical lows and similarities were drawn to the Great depression of 30s. On the contrary, BRIC countries were doing exceptionally well as none of the countries suffered a major impact on the financial system from the credit crisis. Commodity and oil prices retreated from previous years high. Oil fell to mid \$30s weaker demand outlook and rebounded in second half as dollar continued to weaken on massive deficit concerns. Jobless rate in US peaked to 10.2% in October before dropping back to 10.0% in November. Overall economic sentiment in US still remains weak. Recent economic data did help little to strengthen the Dollar, but long-term outlook remains to be seen. The other issue stimulating from the weaker dollar is higher commodity prices. Gold breached \$1,200/Oz as investor rushed in to buy as a hedge towards inflation. The US economic confidence indicators are in the positive area. The sustainable economic recovery hinges on the credit growth and job additions. The direction from here is cautious as according to some analysts, a threat of double dip recession lies ahead. Till then, Global economic outlook remains weak. Problems in Dubai did reflect this caution as we move into 2010.

In ASEAN, however, the economic picture was mixed. Singapore, Malaysia, Thailand & Vietnam suffered sharp contractions in first half of 2009. Some efforts were made to set up emergency funds to meet potential economic uncertainties. Currencies of most the member counties except Vietnam remained stable, while Indonesian Rupiah was the best performing currency this year.

The exposure of Thai banks to “toxic” assets was very minimal and did not have any impact on the overall banking system. For the third consecutive year, political factors were dominant in determining the funds flow and investor confidence. Despite lingering uncertainties, current Government managed to stay in power and was successful in managing economic stability. “Thai Khemkhang”, a program with billions of baht in outlay is launched to upgrade the country’s infrastructure. The implementation of program hinges upon the stability of Government. Banking liquidity and fund flows were healthy in the second half of 2009. Thai Baht remained relatively stable and appreciated 5% against weakening dollar. Bank of Thailand probably had one of the easy going years as both currency and the interest rates were more or less stable through out the year.

The composition of Thai economy has changed over the past few years with over dependence on export income. The Global credit crisis of 2008 proved this fact again. Thailand is making an effort to increase its non US & EU exports to BRIC, ASEAN members and Japan. Luckily, Thailand suffered mild peak in its unemployment rates as few electronic components and textile manufacturers closed down in early part of 2009. Consumer confidence still reflects that spending is very much discretionary hence; revitalization of domestic economy shall be the key priority for the current Government. Socio political harmony, consistency of investment policies shall be the key barometer for measuring economic stability and fund flow in years to come.

Telecommunication Industry: Services Perspective

Mobile phone penetration counted as active SIM card numbers reached 100% in 2009. However, the actual users using phones are close to 63 million in the country. Penetration level in Bangkok has reached 120%. The year 2009 was landmark year for Thai Telecom industry as Telephone Organization of Thailand (“TOT”) launched its first 3G service on December 3, 2009. With regards to other operators, National Telecom Commission (“NTC”) has drafted two memorandums for the auction of 2100 MHz frequency allocation. It is expected that the process shall be finalized by mid 2010. Increasing

proportion of smart phone is responsible for the higher data usage by the end users. Besides voice, existing operators are offering attractive data packages. Average Revenue Per User (“ARPU”) for the industry moved downwards due to price competition among the operators. Blended ARPU including data charges and excluding inter connection fees was in the range of Bt. 200 to Baht 210. Minutes of usage were lower by 4.8% as compared to previous year. On the Government front, issue over the ownership of Thai Mobile was finally crystallized. Telephone Organization of Thailand (TOT) has acquired stake held by Communication Authority of Thailand (CAT). At the same time CAT is exploring ways to increase its stake to 100% in its CDMA operations by buying out the partner. In 2009, NTC awarded Type I licenses to Mobile Virtual Network Operators (“MVNO”). TOT appointed five such licensees to act as MVNO operators on the behalf of TOT’s 3G services. One of the licensee, Samart I-Mobile, launched its services under brand name “I-Mobile 3GX” effective 3rd December 2009. Allocation of 2100 MHz spectrum to the existing operators and implementing mobile number portability (“MNP”) shall be the key tasks ahead of regulators in 2010

Telecommunication Industry: Handset Perspective

With the uncertainties in macro economic situation and lower consumer confidence, the demand for handset shifted to the lower price band. Over all Demand for mobile handsets was approximately 8.8 million units in 2009. Most of the demand came from the replacement market. With regard to handset features, phones with Television Tuner, Dual SIM cards, and touch screen functionality were popular. The average handset price for the entire market was in the neighborhood of Baht 3,500 baht. Premium phones included i-phone, officially launched by one of the operators in August 2009 and introduction of Blackberry Bold and Blackberry Storm promotions by other two operators. Market leader Nokia shifted its focus to mid price range handsets where as low end handset market was tapped by new entrants such as G-Net and other brands. The low end segment was most competitive in terms of pricing and offered the highest growth potential.



As handset features are maturing, top end handset prices have come down to Baht 10,000 level. The emergence of applications such as Twitter and Face book attracted online mobile phone users and more and more teen age users were using these tools to communicate. Third generation handsets launched in fourth quarter are helping users to communicate via video call and allowing them to send the video messages..

As handset industry becomes more competitive, manufacturers are shifting to “style” to differentiate. One key trend seen in 2009 was dramatic increase in touch screen based functionality which was made popular by Apple’s I-phone. Just like the previous “craze” of stylus based phones, the touch screen function is expected to be popular in most mid to top end phones.

With the launch of 3G services by TOT, demand for handsets using smart features shall rise as operators will tend to encourage end users for increasing data usage. One key product that was launched with limited success was “Net Book”. It is expected that Nokia and other players shall introduce these models in large numbers once all mobile operators roll out 3G networks.

Operating system remains other issue that needs further attention. New entrant to the Thai handset market this year was Google’s android operating system. At present, less than 1% of the phones in the local market are android based. Symbian and Windows are still dominant operating systems while, increasing popularity of Apple’s i-phone is promoting its proprietary operating system.

As demand continues to be lackluster, manufacturers are lowering prices on certain models. As a result, pricing and margin gap is narrowing between branded phones and “other brands”. Only brands that are innovating consistently and offering a better consumer experience are likely to survive in years to come.

ICT Industry spending

ICT industry spending was up 12% in 2009. Majority of growth came from the public sector spending on upgrading the existing IT infrastructure. Private sector on the other hand remained cautious on IT spending but did record a small growth over 2008. Most of the private sector spending was attributed to IT peripherals and gadgets. The major component of network spending by the private sector remained flat as compared to the previous year. ERP deployment continued to be popular with private sector and state own enterprises.

Entertainment and Media Industry

The excitement in entertainment and media industry is revealed from the fact that in addition to mobile networks, more high speed networks have been deployed in Bangkok and major cities. Launch of 3G services will enable users to use any handheld device to access such content over the high speed networks. Latest addition of “e”book reader extends the number of devices facilitating the convergence.

A big jump in the content usage is expected as more and more users avail content on wireless networks. User driven contents are getting popular in addition to the conventional content such as songs, movie clips etc. Other feature that is getting added attention is the interactive map based services for GPS and non-GPS gadgets. High speed networks are enabling concept such as content on demand, movie on demand to be a reality. However, given the low penetration of these services, the initial pricing might be high.

While most of the users still prefer to use their phone for voice communications, the emergence of dual SIM phone has enabled users to avail cheap data packages on one hand and voice packages on the other. The extent of “m” commerce though seems limited; SIM card launched by one of the operator’s facilitates the commercial transactions of limited value with great convenience. This could be used as a stepping stone to widen the commercial transactions. Percentage of non-voice revenues generated by operators was 15% of total revenues, up 12% from previous year.

National Telecommunications Commission is working on the allocation of spectrum for high-speed networks such as 3G & Wi-Max. These networks shall go further to enrich consumer experience. Launch of Mobile Virtual Network Operators (“MVNO”) in December 2009 will add more choice for mobile users using 3G network. Application such as digital mobile broadcasting shall be a reality soon. In summary, new network deployment will also open up opportunities for smaller/independent content/media providers to reach end users with minimal cost.

Risk Factors

In 2009 Thai economy is expected to contract by 2.5-3.5%. The growth in 2009 was revised down due to lower exports and lower domestic consumption. Tourism industry, which is also the key contributor to the Growth underperformed due to domestic political issues and Global economic slump. The Government did its best by announcing stimulus package and initiated spending under “Thai Khemkhang” program. Though the results of such stimulus are not immediately visible, it is expected that these programs will give boost to the domestic economy in the coming years.

Credit crisis that begun in 2008 finally toned down after US & European Governments stepped in to avoid Global financial meltdown. “Bailouts” & Economic Stimulus” became buzzwords of year 2009. Even though the extent of damage is under control, Global economic picture still looks gloomy. BRIC countries took the initiatives in steering their economies in the positive territories, but that is not enough given the sheer size of US and European economies combined together. Sustainable recovery shall only be achieved, once US jobless rates drops below 5% and dollar regain its strength. Likelihood of this to happening in year 2010 seems very low, until then fasten your seat belts!!

1. Business Risks

1.1 Open market and Competition

Handset Business

The handset market is fully liberalized since 2002. Mobile penetration in Thailand has reached over 100% in 2009. Mobile handsets considered as an essential commodity, is comprised of two segments, new subscribers and replacement market. New subscriber addition for the past couple of years was mostly from rural areas. As a first time user, they were inclined to purchase a basic handset with minimal features. Replacement users on the other hand typically brought a higher price handset. As the market reaches a saturation point, competition is getting tougher. Handset manufacturers used technical features and style as a means to differentiate and attract new customers. Official entry of Apple’s i-phone in Thai market in 2009 was another landmark for mobile phone industry. As the industry goes into next cycle, it is expected that new products such as “net book” and other gadgets supporting the data usage shall soon be flooded into the market. Company’s retail arm that sells handsets and accessories has seen increasing demand from low to low-mid price segment especially in Thailand. To differentiate itself from competitors, Company has started designing and procuring its handsets under “i-mobile” brand since late 2004 and has been successful in retaining #2 position in Thailand. Company is also selling various branded handsets to compliment its product positioning. Given the forthcoming trend, Company added “net book”, dongle for 3G data access, touch screen phones and finally 3G phones to its portfolio. Slower demand, aggressive price cuts and shorter product life cycle were key risks in 2009 and it is envisage that these forces shall prevail to certain extent in the future. As every one was desperate to sell in the slowing market, handset producers undercut the prices, sold old inventories and as a result, gross margins on the handsets were lower in 2009. Company’s pricing and procurement policy was tailored to suit competitive market forces and is flexible enough to minimize the impact on gross margins. Company was successful in positioning its handsets as “value for money”. On the distribution side, given that few major brands associated themselves with the mobile network operators, Company kept itself competitive by expanding franchisee network to reach the end users. As a value proposition, Company continued to bundle free content in all handsets using “i-link” icon. As number of handsets with i-link has increased in the market, content usage thru i-link reached at its peak in 2009, thus, giving Company additional sources of revenues. On the operations side, parameters such as inventory management, ordering quantity, etc. are closely monitored to minimize the impact of obsolete inventory. Lower consumer confidence often poses a risk, to diversify the risk from lower consumption in domestic market; Company initially began its operations in overseas markets such as Malaysia, Bangladesh, and Indonesia and later expanded to countries such as Vietnam, Lao & India.

ISP & Broadband Business

Market for Internet access via conventional ISP & Broadband was partially regulated. Under the new framework, National Telecommunications Committee (“NTC”) began issuing new license to existing and new

players in 2005. This had immediate impact on the market structure thus, leading to more competition especially with the entry of international players. Revenues from ISP & Broadband business were 0.8% of Group's total revenues. As far as access is concerned, Company has strategized its focus on corporate users to avoid potential price war in the post liberalization era. Besides selling only access, Company has packaged corporate and retail solutions/applications such as video conference, E-payment solutions, etc. as a part of its differentiation strategy.

Impact from NTC liberalization

As far as the business portfolio of Samart Group is concerned, the immediate impact from NTC's liberalization, will affect the Internet service provider (ISP) & Broadband business. The effect could be quantified from increased competition where by major players can enter the market and offer services at much cheaper prices. Company is aware of these developments and has positioned its operations & strategies to mitigate any unfavorable impact on its businesses. These strategies might include an option to form strategic partnership and collaboration to expand business operations.

1.2 Technology Risks

Company through its subsidiaries has invested in Internet Service Provider ("ISP"), and also in Very Small Aperture Terminal ("VSAT") networks, and is facing challenges from new emerging technologies that are scalable, reliable, faster, and cheaper. Impact of rapid changing technology lead to shorter product life cycle at the same time it caused decline in pricing on such services due to easy availability of new technologies. Company is aware of such changes and has taken appropriate steps to maximize the use of existing infrastructure for generating new sources of income, while taking a cautious approach on new technology related investments.

Rapid changes in handset features and consumer preference have brought down the average product life cycle of certain handsets to a mere 2 months. However, the average product shelf life for the entire handset industry is observed close to 4 or 5 months, similar to the previous year. This situation underlines the fact that handset manufacturers are more cautious in launching their products in the local market. This fact is also supported by total number of new handsets launched in the market. For year 2009, numbers of new branded handsets launched in the overall market were less than that of 2008. Global and domestic economic uncertainties were the main factor behind this reduction. Economic slowdown had a direct impact on the inventory. In order to mitigate the risk of obsolescence; in addition to clearing the obsolete stock, Company is closely working with handset manufacturers to procure handsets that are appealing to the consumers. At the same time ordering quantities are considered to strike a balance between inventories and economies of scale. Finally effective coordination with dealers, distributors determines the appropriate quantities of handsets thus enhancing distribution efficiency.

Content sector faces compatibility risks. Given the availability of high end handsets in the market, an effort has been made to enhance their utility by bundling various applications related to information and entertainment sector. These applications do require development skills. Once bundled, these applications assure operator as well as the content provider a monthly subscription fees. Compatibility has been the key challenge as mobile handsets have different operating systems. Company has adopted practices to work parallel on few dominant systems in Thailand so as to keep itself compatible with content delivery. Various voice, non-voice programs will have a shorter life cycle due to ever changing customer preference and availability of easy substitutes. In line with the trend, Company has launched number of content applications targeted across all segments of the market. To cope up with the new market forces, Company has invested in upgrading the skills of its content developers through various training programs. At the same time, Company has diversified its content and secured programs by signing exclusive agreements with various content providers. In addition to outsourced content, Company also develops in-house content, which account for nearly fifty percent of total content sales on yearly basis. To ensure accuracy, Company has invested in content delivery system and digital rights management, thus minimizing billing errors and preventing unauthorized use of content by end users.

1.3 Risk from overseas operations

Company currently operates businesses in the Kingdom of Cambodia. Political uncertainty is perceived as one of the key risk. However, for the past couple of years, Cambodia has seen relatively stable political climate and enhanced economic development. Throughout its presence, Company and its management have acquainted themselves of social, economic, political, and business environment. Company is fully aware of unforeseen changes in political, economic situation and has implemented contingency measures thus, minimizing potential impact on business continuity.

Company operates Air Traffic Management business since 2002. Under the existing concession, Company has rights to provide such services till year 2033. The income is derived from domestic and international inbound/outbound and the over flight traffic. Global fluctuations in air traffic have direct impact on the Company's performance. Company has installed state-of-the-art radar system nationwide and it complies strictly with the safety norms issued by international civil aviation organization.

In 2006, Company's subsidiary won a 10 year contract to install and supply 16 MWe of electricity to a Joint Venture Company of Siam Cement Group in Kampot Province of Kingdom of Cambodia. The equipment installation was completed in 2007 and full commercial operations started from January 14, 2008. Company has entered a standard power purchase agreement with off taker, thus have mitigated potential risks.

The total revenue contribution from the Cambodian operation is approximately 5.7% of Group's consolidated revenues in 2009

I- Mobile International

One of the Group subsidiaries, Samart I-Mobile PCL is distributing handsets and content in international markets namely Malaysia, Cambodia & Indonesia. Besides this, Company is also involved in handset trading in countries such as Vietnam, Bangladesh & India. Given its experience in Thailand, Company is aware of handset market dynamics in each country and has taken appropriate steps to promote and price the handsets. In addition to legal regulations related to retail business in each country, Company is also exposed to changes in macro economic, social and political environment. So far Company has not witnessed any material risk from its overseas operations.

2. Financial Risk

2.1 Foreign Exchange Risk

For year 2009, on a consolidated basis, approximately 15.6% of Company's sales & service income were dominated in U.S. Dollar, while 84.0% of its total long-term liabilities (net of current portion) as of December 2009 were denominated in foreign currencies, principally U.S. Dollar. The dollar denominated long-term liabilities (net of current portion) represents 25.5% of total revenues denominated in U.S. Dollars. Company's businesses in Kingdom of Cambodia generate revenues in U.S. Dollars and have liabilities in U.S. Dollars. Part of operating costs of Company's other businesses such as handset sales; antenna manufacturing and system integration are denominated in U.S. Dollar and Euro. Any depreciation of the Thai Baht against these currencies would increase cost of these products and services and vice versa. Having aware of currency fluctuations over the past few years, Company has implemented prudent policy to mitigate risks. As far as Account Payables and Account Receivables are concerned, Company uses derivative instruments to hedge its exposure.

2.2 Risk from liabilities and liquidity of the Company and its subsidiaries

Group's liabilities are of long-term and short-term in nature. Short-term liabilities mainly comprising accounts payables are as per the credit terms with the various suppliers. As credit terms are pre negotiated, Company does not foresee any major risk in meeting its obligations towards operating liabilities. Current portion of long-term loan,

which is 6.1% of total liabilities, is the other significant portion. As repayment terms are tied to the cash generating capacity of individual subsidiary, Company closely monitors its cash position and repayment schedule to comply such obligations.

Bidding for Government projects is another area where bid bonds are essential. Company has established a sound business relationship with various banking and financial institutions to arrange such facilities without severely affecting the liquidity of the Company.

Company is currently servicing long-term debt according to the terms negotiated with its Creditor. Group subsidiaries that have borrowed funds to finance new projects are also servicing their respective debt obligations according to the pre agreed terms. The details of the repayment schedule are mentioned under auditors note number 23.

2.3 Interest Rate Risk

Interest rate risk is the risk that derives from unfavorable movements in interest rates thus affecting Company's cash flows. The Company's exposure to interest rate risk relate to its existing indebtedness to Creditors. Any unforeseen movements in interest rates on Thai Baht, and the U.S. Dollars may affect the Company's debt service capacity. Interest rate on long-term borrowings denominated in Thai Baht is Minimum Lending Rate (MLR) minus pre-agreed margins, while U.S. Dollar loan carries an interest rate at LIBOR plus agreed margins. In all the cases, the agreed interest rate structure is floating rates. Through close monitoring, Company is aware of short-term outlook on interest rates. Given any signs of volatility, Company may use derivative financial instruments to hedge such risks.

2.4 Risks from Doubtful Debt

The Company is exposed to Credit risk primarily through trade accounts and notes receivable. The consolidated trade account receivable on December 31, 2009 were Baht 4,309 million of which Baht 296 million were outstanding more than 12 months. This amount comprises of over due account receivable in group subsidiaries. Company has also provided Baht 130 million towards doubtful accounts. Company has adopted a prudent policy of evaluating Credit risks of its customers in order to mitigate the risks from doubtful debts. In addition, Company has also initiated efforts to maximize the overdue account receivable collection.

2.5 Risks from Investments in Subsidiaries

Company has invested substantial capital in its subsidiaries. Performance of the Company is related to receipt of dividend income from such subsidiaries. In addition, dividend payments from Company itself are related to the performance and liquidity of its subsidiaries. Any adverse impact on the performance of subsidiaries will result in the lower dividend payment by the Company.

To mitigate this risk, Company has policies with regards to new investments in existing and new businesses. Criteria include assured income, growth potential and lower overall risk. In addition, from time to time, Company approves business plan of subsidiaries and investments thru its Board. Company also observes any changes in business conditions of its subsidiaries and takes appropriate actions to mitigate the impact.

Company will pay dividends as per the performance as well as applicable regulations wherever necessary.

2.6 Risks from short term investments in marketable securities

As of December 31, 2009 Company has short term investments of Baht 110 million. As these investments are listed in the stock exchange of Thailand, any adverse movement in the equity market as a result of economic and political issues shall have direct impact on the pricing of these securities. In addition Company is exposed to the risk of performance. In order to mitigate such risks Company monitors and update information on such investment and takes appropriate action as and when necessary.

Shareholders

As of December 30, 2009, the top ten major shareholders of the Company are :

Name of shareholders	No. of shares held	% of Total Shares***
1. Vilailuck Group	351,303,600	37.42
- Vilailuck International Holding Co., Ltd.	214,379,900	22.83
- Mr. Watchai Vilailuck	46,682,950	4.97
- Mr. Charoenrath Vilailuck*	44,408,650	4.73
- Mr. Thananan Vilailuck*	15,113,150	1.61
- Mrs. Sukanya Vanichjakvong	11,103,150	1.15
- Ms. Sirirak Vilailuck	8,420,550	0.90
- Vilailuck Agricultural Industry Co., Ltd.	5,735,000	0.61
- Mrs. Siripen Vilailuck	5,460,250	0.58
2. TM INTERNATIONAL BERHAD**	185,269,420	19.73
3. Mr. Thaweechat Jurangkul	39,045,600	4.16
4. Social Security Office	28,545,800	3.04
5. Mr. Nutthapon Jurangkul	25,611,700	2.73
6. Mr. Natthapong Piyawannapong	20,357,770	2.17
7. THAI NVDR Co.,Ltd	16,402,000	1.75
8. Mr. Somyos Pumpanmuang	11,530,000	1.23
9. Mr. Sanit Kunaporn	10,712,300	1.14
10. UBS AG SINGAPORE, BRANCH-PB SECURITIES CLIENT CUSTODY	10,000,000	1.07
Total of top ten Major Shareholders	698,778,190	74.42
Total number of voting rights	938,905,110	100.00
Total number of issued shares	977,070,910	-

Source : Major Shareholders' report as of December 30, 2009 prepared by Thailand Securities Depository Co., Ltd.

* Includes holding by spouse and minor child

** Has been renamed "AXIATA GROUP BERHAD"

*** Percentage of shareholding which been calculated from total number of voting rights under the Company's Treasury Stock scheme of which number of shares buy back as of December 31, 2009 was 38,165,800 shares while total number of the scheme will be 48,825,195 shares.

Shareholdings of Samart Corporation Pcl.

in Subsidiaries and Affiliated Companies

No.	Company	Type of Business	Registered Capital (Million Baht)	Outstanding Share	Samart's Holdings	
					Amount	%
1	Samart I-Mobile Pcl. 99/3 Moo 4, Software Park, 33 rd Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-6900	Retailer for Communications Equipment	444	4,300,000,000 (Ordinary)	2,505,964,400	58.28
2	Samart Mobile Services Co., Ltd. 37/1 Moo 2, Phaholyothin Rd., Klong Nueng, Klongluang, Pathumthanee 12120 Tel. 0-2502-6000 Fax. 0-2502-6496	Wholesale distributor for ICT products	490	49,000,000 (Ordinary)	47,724,999 ⁽¹⁾	97.40
3	Samart Multimedia Co., Ltd. 99/12 Moo 4, Software Park, 24 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-8136	1. Multimedia contents provider (voice/non voice) via Multimedia devices 2. Content producer and developer	200	2,000,000 (Ordinary)	1,999,996 ⁽¹⁾	99.99
4	Samart Interactive Media Co., Ltd. 99/12 Moo 4, Software Park, 24 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-8136	Face-to-face foretell via website, provide training and selling related products	160	16,000,000 (Ordinary)	15,999,994 ⁽²⁾	99.99
5	I-Sport Co., Ltd. 99/12 Moo 4, Software Park, 24 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-8136	Provide sports information through comprehensive interactive multimedia both in Thailand and overseas	40	4,000,000 (Ordinary)	1,999,996 ⁽²⁾	49.99
6	Take A Look Co., Ltd. 99/3 Moo 4, Software Park, 33 rd Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-8136	Outdoors electronic media (LED Billboard)	100	10,000,000 (Ordinary)	6,666,659 ⁽²⁾	66.67
7	I-Mobile International Co., Ltd. 99/3 Moo 4, Software Park, 33 rd Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6200 Fax. 0-2502-8532	Distribution of mobile phones with content services and overseas provider of interactive multimedia services	200	20,000,000 (Ordinary)	19,999,994 ⁽¹⁾	99.99
8	Samart I-Mobile (Malaysia) Sdn. Bhd. 18 A, Jalan Mutiara Raya, Taman Mutiara, 56000 Kuala Lumpur, Malaysia Tel. 603-2178-9861 Fax. 603-2166-4993	Distribution of mobile phones with content services and provider of entertainment content and interactive multimedia services in Malaysia	5,000,000 (Malaysian Ringgit)	2,000,000 (Ordinary)	2,000,000 ⁽³⁾	100.00

No.	Company	Type of Business	Registered Capital (Million Baht)	Outstanding Share	Samarat's Holdings	
					Amount	%
9	PT Samart I-Mobile Indonesia Wisma 46-Kota BNI, Lt.24 Suite 24.01, Jl.Jend Sudirman Kav.1, Jakarta 10220, Indonesia Tel. 62-21-5785-1986 Fax. 62-21-5785-1874	Distribution of mobile phones with content services and provider of entertainment content and interactive multi-media services in Indonesia	500,000 (USD)	500,000 (Ordinary)	499,000 ⁽³⁾	99.80
10	Samart I-Mobile (Hong Kong) Co., Ltd. 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong Tel. 852-2980-1888 Fax. 852-2956-2192	Distribution of mobile phone with content services and provider of entertainment content and interactive multi-media services in Hong Kong	5,000,000 (HK\$)	5,000,000 (Ordinary)	5,000,000 ⁽³⁾	100.00
11	I-Mobile NetPlus Co., Ltd. 99/3 Moo 4, Software Park, 33 rd Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6200 Fax. 0-2502-8532	Telecommunication service, and be agent for such services	10	1,000,000 (Ordinary)	999,993 ⁽¹⁾	99.99
12	Brain Source Co., Ltd. 99/12 Moo 4, Software Park, 24 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-8136	Mobile phone application research and development	11	10,000 (Ordinary)	9,993 ⁽¹⁾	99.93
13	I-Mobile Inter Trade Co., Ltd. 99/3 Moo 4, Software Park, 33 rd Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6200 Fax. 0-2502-8532	Export of mobile phones with content services and other product of the Company as well as provide entertainment contents	5	500,000 (Ordinary)	499,993(3)	99.99
14	Samart Telcoms Pcl. 99/7 Moo 4, Software Park, 29 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6605	1. Multimedia communication service via satellite 2. High Speed Multimedia Net work rental service 3. IT and Communication system distribution and installation service	738	600,860,000 (Ordinary)	425,414,290	70.80
15	Samart Communication Services Co., Ltd. 36/28-35 Ngamwongwan Rd., Ladyao, Chatuchak, Bangkok 10900 Tel. 0-2589-1047, 0-2953-0100 Fax. 0-2953-1919	Design, install and maintenance ICT networks and services	500	5,000,000 (Ordinary)	4,999,994 ⁽⁴⁾	99.99
16	Samart Comtech Co., Ltd. 99/5 Moo 4, Software Park, 31st Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-6973	Design and Installation of Telecommunication networks	225	2,250,000 (Ordinary)	2,249,995 ⁽⁴⁾	99.99

No.	Company	Type of Business	Registered Capital (Million Baht)	Outstanding Share	Samart's Holdings	
					Amount	%
17	Oasis Consulting Co., Ltd. 287 Liberty Square Bldg., Level 20 Silom Rd., Bangrak, Bangkok 10500 Tel. 0-2631-1988 Fax. 0-2631-1954	Software Consulting, Programming, Installation and implementation of SAP and any other computer systems	10	100,000 (Ordinary)	70,000 ⁽⁴⁾	70.00
18	Samart Broadband Services Co., Ltd. 99/7 Moo 4, Software Park, 29 th Fl., Chaengwattana Rd., Klong Gluar Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6605	Data service on local high-speed network	221	22,100,000 (Ordinary)	22,099,993 ⁽⁴⁾	99.99
19	Thai Trade Net Co., Ltd. 99/27 Moo 4, Software Park, 8 th Fl., Chaengwattana Rd., Klong Gluar Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6764	Electronic Data Interchange (EDI) with total value added services	53	5,300,000 (Ordinary)	5,299,993 ⁽⁴⁾	99.99
20	Posnet Co., Ltd. 1 Eastwater Building, 19 th Fl., Vipavadeerangsit Soi 5, Vipavadeerangsit Rd., Jomphol, Jatujak, Bangkok 10900 Tel. 0-2272-2626 Fax. 0-2272-2618	Fully-integrated consultancy and installation service for Electronic Payment network	72	7,200,000 (Ordinary)	7,199,993 ⁽⁴⁾	99.99
21	IT Gen 2 Lao Thong Seng Plaza, 2 nd Fl., 224-225, Soi Suksawat 33, Ratburana, Ratburana, Bangkok 10140 Tel. 0-2427-9830-1 Fax. 0-2427-9830	Distributor of IT and telecommunication equipment	15.6	624,375 (Ordinary)	624,373 ⁽⁴⁾	99.99
22	Samart Ed Tech Co., Ltd. 99/7 Moo 4, Software Park, 29 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6605	Total E-education business by providing instructional design, courseware production, outsourcing and consulting, on-line e-learning software	20	200,000 (Ordinary)	199,997 ⁽⁴⁾	99.99
23	Samart Research & Development Co., Ltd. 99/5 Moo 4, Software Park, 31 st Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2953-0101 Fax. 0-2953-1923	Research and development of telecommunication products	20	4,000,000 (Ordinary)	3,999,994	99.99
24	Samart Infonet Co., Ltd. 99/6 Moo 4, Software Park, 30 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-8458 Fax. 0-2505-8465	Internet services	62	6,200,000 (Ordinary)	6,173,294 ⁽⁴⁾	99.57

No.	Company	Type of Business	Registered Capital (Million Baht)	Outstanding Share	Samart's Holdings	
					Amount	%
25	Smarterware Co., Ltd. 99/25 Moo 4, Software Park., 10 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6577 Fax. 0-2502-6600	Software Developer and provide service and consultation in term of turn-key project for software system as well as one-stop software engineering services	10	100,000 (Ordinary)	99,993 ⁽⁴⁾	99.99
26	Cambodia Air Traffic Services Co., Ltd. CATS Building, Opposite Phnom Penh International Airport, Russian Federation Blvd, Sangkat Kakab, Khan Dangkor, Phnom Penh, Kingdom of Cambodia Tel. 855-16-777700 Fax. 855-16-777715	Provide air traffic control services in Cambodia	2,500,000 (USD)	250,000 (Ordinary)	250,000 ⁽⁷⁾	100.00
27	Kampot Power Plant Co., Ltd. CATS Building, Russian Union Boulevard, Sangkat Kakab, Khan Dangkor, Phnom Pehn, Kingdom of Cambodia Tel. 855-16-777700 Fax. 855-16-777715	Electric Generating supply to Kampot Cement factory in Cambodia, an affiliate of Siam cement	5,000,000 (USD)	500,000 (Ordinary)	500,000 ⁽⁷⁾	100.00
28	Cambodia Samart Co., Ltd. CATS Building, Opposite Phnom Penh International Airport, Russian Federation Blvd., Sangkat Kakab, Khan Dangkor, Phnom Penh, Kingdom of Cambodia Tel. 855-16-777700 Fax. 855-16-777715	Distribute telecommunication equipment in Cambodia	50,000,000 (Riel)	100 (Ordinary)	49	49.00
29	Samart International Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-6176	Distribute telecommunication products in international market	6.25	1,250,000 (Ordinary)	1,249,994	99.99
30	Suvarnabhumi Environment Care Co., Ltd.* 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2134-3558 Fax. 0-2134-3558 Ext. 222	Total Waste Management Solution in Suvarnabhumi Airport including construction of building, providing of equipment and implementation of Waste Management System	50	5,000,000 (Ordinary)	2,999,994	89.99
31	One To One Contacts Co., Ltd. 1 Eastwater Building, 11-12 th Fl., Vipavadeerangsit Soi 5, Vipavadeerangsit Rd., Jomphol, Jatujak, Bangkok 10900 Tel. 0-2975-5090 Fax. 0-2984-7760	Total customer management solutions both turnkey implementation as well as outsourced contact center management	100	10,000,000 (Ordinary)	9,599,997 200,000 ⁽⁵⁾ 100,000 ⁽⁶⁾ 100,000 ⁽⁴⁾	95.99 2.00 1.00 1.00

No.	Company	Type of Business	Registered Capital (Million Baht)	Outstanding Share	Samart's Holdings	
					Amount	%
32	Vision and Security System Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-8589	Distribution, installation and maintenance of Security Systems and Communication	20	2,000,000 (Ordinary)	1,399,996	69.99
33	Samart Engineering Co., Ltd. 59 Moo 2, Phaholyothin Rd., Klong Nuang, Klongluang, Pathumthanee 12120 Tel. 0-2516-8711-4 Fax. 0-2516-5113	Manufacture and distribution of television and radio antennas and satellite dishes	250	2,500,000 (Ordinary)	2,499,994	99.99
34	Contact-In-One Co., Ltd. 99/3 Moo 4, Software Park, 33 rd Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2516-8711-4 Fax. 0-2516-1045	Institution for satellite dishes installation training	1	100,000 (Ordinary)	99,993 ⁽⁶⁾	99.99
35	Samart Inter Holding Co., Ltd. Level 25 Three Pacific Place, 1 Queen's Road East, Hong Kong Tel. 852-2980-1600 Fax. 852-2956-2192	A regional holding company for overseas infrastructure investment in Indo China	20,000,000 (USD)	20,000,000	20,000,000	100
36	Samart Raditech Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6326 Fax. 0-2502-6584	Provide radiation technology service and project management	80	8,000,000	7,999,993	99.99
37	One To One Professional Co., Ltd. 126/92-95 C.M. Tower, 24 th Fl., Krungthonburi Rd., Banglumphulung, Klong San, Bangkok Tel. 0-2860-9440 Fax. 0-2860-9440	Provide consult recruitment and staffing management for customer service business	1	100,000 (Ordinary)	99,997 ⁽⁸⁾	99.99

Remark :

⁽¹⁾ Held by Samart I-Mobile Pcl.

⁽²⁾ Held by Samart Multimedia Co., Ltd.

⁽³⁾ Held by I-Mobile International Co., Ltd.

⁽⁴⁾ Held by Samart Telcoms Pcl.

⁽⁵⁾ Held by Samart Comtech Co., Ltd.

⁽⁶⁾ Held by Samart Engineering Co., Ltd.

⁽⁷⁾ Held by Samart Inter Holding Co., Ltd.

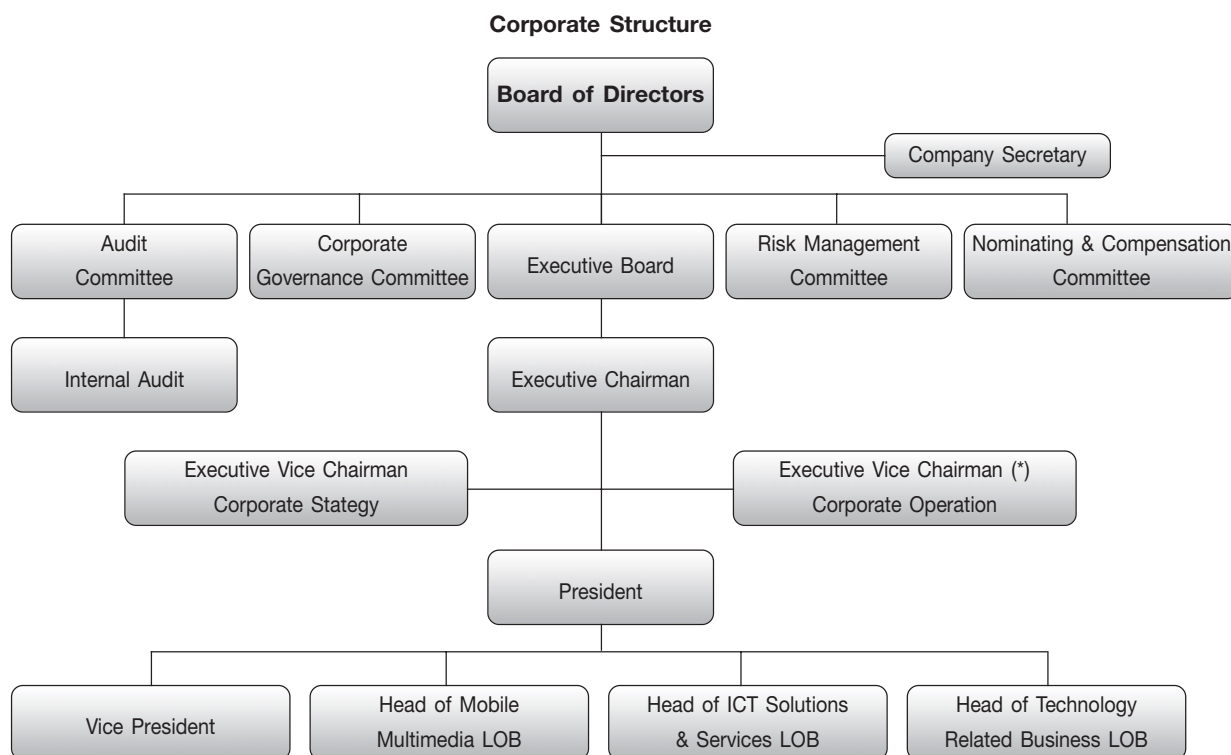
⁽⁸⁾ Held by One To One Contacts Co., Ltd.

* Suvarabhumii Environment Care Co.,Ltd. ("SEC") is in process of transferring its operation to Suvarabhumii Environment Services Co.,Ltd. a new company with same conditions as SEC, due to technical problem

Management

1. Management Structure

The Company's management structure comprised of 6 Committees, Board of Directors, Executive Board, Audit Committee, Corporate Governance Committee, Nominating & Compensation Committee, and Risk Management Committee.



Remark: ⁽¹⁾ Accounting Director and Finance Executive Director are under governance of Corporate Operation Executive Vice Chairman

1) Board of Directors as of December 31, 2009

Mr. Cherdchai Vilailuck	Honorable Chairman
1. Dr. Tongchat Hongladaromp	Chairman (Independent Director / Audit Committee Member)
2. Mr. Pradang Prichayangkun	Vice Chairman (Independent Director / Chairman of the Audit Committee)
3. Mr. Seri Suksathaporn	Director (Independent Director / Audit Committee Member)
4. Mr. Aran Promrata	Director (Independent Director / Audit Committee Member)
5. Mrs. Siripen Vilailuck ⁽¹⁾	Director
6. Mr. Charoenrath Vilailuck	Director (Executive Director)
7. Mr. Watchai Vilailuck	Director (Executive Director)
8. Mr. Sirichai Rasameechan	Director (Executive Director)
9. Mr. Pairote Varophas	Director (Executive Director)
10. Mr. Azwan Khan Bin Osman Khan ⁽²⁾	Director
11. Mr. Reza Bin Abdul Rahim ⁽²⁾	Director
Mrs. Vorapin Isaradharm	Company Secretary

Remark: ⁽¹⁾ Representative director from Vilailuck International Holding Co., Ltd. a major shareholder with 21.94% stake holding (as of December 31, 2009);

⁽²⁾ Representative directors from Axiata Group Berhad a major shareholder with 18.96% stake holding (as of December 31, 2009).

The number of directors is in line with the Company's Articles of Associations that the Board of Directors should have at least 7 members, but not exceeding 15 members in total. Not less than one half of such members shall have residence within the Kingdom and the directors of the Company shall have qualification as specified by law.

Restriction of Power of the Directors

"Mr. Charoenrath Vilailuck jointly signs with Mr. Watchai Vilailuck, totaling two persons and affix the Company's seal or either Mr. Charoenrath Vilailuck or Mr. Watchai Vilailuck jointly signs with Mr. Sirichai Rasameechan or Mr. Pairote Varophas, totaling two persons and affix the Company's seal."

Qualifications of Director

1. Has qualifications which comply to Public Company Act B.E. 2535, regulations of the Stock Exchange of Thailand("SET"), Securities and Exchange Commission("SEC"), and Company's Articles of Association and any other related laws;
2. Does not run any business, which is competed with the Company, and not being a shareholder of any legal entities whose business is the Company's competitors except obtained approval from the shareholders;
3. Should have leadership, vision, and independent consideration for best benefit of the Company and the shareholders;
4. Has various knowledge, experience, and specific skill that suitable for the Company business;
5. Integrity;
6. Having sufficient time for fully participated as a Director of the Company.

Qualifications of Independent Director

1. Holding not more than 1 percent of the total number of voting rights of the Company, subsidiaries, affiliates or juristic person which may have conflicts of interest , including the shares held by related persons of the independent director;
2. Neither being nor having been Executive director, employee, staff or an adviser who receives a regular salary; or a controlling person of the Company, subsidiaries , affiliates , same-level subsidiaries or juristic person who may have conflicts of interest unless the foregoing status has ended not less than two years prior to the date of application filing with the office;
3. Not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, executives, major shareholders, controlling persons, or persons to be nominated as executives or controlling persons of the Company or its subsidiaries;
4. Neither being nor having a business relationship with the Company, subsidiaries, affiliates or juristic person who may have conflicts of interest, including professional/business advisor which been specified by SEC unless either the foregoing status has ended not less than two years prior to the date of application filing with the office or the transaction is irregular and reasonable. The independent director, during his post, may have relation with the Company over the level set by SEC but prior the transaction, an unanimous approval by the Board of Directors is required;
5. Not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholder who is related to the Company's major shareholder;
6. Not having any characteristic which make him incapable of expressing independent opinions with regard to the Company's business affairs.

Terms of positions

Pursuant to the Public Company Act B.E. 2535, at first Annual General Meeting of Shareholders after the registration of the Company and at the first Annual General Meeting of Shareholders in every subsequent year one-third of the directors, who have been longest in office, shall retire. The retired directors are eligible to be re-elected for another term by obtaining majority vote from the Nominating & Compensation Committee. However the independent directors shall be in post no longer than 3 terms except getting a unanimous approval from the Nominating & Compensation Committee

due to his/her contribution to the Company and the Committee ensures that the extra term will not cause or impact to the independent of such director as well as obtain an approval from Board of Directors and/or the Company's shareholders.

Roles and Responsibilities of Directors

1. Conduct business with responsibility, due care, and integrity uphold the duties according to the law, and Company's objectives, Articles of Association, resolutions of the Board of Directors and shareholders' meeting;
2. Formulate policies and directions for the Company's operations. The Board must also supervise managerial and administrative departments to deliver all policies with effectiveness and efficiency;
3. Appoint directors and Audit Committee members who retire by rotation as well as consider the remuneration package for such directors and committee members, which are proposed by Nominating & Compensation Committee, prior to propose for further consideration of the shareholders;
4. Appoint committees to oversee administrative process and internal system to coincide with Company's policies, i.e. Executive Board, Risk Management Committee, Corporate Governance Committee, and Nominating & Compensation Committee etc. For the appointment of Audit Committee members, the Nominating & Compensation Committee will nominate appropriated candidates propose to the Board of Directors prior to propose for further consideration of the shareholders;
5. Appoint and consider remuneration package, proposed from the Nominating & Compensation Committee, for top executives of the Company; and Company Secretary;
6. Summarize annual budget and financial statements of the Company for every fiscal year's ended period. Authorize the statements and present them during the Annual General Meeting of Shareholders for further consideration;
7. Nominate appropriated persons with remuneration for further consideration and approval of shareholders for the appointment of the Company's auditors;
8. Ensure the Company's to have written Corporate Governance Policy and Business Ethic as well as to ensure that there will be no conflicts of interest at the same time to establish systematic plans for internal control and risk management;
9. Ensure that good corporate governance is implemented to demonstrate Company's commitment to operate the business with ethics and to bring fair treatment to all stakeholders;
10. In case of entering into any direct or indirect transaction with the Company and subsidiaries, such director has to immediately inform his/her or related parties' personal interest to the Company.

2) Audit Committee members ^(*) as of December 31, 2009

- | | |
|------------------------------|--|
| 1. Mr. Pradang Prichayangkun | Chairman of the Audit Committee (Independent Director) |
| 2. Dr. Tongchat Hongladaromp | Member (Independent Director) |
| 3. Mr. Aran Promrata | Member (Independent Director) |
| 4. Mr. Seri Suksathaporn | Member (Independent Director) |

Remark : ^() Audit Committee members comprise of not less than 3 members, all of them have sufficient experience to review the company's financial statement. Experience of the directors described in "Directors and Management"*

Qualifications of Audit Committee

1. Has been appointed from the Board of Directors and/or the shareholders;
2. The Members of the Audit Committee have to be the Independent directors;
3. Not being a person who has been empowered by the Board of Directors for any decision in the business operation of the Company Parent, Parent Company, Subsidiary or affiliated Companies, Same-Level of Subsidiaries as well as any juristic person who may have conflict of interest;
4. Not being a director in parent Company Subsidiaries and any same-Level of Subsidiaries;
5. At least one member of the Audit Committee should have sufficient knowledge and experience to review the

financial statement credibility and the Company has to put his/her name in the filing of 56-1 and 56-2. In addition, such qualification also has to be put in the committee certified letter which will be submitted to SET.

Terms of positions

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

Roles and Responsibilities of the Audit Committee

1. Review the Company's financial statement to ensure its accuracy and adequacy;
2. Ensure that the Company has an appropriate and efficiency internal control system, internal audit; and consider the independence of the internal audit as well as to appoint, rotate or dismiss chief of internal audit of the Company or any other related function who takes responsibilities to internal audit;
3. Ensure that the Company has complied to the Securities and Exchange Act, regulations of SEC/SET and any other related regulations;
4. Nominate appropriated and independent persons with remuneration for further consideration and approval of the Board of Directors and shareholders for the appointment of the Company's auditors;
5. Arrange meeting with auditors without the management of the Company at least once a year;
6. Review, comment and ensure that all connected transactions and any other conflict of interest transactions have been complied to laws, and regulations of SET/SEC as well as to ensure that the transactions are reasonable with best benefit to the Company;
7. Provide the Audit Committee report for disclosure in the annual report of the Company with minimum contents as required by regulations of SET/SEC;
8. Consider any other activities assigned by the Board of Directors.

3) Executive Board members as of December 31, 2009

- | | |
|------------------------------|--------------------|
| 1. Mr. Charoenrath Vilailuck | Executive Chairman |
| 2. Mr. Watchai Vilailuck | Member |
| 3. Mr. Sirichai Rasameechan | Member |
| 4. Mr. Pairote Varophas | Member |
| 5. Mr. Lai Ki Tong | Member |
| 6. Mr. Thananan Vilailuck | Member |

Terms of positions

Term of the Executive Board members is one year. The Nominating & Compensation Committee will annually consider and select appropriate persons from the members of the Board of Directors and the management proposes for further consideration and approval of the Board of Directors for the appointment in its first meeting after the Annual General Meeting of Shareholders. However, the retired members are eligible to be re-elected for another term. CEO of the Company will be the Chairman of the Committee.

Roles and Responsibilities of the Executive Board

1. Consider business plan, direction and structure as well as the Company's, strategies, and delegation of authorities for further approval of the Board of Directors;
2. Monitor, audit and set the management policies for efficiency and productivities as well as to conform with the instruction of the Board of Directors;
3. Consider and approve annual budget of the Company for further approval of the Board of Directors;
4. Consider remuneration policy and salary structure propose to the Nominating & Compensation Committee for consideration prior to further consideration of the Board of Directors;

5. Consider entering into any transactions binding the Company within its authorities under the Company's Delegation of Authorities;
6. Consider any other activities according to the assignment from the Board of Directors.

The delegation authorities of the Executive Board should not be delegated or further assigned that authorize the Executive Board or its attorney to approve any connected transactions between themselves or any persons who may have conflict of interest (according to the concept of conflict of interest of the SEC's notification) with the Company or subsidiaries except such transactions are handled in line with the connected transaction procedure or policy which been approved by the Board of Directors of the Company. The connected transaction has to be considered and approved either by the Company's Board of Directors or shareholders' meeting to be complied with regulations of SET/SEC or any related laws and regulations.

4) Corporate Governance Committee members as of December 31, 2009

- | | |
|------------------------------|---|
| 1. Mr. Seri Suksathaporn | Chairman of the Corporate Governance Committee (Independent Director) |
| 2. Mr. Pradang Prichayangkun | Member (Independent Director) |
| 3. Mr. Sirichai Rasameechan | Member |

Terms of positions

Term of the Corporate Governance Committee members is one year. The Nominating & Compensation Committee will annually consider and select appropriate persons from the members of the Board of Directors and/or any qualified candidates propose for further consideration and approval of the Board of Directors for the appointment in its first meeting after the Annual General Meeting of Shareholders. However, the retired members are eligible to be re-elected for another term. In addition, the Chairman of the Committee has to be nominated from the Company's Independent Director.

Roles and Responsibilities of the Corporate Governance Committee

1. Responsible for governing and monitoring business operation and committees' activities as well as management and employees of the Company to strictly comply with law and related regulations;
2. Ensure that good corporate governance is being conducted at all level in accordance to legal requirements, Company's policies and other related authorities;
3. Formulate and review the Company's rules concerning good corporate governance;
4. Provide suggestions relevant to ethical practices to the Board, management and employees of the Company;
5. Yield continuity and appropriate regulations in carry out good corporate governance;
6. Report to the Board the recommendations for improvement on the Corporate Governance of the Company as appropriate.

5) Nominating & Compensation Committee members as of December 31, 2009

- | | |
|------------------------------|--|
| 1. Dr. Tongchat Hongladaromp | Chairman of the Nominating & Compensation Committee (Independent Director) |
| 2. Mr. Pradang Prichayangkun | Member (Independent Director) |
| 3. Mr. Seri Suksathaporn | Member (Independent Director) |
| 4. Mr. Aran Promrata | Member (Independent Director) |

Terms of positions

In every subsequent year, one-third of the Nominating & Compensation Committee's members, who have been longest in office, shall retire. The retired members are eligible to be re-elected for another term by obtaining majority vote from the Board of Directors. In case of vacancy, the Nominating & Compensation Committee will consider an appropriate person for the replacement and propose to the Board of Directors for further consideration.

Roles and Responsibilities of the Nominating & Compensation Committee

1. Recruit, select, and nominate appropriate candidates for independent directors, Chairman of the Boards, Board members proposed to consideration of Board of Directors and/or further approval of the shareholders when those positions are vacant due to termination of terms or other reasons;
2. Select, and nominate appropriate candidates for members of the committee, of CEO top management and company secretary proposed for consideration of the Board of Directors when such position is vacant as well as propose criteria for selecting candidates for the succession plan;
3. Propose to the Board of Directors the guidelines and reasonable remuneration packages for all members of the Boards and executives of which must be complimented to their duties, conform to Company's operating performance and market's atmosphere;
4. Evaluate Company's performance for consideration of the annual bonus and merit increase;
5. Review the Company's salary structure and any other remuneration.

6) Risk Management Committee members as of December 31, 2009

- | | |
|-----------------------------------|---|
| 1. Mr. Charoenrath Vilailuck | Chairman of the Risk Management Committee |
| 2. Mr. Watchai Vilailuck | Chief Operating Member |
| 3. Mr. Sirichai Rasameechan | Member |
| 4. Mr. Pairote Varophas | Member |
| 5. Mr. Lai Ki Tong | Member |
| 6. Mr. Sommai Damnoenkiat | Member |
| 7. Mrs. Sukanya Vanichjukwong | Member |
| 8. Mr. Thananan Vilailuck | Member |
| 9. Mr. Jong Diloksombat | Member |
| 10. Mr. Prasitchai Veerayuttwilai | Member |

Terms of positions

Term of members of the Risk Management Committee is one year. The Nominating & Compensation Committee will annually consider and select appropriate persons from the members of the Board of Directors and/or any qualified candidates propose for further consideration and approval of the Board of Directors for the appointment in its first meeting after the Annual General Meeting of Shareholders. However, the retired members are eligible to be re-elected for another term. The nominated committee's members will appoint the chairman of Risk Management Committee from the committee's members.

Roles and Responsibilities of the Risk Management Committee

1. Establish clear business objectives, identify, analyze, assess significant risks and formulate risk strategies;
2. Develop risk management standards and practices in the areas for which they are accountable;
3. Ensure that these practices are fully communicated to and have active support of all employees;
4. Ensure that the management has regularly, continually and systematically identify and analyze risk exposures, which may have, to cover all processes of the business;
5. Support and develop to have the management and all employees to continually aware of risk management as well as to ensure the Company's Risk Management Policy is complied with the international standard.

Management of the Company as of December 31, 2009

- | | |
|------------------------------|--|
| 1. Mr. Charoenrath Vilailuck | Executive Chairman |
| 2. Mr. Watchai Vilailuck | President |
| 3. Mr. Sirichai Rasameechan | Executive Vice Chairman |
| 4. Mr. Pairote Varophas | Executive Vice Chairman / Acting Chief Operating Officer of ICT Solutions & Services LOB |

- | | |
|---------------------------|------------------------------------|
| 5. Mr. Lai Ki Tong | Vice President |
| 6. Mr. Thananan Vilailuck | President of Mobile Multimedia LOB |

Roles and Responsibilities of Chief Executive Officer

1. General operation management and control in business of the Company to comply with its objectives, policy and the Articles of Association;
2. Consideration in business investment plans prior to propose for the Executive Board and the Board of Directors for further approval;
3. Entering into any transaction binding the Company conforming to the Company's Delegation of Authorities;
4. Carry out any assignment from the Board of Directors and/or the shareholders of the Company.

The delegation authorities of the Chief Executive Officer should not be delegated or further assigned that authorize the CEO or its attorney to approve any connected transactions between themselves or any persons who may have conflict of interest (according to the concept of conflict of interest of the SEC's notification) with the Company or subsidiaries except such transactions are handled in line with the connected transaction procedure or policy which been approved by the Board of Directors of the Company shareholders' meeting to be complied to regulations of SET/ SEC or any related laws and regulations.

2. Nomination of Directors and Management

The Nominating & Compensation Committee has been appointed by the Board of Directors in order to select, and nominate appropriate candidates for positions of Chairman of the Board, members of the Board and other committees, CEO, other executives and company secretary as well as consider the appropriate remuneration for such directors and management. Whenever the position of directors are vacant, the Nominating & Compensation Committee will select and nominate the appropriate candidates for such position propose to the Board of Directors for approval and for further approval of the shareholders in case of vacancy by rotation or appointing of new director. The elected directors should obtain majority vote from shareholders who attend the meeting and have voting right. Each shareholder shall have one vote on each share. In voting, a shareholder shall vote in accordance with the number of votes each shareholder has for one or several directors. The said shareholder may not allot any number of his/her votes to any person. For election of independent directors, the Nominating & Compensation Committee will nominate any person who is fully complied with the qualifications of Independent Directors under the Company's policy as well as complying to such requirements of SEC/SET as a minimum. Moreover, the Board of Directors of the Company has also appointed other committees to help the Board on its business either audit or consideration any significant matters. Such Committees are Executive Board, Audit Committee, Risk Management Committee, Corporate Governance Committee and Nominating & Compensation Committee. The nomination of members of the committee will be selected and nominated by the Nominating & Compensation Committee prior to propose for consideration of the Board of Directors and/or shareholders of the Company.

Executive Succession Plan

The Company is aware of the importance of executive succession plan when any executive position is vacant. In order to create confidence for investors, shareholders and employees on the continuity operation of the Company, an Executive Succession Plan has been considered. The potential candidate will be selected, trained and developed to be ready to accommodate the vacant position in the future.

3. Remuneration of Directors and Management

• Directors' Remuneration

Policy of Directors' Remuneration has been clearly and transparently set to be comparable to the general practice in same industry and be appealing enough to attract and retain qualified directors. The directors who also be appointed to be the member of any sub Committees will be paid appropriately more in accordance with the extra work. The Nominating & Compensation Committee will consider the remuneration and propose for consideration of the Board of Directors prior to further approval from the shareholders. The Shareholders in the Annual General Meeting 2009 approved remuneration for directors of the Company and Committees' members at the amount of not exceeding Bath 5.6 million. Details of remuneration are as follows:

Board of Directors

- Chairman Baht 30,000 per meeting
- Director Baht 15,000 per meeting

Audit Committee, Nominating & Compensation Committee and Corporate Governance Committee

- Chairman Baht 20,000 per meeting
- Director Baht 15,000 per meeting

• Management's Remuneration

Remuneration for the management will be determined in accordance with the principles and policy set by the Nominating & Compensation Committee which be related to the performances of the Company and each management.

1. Total Remuneration in 2009 : Total remuneration paid to directors and management in 2009 was as follows :

1.1) 2009 Cash & Non-Cash Remuneration for Directors and Committees' Members

- 2009 Remuneration for existing Directors and Committees' members of Samart Corporation Pcl.

Directors	Cash Remuneration						Non-Cash Remuneration
	Meeting Allowance (Baht)				Performance Bonus ⁽¹⁾ (Baht)	Total Amount (Baht)	Warrants ⁽²⁾ (Unit)
	Board of Directors	Audit Committee	Corporate Governance Committee	Nominating & Compensation Committee			
1. Dr. Tongchat Hongladaromp Chairman / Independent Director	210,000	60,000	-	80,000	200,000	550,000	500,000
2. Mr. Pradang Prichayangkun Vice Chairman / Independent Director	105,000	80,000	30,000	60,000	150,000	425,000	500,000
3. Mr. Seri Suksathaporn Director / Independent Director	105,000	60,000	40,000	60,000	150,000	415,000	500,000
4. Mr. Aran Promrata Director / Independent Director	105,000	60,000	-	60,000	150,000	375,000	500,000
5. Mrs. Siripen Vilailuck Director	105,000	-	-	-	150,000	255,000	500,000
6. Mr. Charoenrath Vilailuck ⁽³⁾ Director	90,000	-	-	-	150,000	240,000	500,000
7. Mr. Watchai Vilailuck Director	105,000	-	-	-	150,000	255,000	500,000
8. Mr. Sirichai Rasameechan Director	105,000	-	30,000	-	150,000	285,000	500,000
9. Mr. Pairote Varophas Director	105,000	-	-	-	150,000	255,000	500,000

Directors	Cash Remuneration						Non-Cash Remuneration
	Meeting Allowance (Baht)				Performance Bonus ⁽¹⁾ (Baht)	Total Amount (Baht)	Warrants ⁽²⁾ (Unit)
	Board of Directors	Audit Committee	Corporate Governance Committee	Nominating & Compensation Committee			
10. Mr. Azwan Khan Bin Osman Khan ⁽³⁾ Director	75,000	-	-	-	-	75,000	500,000
11. Mr. Reza Bin Abdul Rahim ⁽³⁾ Director	60,000	-	-	-	-	60,000	500,000
12. Dato Yusof Annuar Bin Yaacob ⁽⁴⁾ Director	15,000	-	-	-	150,000	165,000	-
13. Mr. Mohd Noor Bin Omar ⁽⁵⁾ Director	30,000	-	-	-	-	30,000	-
Total	1,215,000	260,000	100,000	260,000	1,550,000	3,385,000	5,500,000

Remark : ⁽¹⁾ 2008 performance Bonus paid to Directors in 2009. Three new directors did not received the performance bonus due to 2 directors have been appointed in late 2008 and the other one has been appointed in 2009;

⁽²⁾ The shareholders in the Annual General Meeting of Shareholders 2008, on April 24, 2008 had approved the issuance of 30,000,000 units of warrant offering to the Company's directors and the employees of the Company and its non-listed subsidiaries with 5 years maturity, but the Company had not issued the warrants due to the market price is much lower than the exercise price which impacted from the global economic crisis. The shareholders in the Annual General Meeting of Shareholders 2009 on April 27, 2009 had approved the revision of the exercise price of the warrants from the pervious exercise price of Baht 7.75 per share to new exercise price of Baht 5.45 per share. The Company had issued 500,000 units of warrant to each director on May 29, 2009 totaling to 5,500,000 units equivalent to 18.33% of the total number of warrants to be issued;

⁽³⁾ Different amount of meeting allowance for each director depended on number of participated meetings;

⁽⁴⁾ Has resigned from Directorship on April 27, 2009;

⁽⁵⁾ Has resigned from Directorship on July 1, 2009.

1.2) 2009 Cash & Non-Cash Remuneration of the Executive Board and Management

Remuneration	Number of Persons	Total Amount
Salary ⁽¹⁾	6	19,379,306 (Baht)
Bonus ⁽¹⁾	6	1,215,000 (Baht)
Provident Fund ⁽¹⁾	6	1,236,000 (Baht)
Warrants ⁽²⁾	6	11,500,000 (Unit)

Remark: ⁽¹⁾ The figures presented Salary, Bonus and Provident Fund for executives and management paid by the Company only. There were total 6 executives and management in 2009 with payment for 3 executives paid by the Company while other 1 executives received from other listed subsidiaries under other line of businesses and the other 2 received partial from the Company and from other listed subsidiaries i.e. Mr. Watchai Vilailuck received partial payment from the Company, Samart I-Mobile Pcl. and Samart Telcoms Pcl. as well as Mr. Pairote Varophas received partial payment from the Company and Samart Telcoms Pcl;

⁽²⁾ The shareholders in the Annual General Meeting of Shareholders 2008, on April 24, 2008 had approved the issuance of 30,000,000 units of warrant offering to the Company's directors and the employees of the Company and its non-listed subsidiaries with 5 years maturity. The allocation of warrants had been considered by the Company's Nominating & Compensation Committee from service year, position, performance, capability of the executives as well as their contribution to the Company. The Company had not issued the warrants due to the market price is much lower than the exercise price which impacted from the global economic crisis. The shareholders in the Annual General Meeting of Shareholders 2009 on April 27, 2009 had approved the revision of the exercise price of the warrants from the pervious exercise price of Baht 7.75 per share to new exercise price of Baht 5.45 per share. The Company had issued 11,500,000 units of warrant to the executives on May 29, 2009 equivalent to 38.33% of the total number of warrants to be issued.

2. Total Remuneration of Major subsidiaries in 2009 :

2.1) 2009 Cash & Non-Cash Remuneration for Directors and Committees' Members of Samart

I - Mobile Pcl.

- 2009 Remuneration for existing Directors and Committees' members of Samart I-Mobile Pcl.

Directors	Cash Remuneration						Non-Cash Remuneration
	Meeting Allowance (Baht)				Performance Bonus ⁽¹⁾ (Baht)	Total Amount (Baht)	Warrants ⁽²⁾ (Unit)
	Board of Directors	Audit Committee	Corporate Governance Committee	Nominating & Compensation Committee			
1. Prof. Suphachai Phisitvanich ⁽³⁾ Chairman / Independent Director	210,000	-	-	-	200,000	410,000	3,000,000
2. Dr. Chotivid Chayavadhanangkur ⁽⁴⁾ Director / Independent Director	105,000	60,000	30,000	50,000	150,000	395,000	3,000,000
3. Mr. Kunthit Arunyananonda ⁽⁵⁾ Director / Independent Director	105,000	60,000	20,000	55,000	150,000	390,000	3,000,000
4. Mr. Charoenrath Vilailuck Director	90,000	-	-	-	150,000	240,000	3,000,000
5. Mr. Watchai Vilailuck Director	105,000	-	-	-	150,000	255,000	3,000,000
6. Mr. Thananan Vilailuck Director	105,000	-	-	-	150,000	255,000	3,000,000
7. Mr. Jong Diloksombat Director	105,000	-	20,000	-	150,000	275,000	3,000,000
8. Mr. Azwan Khan Bin Osman Khan Director	60,000	-	-	-	-	60,000	3,000,000
9. Mr. Reza Bin Abdul Rahim ⁽⁶⁾ Director	45,000	-	-	30,000	-	75,000	3,000,000
10. Mr. Rangsin Suebsaeng ⁽⁷⁾ Director / Independent Director	45,000	40,000	10,000	15,000	150,000	260,000	3,000,000
11. Dato Yusof Annuar Bin Yaacob ⁽⁸⁾ Director	-	-	-	-	150,000	150,000	-
12. Mr. Mohd Noor Bin Omar ⁽⁹⁾ Director	30,000	-	-	-	-	30,000	-
13. Mr. Sirichai Rasameechan Committee member	-	-	-	50,000	150,000	200,000	-
14. Mr. Pairote Varophas Committee member	-	-	20,000	-	150,000	170,000	-
Total	1,005,000	160,000	100,000	200,000	1,700,000	3,165,000	30,000,000

Remark : ⁽¹⁾ 2008 performance Bonus paid to Directors in 2009. Three new directors did not received the performance bonus due to 2 directors have been appointed in late 2008 and the other one has been appointed in 2009;

⁽²⁾ The shareholders in the Annual General Meeting of Shareholders 2008, on April 24, 2008 had approved the issuance of 140,000,000 units of warrant offering to the Company's directors and the employees of the Company and its subsidiaries with 5 years maturity, but the Company had not issued the warrants due to the market price is much lower than the exercise price which impacted from the global economic crisis. The shareholders in the Annual General Meeting of Shareholders 2009 on April 27, 2009 had approved the revision of the exercise price of the warrants from the pervious exercise price of Baht 2.0 per share to new exercise price of Baht 1.7 per share. On May 29, 2009, the Company had issued 100,250,000 units of warrant allocated to its directors and executives of which 30,000,000 units of warrant to be allocated to the directors or equivalent to 29.93% of the total number of warrants to be issued. 39,750,000 warrants were cancelled due to the allocated number of warrants were less than the approved number of which been approved on April 24, 2008.

- ⁽³⁾ Has been appointed as a Audit Committee's member on November 12, 2009;
- ⁽⁴⁾ Has been appointed as Chairman of the Audit Committee on November 12, 2009;
- ⁽⁵⁾ Has been appointed as Chairman of the Nominating & Compensation Committee on November 12, 2009;
- ⁽⁶⁾ Has been appointed as a Company's Director and a member of the Nominating & Compensation Committee on April 27, 2009 and May 14, 2009 respectively;
- ⁽⁷⁾ End of directorship due to his dead on September 23, 2009;
- ⁽⁸⁾ Has resigned from directorship and the member of the Nominating & Compensation Committee on April 27, 2009 and May 14, 2009 respectively;
- ⁽⁹⁾ Has resigned from directorship on June 8, 2009.

2.2) 2009 Cash & Non-Cash Remuneration of the Management of Samart I-Mobile Pcl.

Remuneration	Number of Persons	Total Amount (Baht)
Salary	7	17,352,120 (Baht)
Bonus	7	1,461,990 (Baht)
Provident Fund	7	1,313,556 (Baht)
Warrants ⁽¹⁾	7	27,900,000 (Unit)

Remark : ⁽¹⁾ The shareholders in the Annual General Meeting of Shareholders 2008, on April 24, 2008 had approved the issuance of 140,000,000 units of warrant offering to the Company's directors and the employees of the Company and its subsidiaries with 5 years maturity. The allocation of warrants had been considered by the Company's Nominating & Compensation Committee from service year, position, performance, capability of the executives as well as their contribution to the Company. The Company had not issued the warrants due to the market price is much lower than the exercise price which impacted from the global economic crisis. The shareholders in the Annual General Meeting of Shareholders 2009 on April 27, 2009 had approved the revision of the exercise price of the warrants from the pervious exercise price of Baht 2.0 per share to new exercise price of Baht 1.7 per share. On May 29, 2009, the Company had issued 100,250,000 units of warrant allocated to its directors and executives of which 27,900,000 units of warrant to be allocated to the directors or equivalent to 27.83% of the total number of warrants to be issued. 39,750,000 warrants were cancelled due to the allocated number of warrants were less than the approved number of which been approved on April 24, 2008.

2.3) 2009 Cash & Non-Cash Remuneration for Directors and Committees' Members of Samart Telcoms Pcl.

- 2009 Remuneration for existing Directors and Committees' members of Samart Telcoms Pcl.

Directors	Cash Remuneration						Non-Cash Remuneration
	Meeting Allowance (Baht)					Total Amount (Baht)	Warrants ⁽²⁾ (Unit)
	Board of Directors	Audit Committee	Corporate Governance Committee	Nominating & Compensation Committee	Performance Bonus ⁽¹⁾ (Baht)		
1. Mr. Sombut Uthaisang Chairman	210,000	-	30,000	-	200,000	440,000	500,000
2. General Sumpun Boonyanun Director / Independent Director	105,000	180,000	20,000	45,000	150,000	500,000	500,000
3. Mr. Narongchai Satanupong Director / Independent Director	90,000	90,000	-	30,000	150,000	360,000	500,000
4. Ms. Rapeepan Luangaramrut Director / Independent Director	90,000	90,000	20,000	-	150,000	350,000	500,000
5. Mr. Kajornvut Tayanukorn Director	105,000	-	-	30,000	150,000	285,000	500,000
6. Mr. Charoenrath Vilailuck Director	90,000	-	-	-	150,000	240,000	500,000
7. Mr. Watchai Vilailuck Director	105,000	-	-	-	150,000	255,000	500,000

Directors	Cash Remuneration						Non-Cash Remuneration
	Meeting Allowance (Baht)				Performance Bonus ⁽¹⁾ (Baht)	Total Amount (Baht)	Warrants ⁽²⁾ (Unit)
	Board of Directors	Audit Committee	Corporate Governance Committee	Nominating & Compensation Committee			
8. Mr. Sirichai Rasameechan Director	105,000	-	-	-	150,000	255,000	500,000
9. Mr. Pairote Varophas Director	105,000	-	20,000	-	150,000	275,000	500,000
Total	1,005,000	360,000	90,000	105,000	1,400,000	2,960,000	4,500,000

Remark : ⁽¹⁾ 2008 performance Bonus paid to Directors in 2009;

⁽²⁾ The shareholders in the Annual General Meeting of Shareholders 2008, on April 24, 2008 had approved the issuance of 18,000,000 units of warrant offering to the Company's directors and the employees of the Company and its subsidiaries with 5 years maturity, but the Company had not issued the warrants due to the market price is much lower than the exercise price which impacted from the global economic crisis. The shareholders in the Annual General Meeting of Shareholders 2009 on April 27, 2009 had approved the revision of the exercise price of the warrants from the previous exercise price of Baht 7.5 per share to new exercise price of Baht 6.75 per share. The Company had issued 500,000 units of warrant to each director on May 29, 2009 totaling to 4,500,000 units equivalent to 25% of the total number of warrants to be issued.

2.4) 2009 Cash & Non-Cash Remuneration of the Management of Samart Telcoms Pcl.

Remuneration	Number of Persons	Total Amount (Baht)
Salary	5	13,722,000 (Baht)
Bonus	5	1,724,500 (Baht)
Provident Fund	5	896,400 (Baht)
Warrants ⁽¹⁾	5	3,700,000 (Unit)

Remark : ⁽¹⁾ The shareholders in the Annual General Meeting of Shareholders 2008, on April 24, 2008 had approved the issuance of 18,000,000 units of warrant offering to the Company's directors and the employees of the Company and its subsidiaries with 5 years maturity. The allocation of warrants had been considered by the Company's Nominating & Compensation Committee from service year, position, performance, capability of the executives as well as their contribution to the Company. The Company had not issued the warrants due to the market price is much lower than the exercise price which impacted from the global economic crisis. The shareholders in the Annual General Meeting of Shareholders 2009 on April 27, 2009 had approved the revision of the exercise price of the warrants from the previous exercise price of Baht 7.5 per share to new exercise price of Baht 6.75 per share. The Company had issued 3,700,000 units of warrant to the executives on May 29, 2009 equivalent to 20.56% of the total number of warrants to be issued.

4. Corporate Governance

The Board of Directors of the Company realized on the importance of the good Corporate Governance which will be is the fundamental factor for improving standard of business operation to create more transparency, competitiveness and strengthen the confidence of all shareholders, investors and other related parties. Thus written Corporate Governance Policy and Business Ethics, which complied with the 2006 Corporate Governance Principles of SET, have been provided for practices of directors, management and employees of the Company. Corporate Governance Practices of the Company in 2009 are as follows:

1. Rights of Shareholders

The Company emphasizes and recognizes the importance of the rights of all shareholders equitably. All rights that the Company's shareholders obtained in 2009 were as follows:

- **Rights to get share certificate, sell, purchase or transfer the Company's shares**

Thailand Securities Depository Co., Ltd. ("TSD") has been appointed as the Company's registrar to provide all services for all transactions related to registration of the Company's shares.

- **Rights to propose agenda of the Shareholders' Meeting**

The Company is aware of the shareholders' rights and equitable treatment to the shareholders under the good corporate governance and to comply with laws. It's the Company policy to allow the shareholders to propose matter(s) for consideration of the Board of Directors as agenda of the shareholders' meeting for 2009 Annual General Meeting of shareholders onward. During the period that no rules or criteria from the Capital Market Supervisory Board been announced, shareholders who would like to propose the agenda have to comply with the Company's procedures and criteria of the above matter. The Company has notified and disclosed contact channels and period for proposing agenda via SET and also provided details of the procedures on the company's website (www.samartcorp.com) since December 18, 2009 and December 21, 2009 respectively.

- **Participation in the Shareholders' Meeting**

The Company is aware of the shareholders' rights and equitable treatment to participate in the shareholders' meeting, be informed conditions and procedures of meeting as well as having proxy to vote and comment in the meeting on behalf of the shareholder. There was only one meeting in 2009, an Annual General Meeting of Shareholders 2009 which held on April 27, 2009 at Miracle Grand Convention Hotel, Vibhavadee-Rangsit Road, Laksi, Donmuang, Bangkok where is convenience for transportation and capability to cover with number of shareholders.

Before the Meeting Date

In the Annual General Meeting of Shareholders 2009, the shareholders have been informed on the date and agenda of the meeting via SET's communication system 38 days prior to the meeting date. At the same time, the Company also disclosed the invitation letter as well as related documents in both languages, Thai and English, on the Company's website (www.samartcorp.com) 31 days before meeting date for the shareholders to have sufficient time for consideration. Same documents will be directly delivered to the shareholders by TSD, the Company's registrar, within 17 days before the meeting date of which better than what has been required by law. The invitation letter contained fact, rationale, and opinions from the Board of Directors for each agenda, conditions and procedures of meeting, annual report, proxy form and any other related document with sufficient information for shareholders' consideration. Moreover, the invitation letter has also been 3 days continually published on the newspaper 8 days prior to the meeting date to be in line with law.

On the Meeting Date

Meeting procedures has been set to conform to regulations and considering on shareholders' convenience. The Company is aware of the equitable of shareholders' right and their comfort to participate in the shareholders' meeting. Appropriated technology and equipments are sufficient for registration reviewed on required documents more than one hour prior to commencement of the meeting.

In the Annual General Meeting of Shareholders 2009, there were eleven directors. Chairman of all committees including the audit committee and the Company's management and external auditors also presented in the meeting. Chairman of the Board of Directors who was Chairman of the meeting introduced all Board members and the management to the shareholders, declared to the meeting that there were 110 shareholders with voting rights attended the meeting for the Annual General Meeting of Shareholders 2009. The Chairman had declared to the shareholders how to exercise their right and vote before commencement conducted the meeting to be in line with the agenda without any additional topic from what have been expressed in the invitation letter. Voting cards were provided for significant agenda. Voting result in term of approval, disapproval or abstain for each agenda were transparently presented to the meeting. The shareholders were encouraged to express their opinions and raise any questions, either in the agenda or any other questions related to the Company's business, at the meeting. All questions had been answered and taken in the minutes of meeting as well as the opinions from the shareholders.

After the Shareholders' Meeting

Resolutions of the meeting were disclosed to SET with voting details, approved, disapproved and abstain, of each agenda on the next day after the meeting date. Full minutes of meeting of which contained the attendance record of the directors, summary of questions and answers during the meeting in both Thai & English had been sent to SET and related parties within 14 days after the meeting date as well as posted on the Company's website (www.samartcorp.com) for verification.

- **Appointment / Dismission of Directors of the Company and Approve their Remuneration**

According to the Company's Articles of Association, at the Annual General Meeting of Shareholders, one third (1/3) of the Directors has to be retired by rotation. Election for replacement is required. The retired directors are eligible to be re-elected for another term.

The election of the Board of Directors shall be in accordance with the rules and procedures as follows:

- Each shareholder shall have one vote on each share;
- In voting, a shareholder shall vote in accordance with the number of votes each shareholder has under (1) for one or several directors. The said shareholder may not allot any number of his votes to any person;
- The person obtaining the highest and higher votes respectively shall be elected as directors equal to the number of directors required or ought to be elected at such a meeting. In the event that persons receiving votes in respective orders receive equal votes and the number of directors exceeds the positions required or ought to be, the chairman of the meeting shall have a casting vote.

Apart from the appointment of Directors, the shareholders also have rights to remove any director from the office before the expiration of his term of office by having votes of not less than three quarters (3/4) of the number of shareholders attending the meeting and having the rights to vote and the aggregate number of shares shall be not less than one half (1/2) of the shares held by all the shareholders attending the meeting and having the rights to vote.

In every Annual General Meeting of Shareholders, the shareholders have the rights to consider and approve the remuneration for all directors and members of sub-committees. Adequate Information of all candidates for being considered and appointed as directors or members of committees was also delivered for shareholders' consideration.

- **Appointment of Auditors and approval of their remuneration**

In every Annual General Meeting of Shareholders, one of the agenda is the appointment of Company's auditors and consideration of their remuneration. The Company will propose name of the auditors with sufficient details and remuneration for consideration of the shareholders.

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

The Company concerns on Shareholders' rights and not only disclosed Company's information via SET's communication system but also posted all significant and updated information on the Company's website (www.samartcorp.com).

- **Getting profit**

The Company has returned profit to its shareholders by way of dividend payment. Dividend for 2009 has been proposed for consideration of the shareholders at 0.25 Baht per share. Interim dividend for first nine month performance was paid on December 2009 at Baht 0.08 per share. The balance of Baht 0.17 will be paid on May 2010 of which subject to the approval of the shareholders. Total dividend payment will be 53.6% of the consolidated net profit and conformed to the Company's dividend policy that dividend payment will be not less than 50% of the consolidated net profit

2. **Equitable Treatment of Shareholders**

The Company realizes to protect and due care for the interests of all major and minor shareholders as fairly basis. In addition, the Company sets policy for equitably treatment to all shareholders for attending and vote in the shareholders' meeting, sharing in profits, regularly and timely obtained adequate information, business performance and management policy. In the shareholders' meeting, each shareholder shall have one vote on each share. Proxy form requiring documents were delivered together with the invitation letter for shareholders who would like to appoint a proxy. Proxy form, which contains detail of voting as approve, disapprove or abstain, as well as details of 4 independent directors also are attached for shareholders consideration as alternative proxy. In the Annual General Meeting of Shareholders 2009, there were 36 proxies to the Company's independent directors. In addition, voting cards were provided for each agenda, especially, the agenda of appointment of directors of which been appointed by individual. In every shareholders' meeting, the meetings were conducted to be in line with the agenda without any additional topic from what have been expressed in the invitation letter otherwise rights of the shareholders who could not participate in the meeting by themselves will be deprived.

The Company will inspect to ensure no inside information of which is material, undisclosed and confidential leak to public or be used from unauthorized for personal benefit. IT system has been implemented for a secure access for all users inside and outside the firewall in conjunction with the Company's own user authentication and security system. It was also set forth in the Company's Corporate Governance Policy to refuse directors, management and employees of the Company to use Company's inside information for personal benefits. Any trading of Samart Group's securities within 1 month prior to disclosure of either Company's financial performance or any other information that may affect securities' price is prohibited. The Directors and Executive managements of the Company had been informed on their duties and punishment regarding to report on securities holdings of themselves, their spouse and any minor children to SET within 3 days from the transaction date according to the Securities and Exchange Act B.E. 2535. Any change in securities holdings, such directors and Executive managements have to report the Company Secretary for coordination and preparing report submit to SEC. In addition, the Company has set as a policy to report on securities holdings of directors and Executive managements in every meeting of the Board of Directors.

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

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

3. **Attention to Stakeholders**

The Company is aware of the support from each stakeholder should increase the competitiveness and ability to generate more benefit for long-term succession and realized the importance of all stakeholders i.e. shareholders, employees of the Company and its subsidiaries, customers, competitors, lenders, societies and environment. Thus, general rules and practices have been set for directors, management and employees in the Company's Business Ethics to cover rights and equitable benefits to all stakeholders and posted on the Company's website (www.samartcorp.com) which be summarized as follows:

- Shareholders:** The Company aware of its role to protect and due care for the interests of all major and minor shareholders by granting rights to every shareholders to attend, vote and have comments in the shareholders' meeting, to share in profits, regularly and timely obtained adequate information, business performance and management policy. Details of shareholders' rights are described under "Rights of Shareholders".
- Employees :** The Company highly regards all of the employees as valuable resources and is a major factor to drive the business performance to achieve its goals. As a result, it is the Company's policy to treat employees fairly in all respects, employment opportunity, reasonable remuneration, promotion, welfare i.e. life & health insurance, annual check up, provident fund, loan for employees, buses service, fitness center and special discount for company's products etc. Development programs, both internal and external training courses, are continually provided for all levels of employees. Moreover, scholarships have been provided for improving skills and knowledge of employees. The Company has to ensure that working environment will have no harm to employees' lives and properties. Security equipments and fire drill have been provided and governed by Risks Management team to strictly conform to the Company's Security Policy.
- Customers :** The Company strongly believes in building confidence and brings satisfaction to all of the customers who are very important to the Company by providing modern and high-quality products and services at reasonable price for customers' satisfaction and needs. Currently, new products and services have been developed by the subsidiaries i.e. Samart I-Mobile Pcl. whose business is a provider and distributor of mobile phones has launched many models of mobile phones with variety functions to serve customers' needs in all levels. After sales services were also improved by providing a total solution of i-mobile Service Centers with See Through service care in each center for providing all services as well as having the Authorized Service Center with same quality as our mobile service centers for customers support. Moreover, the Company also provided product guarantee by having products exchange within 10 days. Samart Engineering Co., Ltd., a manufacturing of TV antennas and satellite dishes has improved and developed new products to enhance capacity and availability for more entertainment channels and also arranged for customers many of promotion activities. In Addition, Call Center Service for consultation and complaint of customers also provided and ensures that customers' information will be strictly treated as confidential without any using for personal benefits.
- Trade partners :** The Company has the policy to equitably and fairly treat its trade partners by taking into consideration of the Company's interest and on mutual benefits basis. Clearly define in evaluation and selection of trade partners as well as developing and maintaining good relationship between all partners with trust and confidence.
- Creditors :** The Company is conforming to its Principle of Business Operation in order to the respect and admission of the Creditors and strictly complied with all the terms and conditions agreed upon in a transaction. In the event that any particular condition could not be met, the Company will prior inform the Creditors and seeking mutual accepted solution.
- Competitors :** The Company conducts all business affairs under just rules and competitions without fraudulently or inappropriately seeking confidential information of its competitors, or damage competitor's reputation by abusive accusation.
- Societies :** The Company recognizes that it can survive and grow in a society that is vigorous and prosperous. Therefore to bring about societal progress the Company participated in societal improvements with

financial support to all activities that aim to maintain beneficial cultures, customs and rituals. Moreover, the Company will involve in religious activities regularly. The Company also participated in many activities for development of social, education, vocation, athletic ability as well as sanction for outreach people and victims. In 2009, many projects have been created for bringing tangible benefits to Thai society, i.e.

- The Samart Innovation Awards project is aimed at developing and promoting the abilities of Thai people through software contests. The contest has been continually arranged for 7 years from 2003-2009;
- The Samart Scholarship project is to provide capable but poor students with educational opportunities, i.e. scholarships for undergraduates and graduates, scholarships for staff's children and poor students in Lop Buri province;
- Samart Telecommunications Technician School transfers knowledge about the installation of antennas and satellite dishes;
- A project to develop other skills and abilities, i.e. a sponsorship for design website and supported youths' expressions in the Miss Teen Thailand pageant., etc;
- The "Samart D Club", a social contribution project which encouraged staff members to voluntarily do social work, i.e. Programs to entertain orphans at the Phayathai Babies' Home on the Children's Day and host a lunch for the elderly at a residential home in Bangkok etc;
- Other social responsibility activities through "Samart Foundation" included the annual donation of reflective coats and raincoats to polices at Pak Kret and Pak Khlong Rangsit police stations and the construction of a school building and the donation of teaching materials for students at Kong Mong Tha School in district of Kanchanaburi province., etc.

Environment : The Company conducts business with recognition of environmental conservation and standard management of safety. It is also the Company's policy to become a responsible corporate citizen to comply with all relevant laws and regulations and be responsible for utilizing natural resources in prudent manners. For motivation of the employees to continually conform to the Company's policy, announcement via Company's PR boards, e-mail and internal radio are provided. In 2009, many activities to encourage people for concerning and having good environment have been created, i.e. plant trees and crabs release at the Bangpu Nature Education Center., etc.

In addition, the Board of Directors are respect the importance of all stakeholders in participation of the Company's success, thus feed back channels for all stakeholders to return their complaints, comments or recommendations are provided for improvement. Those channels consist of direct mail to the following address, via Company's website at www.samartcorp.com under "Contact Us".

Mailing Address : Secretary to the Audit Committee
Samart Corporation Public Co., Ltd.
99/1 Moo 4, Software Park, 35th Fl., Chaengwattana Rd.,
Klong Gluar, Park-kred, Nontaburi 11120.

The Audit Committee Secretary will collect the information, and proposes the Audit Committee to consider and summarize for further report to the Board of Directors. In addition, the Company has the policy to defend the appellant by keeping appellants' information as secret.

4. Disclosure and Transparency

The Company has strong determination to reveal accurate complete, consistent and updated information, both financial and general information that related to Company's business. The Complete, consistent and updated

information will truly reflect Company's financial performance and future business direction. Such information were disclosed to shareholders, investors and any related parties via SET's Communication system, Company's website (www.samartcorp.com), press release and Company's Annual Report as well as participated in the "Opportunity Day" which arranged by SET.

The Board of Directors has to ensure that the Company's disclosures are transparency and strictly complied by laws, Company's and any related regulations. The Company has never been notified any offense by SEC/SET on such matter. The Board has Major concerned on transparency and disclosure in the following area:

- **Provide multi channels for disclosure of information apart from SET's Communication system**

Annual Report and Form 56-1

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

Company's website

The Board of Directors is aware of the efficiency of website disclosure to the shareholders and related persons as well as equitably and easily of getting information. The Board of Directors therefore ensures the Company not only provides all significant information of the Company in the Company's Annual Report but also on the Company's website (www.samartcorp.com) in both languages, Thai and English. The disclosed information comprised of Corporate Governance Policy, Business Ethics, General News, Financial Statement as well as Annual Report and the Annual Disclosure Information (56-1), etc.

Investors Relation

The Company has also set up an Investors Relation section to provide Company's information and activities for investors, shareholders, analysts and general public via Company's website, Road Shows, analysts meetings and conference calls etc. The Company's Investor Relations could be contacted at phone number 0-2502-6583 or via www.samartcorp.com or the e-mail address at Nikhil.A@samartcorp.com.

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

Meetings with investors and analysts in 2009 were summarized as follows:

- | | |
|---|----------|
| - One on One Meeting with Analyst & Investors | 19 Times |
| - Announcement of Company's Performance | 4 Times |

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

- Structure, Roles and Responsibilities of the Board as well as performance of the Board and each Committee;
- Directors and Management's Remunerations: Policy of Directors' Remuneration has been clearly and transparently set to be comparable to the general practice in same industry and be appealing enough to attract and retain qualified directors. The directors who also be appointed to be the member of any Committees will be paid appropriately more in accordance with the extra work. The Nominating & Compensation Committee will consider the remuneration and propose for consideration of the Board of Directors prior to further approval from the shareholders. The remuneration of the Board of Directors and the Management has been disclosed in the Company's Annual Report and the Annual Information Disclosure (56-1) under "The Management".

- **Accountability to the Financial Statements**

The Board of Directors is responsible for the Company's consolidated financial statements and any financial information which been disclosed in the Company's Annual Report. Such financial statements were prepared in accordance with the general acceptance-accounting standard in Thailand with appropriated financial policy. The

reports were carefully considered and prepared with sufficient information in the notes to the financial statements. The financial statements have been audited and commented independently by the authorized auditors of SEC.

The Board of Directors also set out and maintained for the efficiency of the Company's internal control system to ensure that the financial information had been correctly and accurately booked and sufficient to maintain the Company's assets and be aware of weak point in order to prevent whether from any dishonesty or significant error. The Board of Directors had appointed the Audit Committee of which comprised independent directors to be responsible for the quality of the financial statements and the internal control system and disclosed such opinion in the Annual Report under the Report of the Audit Committee. The opinion of the Audit Committee has already been disclosed in the Annual Report. Moreover, Report of the Board of Directors' responsibility on the Company's Financial Statements was also attached in the Company's Annual Report.

5. Roles and Responsibilities of the Board

5.1) Directors' Qualifications

The Board consists of directors who have various knowledge, experience, and specific skill that suitable and benefit to the Company. The Board will also have leadership and vision to carry on the Company's business and achieve its objectives. The Company has 11 directors who complied with the qualification that been described in the Company's "Directors' Qualifications". All of the Directors have contributed their best to the Company which may concern from their participation in the meeting that been described under the "Board of Directors' Meeting".

5.2) The Independent of the Board of Directors

- **Separation of CEO and Chairman**

For best benefit of the shareholders and to strike a balance of power within the Company, the positions of Chairman of the Board of Directors and CEO must not be attained by the same person. The Company's Chairman of the Board of Directors is an independent director who has the qualifications of independent director in accordance with SET's notification and has no business relation with any management of the Company. Moreover, he is also the Chairman of the Audit Committee and the Corporate Governance Committee.

- **Balance of Power**

The Board of Directors of the Company comprised of 11 members with various qualifications, skills, experience and expertise. Composition of the members is as follow:

- 4 Independent directors (one-third of the Board of Directors)
- 4 Executive Directors
- 3 Non-Executive Directors (Representatives from major shareholders). The other one is still in the process of seeking and nominating.

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

- **Separate Roles and Responsibilities of the Board of Directors and CEO**

The Company has clearly set the separate roles and responsibilities of the Board of Directors and CEO. The Board of Directors will focus and ensure that the Company's business will achieve its target and in the direction that create value and best benefit to the shareholders as well as all stakeholders. Any conflict of interest with the Company and its subsidiaries will be prohibited. The Board will also comply with the Company's Ethics to ensure all Company's businesses are run under Company's objectives, Articles of Association, laws and regulations of SEC/SET and other related laws. At the same time, CEO

who is the management's leader will focus on general management of the Company. The details of Roles and Responsibilities of the Board of Directors and CEO are described under "Management Structure".

5.3) Being Director in other Listed Companies

- **Policy for directors on being director in other listed companies**

For efficiency of being the director, the Board of Directors of the Company has set the "Policy" for all directors to be the director in any listed companies not exceeding 10 companies otherwise rationale and necessity have to be declared to the Nominating & Compensation Committee for consideration of the efficiency of his/her duty prior to further consideration of the Board of Directors. Such information also has to be disclosed in the Company's Annual Report and the Annual Information Disclosure of SEC (56-1). However, there is not any of the existing directors of the Company is being the director in listed companies over than 5 companies and also could participate and contribute to the Company with efficiency.

- **Policy for executives management on being director in other listed companies**

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

5.4) Transparency of Nomination

The Board ensures the Company to provide transparency process of nomination of directors and management of the Company of which the details are disclosed under clause 2. "The Nomination of Directors and the Management".

5.5) Board of Directors' Activities in 2008

5.5.1) Set Policy and Business Direction

The Board of Directors has clearly established the Company's Vision & Mission as follows:

Vision:

Be the most recognized company for advance technology that enrich lives.

Mission:

- Offer value solutions to best serve customers' needs.
- Enrich relationship with partners.
- Deliver beyond shareholders expectation.
- Be a company of choice for customers & employees.

Core Strategies:

- Foresee the changes and plan well for the future.
- Meet every customer's need & demand.
- Develop advance & differentiate technology solutions.
- Strengthen financial performance.
- Work closely and effectively with key alliances.
- Expand market base & brand preference overseas.
- Expand our business portfolio in valuable technology-related area.
- Drive "SAMART" to be a learning organization and a center of excellence.

Corporate Governance Policy

The Board of Directors is aware of the importance of good Corporate Governance. Therefore, the written Policy of Corporate Governance both in Thai and English have been set and approved by the

Board since 2005 to create more transparency, competitiveness and strengthen the confidence of all shareholders, investors and other related parties. The Corporate Governance Policy had also been posted on the Company's website for information of the Company's employees and for public. Internal audit and Internal control system have been emphasized to monitor the management to follow the Company's policy with more efficiency in order to increase long-term benefit to the shareholder under the law and Business Ethics. The Corporate Governance Committee will monitor and have the employees to strictly comply with such policy. The CG Policy will be annually reviewed and revised to comply with new regulations. The latest revision has been resolved by the Board of Directors of the Company on February 26, 2010.

Business Ethics

The Company is conducting the business with great awareness in ethical and moral issues. The handbook concerning business ethics for all members of the Board of Directors, managerial team and our employees has been provided in both Thai and English since 2005 as a guideline to continue his/her duty with honesty, integrity, morality, and, of course, highest quality. It also reminds the Company to bring fair treatment in accordance with legal restrictions, to maximize shareholder value, and to prevent plausible conflicts of interest. The Business Ethics had also been posted on the Company's website for information of the Company's employees and for public acknowledgement. The Business Ethics will be annually revised. The latest revision has been reviewed by the Board of Directors of the Company on February 26, 2010 for compliance with the revised Corporate Governance Policy.

The Company's Vision, Mission, CG Policy and Business Ethics have been posted on the Company's website at www.samartcorp.com under the governance of the Corporate Governance Committee to have all employees to strictly conform and practice.

5.5.2) Leadership and Vision

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

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

5.5.3) Set up of Committees

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

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

Roles and responsibilities of each committee were disclosed under section 1, “Management Structure”. In addition, Committees’ Charters have also been set and disclosed on the Company’s website (www.samartcorp.com).

5.5.4) Board & Committees’ Meeting

1) Board of Directors’ Meeting

The Board of Directors’ Meeting schedule has been set as quarterly basis with certain agenda. The meeting schedule will be sent to each director by the Company Secretary for preparation and arrangement for meeting participation. However, additional unscheduled Board meetings may be called upon appropriate notice at any time to address specific needs of the Company. The operating results will be regularly reviewed. The invitation letter as well as meeting materials will be delivered by the Company Secretary to all directors prior to the meeting date for consideration. The average length of the meeting is approximately 3 hours. Details of directors’ attendance for 2009, total 7 meetings, were as follow:

Directors	Term of Directorship (Year-month)	Number of Attendance /Total Number of Meeting	Summary of consideration
1. Dr. Tongchat Hongladaromp	1-8	7/7	<ul style="list-style-type: none"> - Considered the Company Operating Performance and Financial Statements for 2008 as well as quarterly performance of 2009; - Considered the sufficiency of the Company’s Internal Control System; - Acknowledged the 2008 Committees’ activities; - Acknowledged the 2008 Board Self-Assessment Result as well as consider the criteria of the Board Self-Assessment for 2009; - Considered the interim payment for nine months of 2009; - Considered matters concerning to 2009 AGM agenda and provide opinions to shareholders for consideration; - Considered the revision of the exercise price of the Warrants offering to the Company’s directors and the employees of the Company and its subsidiaries as well as amendment of directors’ name who will be obtained the Warrants and recommended for further consideration of the shareholders ; - Considered the appointment of Committees’ members; - Considered the salary increase for 2010 and 2009 bonus; - Considered the Directors & Officer Liabilities and Corporate Reimbursement Insurance; - Reviewed and revised the Company’s Corporate Governance Policy and Business Ethics ; - Considered the Related Party Transactions; - Considered and approved the minority shareholders to propose matters in the agenda of AGM 2010; - Considered the Company’s 2010 business plan; - Considered the Criteria of the Report on Interest of the Board of Directors and executives.
2. Mr. Pradang Prichayangkun	1-8	7/7	
3. Mr. Seri Suksathaporn	10-11	7/7	
4. Mr. Aran Promrata	1-8	7/7	
5. Mrs.Siripen Vilailuck	16-10	7/7	
6. Mr. Charoenrath Vilailuck ⁽¹⁾	16-10	6/7	
7. Mr. Watchai Vilailuck	16-10	7/7	
8. Mr. Sirichai Rasameechan	13-10	7/7	
9. Mr. Pairote Varophas	6-8	7/7	
10. Mr. Azwan Khan Bin Osman Khan ⁽¹⁾	1-1	5/7	
11. Mr. Reza bin Abdul Rahim ⁽²⁾	0-8	4/7	

Remark: ⁽¹⁾ Went abroad for Company’s business trip;

⁽²⁾ Director who has been appointed during the year 2009, meetings participation was less than others who have full year contribution.

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

2) Audit Committee

In 2009, the committee conducted 4 meetings for consideration of the followings:

Directors	Number of Attendance /Total Number of Meeting	Summary of consideration
1. Mr. Pradang Prichayangkun 2. Dr. Tongchat Hongladaromp 3. Mr. Seri Suksathaporn 4. Mr. Aran Promrata	4/4 4/4 4/4 4/4	<ul style="list-style-type: none"> - Reviewed quarterly/annual financial statements; - Consulted with external auditors regarding recommendation on the financial statements; - Considered the related party transactions among the Company and subsidiaries as well as connected transactions which might have had conflict of interest; - Considered and nominated the Company's Auditor then proposed to the Board of Directors and the shareholders together with auditor's remuneration for 2009 for approval; - Considered annual audit plans, Internal Audit results and the progress of the audit plan; - Evaluated on the Sufficiency of Internal Control System; - Reviewed the amendment of the Audit Committees' charters.

3) Executive Board

In 2009, the committee conducted 7 meetings for consideration of the followings:

Directors	Number of Attendance /Total Number of Meeting	Summary of consideration
1. Mr. Charoenrath Vilailuck 2. Mr. Watchai Vilailuck 3. Mr. Sirichai Rasameechan 4. Mr. Pairote Varophas(*) 5. Mr. Lai Ki Tong 6. Mr. Thananan Vilailuc(*)	7/7 7/7 7/7 6/7 7/7 6/7	<ul style="list-style-type: none"> - Approved quarterly operating action plan; - Monitor, follow up and ensure that business operation is complied to the Business Plan and the Board's resolutions; - Considered the followings prior to submit for further approval from the Board of Directors: <ul style="list-style-type: none"> • Investments/Dispose of investment • Dispose of assets • The Company's 2010 Strategic Implementation Plan - Considered The Annual Salary Increase of 2010 and 2009 Bonus proposed for further consideration of the Nominating & Compensation Committee; - Considered new hire and promotion of manpower.

Remark: () Went abroad for business trip.*

4) Corporate Governance Committee

In 2009, the committee conducted 2 meetings for consideration of the followings:

Directors	Number of Attendance /Total Number of Meeting	Summary of consideration
1. Mr. Seri Suksathaporn 2. Mr. Pradang Prichayangkun 3. Mr. Sirichai Rasameechan	2/2 2/2 2/2	<ul style="list-style-type: none"> - Reviewed, evaluated and summarized the Board Self-Assessment for further consideration of the Board of Directors; - Considered the Committees' reports for 2009 before submission to the Board of Directors; - Considered the amendment of Committees' Charters; - Reviewed and revised the Company's Corporate Governance Policy; - Considered criteria of the Report on Interest of the Board of Directors and Executives; - To acknowledge the proposed matters from minority shareholders as the agenda of shareholders' meeting.

5) Nominating & Compensation Committee

In 2009, the committee conducted 4 meetings for consideration of the followings:

Directors	Number of Attendance /Total Number of Meeting	Summary of consideration
1. Dr. Tongchat Hongladaromp ⁽¹⁾ 2. Mr. Pradang Prichayangkun ⁽¹⁾ 3. Mr. Seri Suksathaporn 4. Mr. Aran Promrata ⁽¹⁾	4/4 4/4 4/4 4/4	<ul style="list-style-type: none"> - Selected, and nominated appropriate candidates to be the Directors for replacement; - Considered remuneration of Board members and Committees members; - Considered the revision of the exercise price of the Warrants offering to the Company's directors and the employees of the Company and its non-listed subsidiaries; - Considered the amendment of directors who will receive the warrants allocation; - Considered the criteria for re-allocated the warrants which been returned from the ceased directors and employees; - Considered Salary increase for 2010 and 2009 Bonus for the employees and the management.

6) Risk Management Committee

In 2009, the committee conducted 5 meetings for consideration of the followings:

Directors	Number of Attendance /Total Number of Meeting	Summary of consideration
1. Mr. Charoenrath Vilailuck 2. Mr. Watchai Vilailuck ⁽¹⁾ 3. Mr. Sirichai Rasameechan 4. Mr. Pairote Varophas 5. Mr. Lai Ki Tong 6. Mr. Sommai Damneonkiet 7. Mrs. Sukanya Vanichjakvong 8. Mr. Thananan Vilailuck ⁽²⁾ 9. Mr. Jong Diloksombat ⁽²⁾ 10. Mr. Prasitchai Veerayuttwilai ⁽²⁾	5/5 4/5 5/5 5/5 5/5 5/5 5/5 4/5 4/5 4/5	<ul style="list-style-type: none"> - Evaluation Risk Management in 2008; - Set up Risk Assessment Plan for 2009; - Reviewed and monitored Company's operation to be complied with the Risk Assessment Plan; - Evaluated and managed to protect potential risks; - Reviewed and revised the Risk Assessment Plan.

Remark: ⁽¹⁾ Went abroad for business trip;

⁽²⁾ Has been appointed as a member of the Risk Management Committee on May 15, 2009, meeting participation was less than other who have full year contribution.

All the Committees have regular meetings and reported to the Board of Directors of the Company.

5.6) Conflict of Interest

To prevent conflicts of interest, the Company has drawn out guidelines for directors and employees to follow:

1. Avoid all actions that may cause conflicts of interest with the Company;
2. In case that directors or employees commit any action related to the Company, the particular director and employee will be treated like an outsider, and will play no part in decision-making process;
3. Refuse to use Company's information obtained in their posts for an opportunity to derive personal benefits by creating rivalry with the Company or involving in related businesses;
4. Refuse to use Company's information for securities purchase for personal benefits or to leak Company's information to outsiders for their benefits;
5. Refuse to reveal Company's classified information (e.g. electronic information, financial situation, work's plans, business information and Company's future plans) during and after their posts.

On any conflict of interest transaction, before entering into the transaction, the Audit Committee will carefully review prior to submit with opinion either on such conflict or connection to the Board of Directors for further review and to ensure that the transaction has to be complied with SET's regulations, information of the transaction i.e. value of transaction, party involved and necessity etc. has been disclosed in the Company's Annual Report, Form 56-1 and the auditor's note in the financial statements. Any consideration of the connected transaction, the directors who may have conflict of interest will neither participate nor vote in such meeting. Details of the transactions which may have any conflict of interest were disclosed under the "Connected Transactions".

5.7) Internal Control and Internal Audit

In the Board of Directors' Meeting No. 1/2010 on February 26, 2010, which all the Audit Committee members also attended, the meeting evaluated the Company's internal control system from the report, which was prepared by the management and the Audit Committee, on the following issues:

A) Organizational Control and Environment Measure

The Company has set its annual Strategic Implementation Plan (SIP), applied PM Online (Performance Management) to guide performance of all staffs toward the same direction, goal and using KPI (Key Performance Indicator) as a tool to reward to personnel. For business clearer and more efficiency, business structure has been classified into 3 LOBs. Moreover, the Company has signed Non-violated IP (Intellectual Property) Agreements with all personnel.

B) Risk Assessment Measure

Risk and Opportunity Management had been provided for business, financial, operational and I.T. through Risk Management Committee by quarterly reviewing on risks assessment as well as preventive/corrective measures to ensure achievable business's goals.

C) Management Control Activities

Authorization Manual and Workflow Procedures were clearly put in place and timely adjusted to corporate changes. The Executive Board, Audit Committee, and the Board of Directors involved as deem appropriate in all important decisions to be complied with SET/SEC's regulations. Financial Unit, Debt Management Unit, Legal Unit as well as Internal and External Audit Units were put in place to supervise corporate activities to be performed in accordance with applicable rules and laws.

D) Information and Communication Measure

Corporate Data Center was established to consolidate and centralize Company's information system for efficient management and bringing in Enterprise Resource Planning (ERP) such as SAP

(System Application Product) to process financial and accounting data on real time to be information for management's decision later on. Moreover, the disaster recovery site has been established to prevent business interruption. Internet web portal to communicate to all staffs pertaining rules & regulations such as information security as well as implemented Human Resource Information System (HRIS) for human resource management has also created.

E) Monitoring

Performance Monitoring meeting has been arranged on monthly basis to follow up and evaluate performance of each business. The annual audit plan, Audit Program, was implemented by the Internal Audit to be in line with each business operations. The audit result will be reported to respective departments, Management and Audit Committee.

From the above evaluation, the Board of Directors Meeting No. 1/2010 on February 26, 2010 agreed that the Company has a sufficient internal control system. Moreover, the Company's auditor, Mrs. Saifon InKaew, an auditor license no. 4434 had audited the Company's financial statements for period ending December 31, 2009 without any comment on the Company's internal control system as significant error.

5.8) Risk Management

In 2009 Company set up comprehensive Risk Management Policy to mitigate any potential impact caused by economic and political changes and global financial crisis. Policy also includes the criteria for risk prevention and detection. The Risk Management Committee therefore complied with the policy and implemented the risk prevention and mitigation measures in accordance with the risk management plan with the collaboration of concerned department as follows:

1. Preparation of risk management plan by each department to support the Company's master business plan and to cope with business risks for the Company's goal achievement;
2. Risk management will be carried according to the plan mentioned above. Each responsible department has prioritized the risks by evaluating the overall risk profile and its potential impact to the organization. The appropriate risk mitigation criteria shall be determined in conjunction with each department where as internal audit department undertaking role as risk coordinator and reviewer;
3. Risk Management countermeasures shall be implemented and regularly followed up by the Risk Management Committee comprising of each concerning management in a quarterly meeting as outlined in the risk management plan. All countermeasures shall be followed and reviewed by internal audit department to ensure that the final outcome is agreeable with the Company's proposed objectives.

Besides, the Company held risk management seminar and training for each business. The risk management criteria 's have been adapted as key factors in performance evaluation of staffs. The training also focused on concepts and principles of practicing on risk management through out the organization which would contribute ensuring the sustainable growth of the Company as well as create longterm value for stakeholders and shareholders.

5.9) Board Self-Assessment

The Corporate Governance Committee has initiated the Self Assessment form for Board members to review and evaluate their performance for 2009 as a whole. The assessment from, which has been approved by the Board of Directors in its meeting No. 7/2009 on December 18, 2009, was sent to all directors for assessment. The questionnaire covers the following area:

- Board Composition
- Strategic Guidance
- Monitoring & Evaluation
- Accountability

From the assessment which been completed by the Board members individually, total number of directors (11) agreed that for the above area, the Company has an **excellent** evaluation by obtaining average score 94.42% for total area of assessment which is better than previous year assessment that have average score 93.93%. This is to imply that our Board of Directors has a continually enhancement in its efficiency which will reflect to the success of the Company.

5.10) Development of Directors and Management

The Company will provide Directors' Manual and orientation program to new directors. Information on Company's business and directions as well as Corporate Governance Policy of the Company will be advised. In addition, to support and increase knowledgeable of the directors, periodical training will be provided especially the Director Accreditation Program (DAP) and Director Certification Program (DCP) arranged by the Thai Institute of Directors (IOD). Seven of the existing directors have joined DCP program and 2 directors joined DAP program. The remaining 2 directors who have not yet been joined any programs are foreign directors.

5.11) Company Secretary

The Nominating & Compensation Committee considered and appointed a potential and experienced person as the Company Secretary proposed for further approval of the Board of Directors. Roles and responsibilities of the appointed Company Secretary are as follows:

1. Perform her duty with responsibility, due care and royalty as well as has to comply by laws and any other related regulation;
2. Support the Board of Directors for their activities including provide consultation with related to Company's Articles of Association, and any other regulations from related authorities;
3. Arrange meetings for Board of Directors, Committees and Shareholders as well as coordinate to ensure all resolutions have been implemented complying with Company's Objectives, Articles of Association, laws and related regulations;
4. Preparing and keeping important documents of the Company, i.e. a register of directors, notices calling directors' and shareholders' meetings as well as the reports of such meeting and the annual report, ext.
5. Keeping the report on interest filed by Directors and executives as well as submit a copy of such report to the Chairman and the Chairman of Audit Committee within seven business days from the date on which the Company has received the report;

In case where the company secretary vacates her position or is incapable of performing his duty, the Nominating & Compensation Committee shall select a new company secretary to propose for consideration and approval of the Board of Directors to appoint the new company secretary within 90 days from the date on which the company secretary has vacated her position or has been incapable of performing her duty; in this regards the Board of Director shall be empowered to assign any director to perform the duty as the substitutes during such period.

5. Inside Information

The Company will inspect to unsure no inside information of which is material, undisclosed and confidential leak to public or be used from unauthorized for personal benefit. IT system has been implemented for a secure access for all users inside and outside the firewall in conjunction with the Company's own user authentication and security system. It was also set forth in the Company's Corporate Governance Policy refuse the directors, management and employees of the Company to use Company's inside information for personal benefits. Any trading of Samart Group's securities within one month prior to disclosure of either Company's financial performance or any other information that may affect securities' price is prohibited.

The Directors and executive managements of the Company had been informed on their duties and punishment regarding to report on securities holdings of themselves, their spouse and any minor children to SET within 3 days from the transaction date according to the Securities and Exchange Act B.E. 2535. The Directors and executive managements have to report such information to the Company Secretary for further handling and report to SEC. In addition, the Company has set as a policy to report on securities holdings of directors and executive managements in every meeting of the Board of Directors and disclosed on the Company's website (www.samartcorp.com).

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

6. Human Resource

Number of employees of the Company and its subsidiaries classified by line of business for the pass 3 years

Line of business	Number of Employees (persons)		
	2007	2008	2009
1. Mobile Multimedia	1,413	1,423	1,127
2. ICT Solutions & Services	1,003	1,041	1,083
3. Technology Related Business	2,517	2,574	2,388
Total	4,933	5,038	4,613

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

Remuneration	Total Amount (Million Baht)		
	2007	2008	2009
Salary (Million Baht)	917.21	999.02	921.98
Bonus (Million Baht)	71.32	52.01	53.21
Provident Fund (Million Baht)	24.05	26.91	27.67
Warrants ⁽¹⁾ (Million Unit)			
- Mobile Multimedia	-	-	42.35
- ICT Solutions & Services	-	-	9.80
- Technology Related Business	-	-	13.00
Other remuneration (over time, special subsidy and commission) (Million Baht)	150.54	150.04	115.16

Remark: ⁽¹⁾ The shareholders of Samart Corporation PCL Samart I-mobile PCL and Samart Telecom PCL on April 24, 2008 had approved the issuance of warrant offering to directors and the employees of such Companies and their subsidiaries.

Human Resource Development Policy

As a fast growing entity by bring a technology to respond the needs of consumers, top management of Samart Corporation strongly believe that the development of human resources is the most important task for driving the business. Eventually, consistent development of human resources has been the key task for human resource division in order to lay down the foundation for new generation of Samart Group. There are number of human resources projects to develop people skills at all levels including executive and operational levels that are undertaken each year such as Modern Supervisory Program, Training Course base on Competency and other projects in 2009. These projects aim to upgrade skills and develop new and middle management to support current business and business growth in the future.

1. Human Resource Development Policy

The Human Resource Development policy is focused on developing knowledge, skills and work behavior. The company provide internal training and external training, including the development of learning with other methods such as learning through E-Learning, books and other activities .The company aim to enhance employees knowledge and competencies which are necessary for their widen perspectives towards their responsible job. Employees development also include offering scholarships to employees to extend their further studies on Undergraduate and Graduate degree. Since 2005, this project has offered scholarships to 30 employees.

2. Career Development Project

In 2006, Samart Corporation Pcl. had established Career path Development Plan Project for planning career paths of management level. In 2009, the company expanded this project to cover the operational level in order to plan and develop human resources development for accuracy and efficiency. This project aims to enhance employee knowledge and competency which is key to SAMART Group's sustainable success. The Company created Individual Development Plans (IDPs) to guide the development of individual career paths. The assessment through evaluation Competency Assessment System. This tool was developed to measure the ability of employees. Next year, the company will update Competency Model and Competency description to match the current state and future of the business.

3. Developing Management Tools Policy

Human Resources Development is important for Samart Corporation Pcl. Company have undertaken Human Resource Development Projects since 2004 to 2005. It included HR centralized database system and developing the information system and the application to support Human Resources Management such as Human Resource Application for self service in personal information, training record, health pay, leave online, etc., Performance Management Online to support online performance management system, Application for E-learning. In 2009, Company has been developing Competency Assessment Application which is a continuation of the project last year to complete. The system can support the project Career path Development Plan by taking the information from the Competency Assessment Application to plan training and support development projects of high potential to occur in the future.

4. Corporate Culture & Relationship Development Policy

Good working environment is important for team work, creativity and ultimately the good performance for business contribution. Company support our employees' engagement in important religious events and social contribution activities. There are some activities that Samart Corporation Pcl. has undertaken such as the, the sports activities to enhance good relation between departments which would help internal cooperation. In 2009, The company has built a strong corporate culture to synchronize the power to create harmony in the business success and working together with happiness. Therefore, the project has established "SAMART Willing Award" to honor the spirit of helping others, providing advice, care for others, share knowledge and generosity to each other. To create a good and warmth in workplace.

5. Welfare Policy

There are also a variety of welfare and projects for health care contribution. It also includes projects for health benefits towards contributing good health to all employees of Samart Corporation Pcl. The Company believe that people make difference. The better the people development, capability enhancement, quality of life and sense of belonging toward Company we can develop, the more contributions to company's long term success and create better returns for shareholders and society.

Summary of Training to management and employees in 2009

Training	Frequency	Number of Participants
In-House Training		
Managements	17	1,243
Employees	27	916
Sub-Total	44	2,159
External Training		
Managements	76	113
Employees	145	299
Sub-Total	221	412

Training Expenses in 2009

Total training expenses in 2009 for the Company and its subsidiaries were Baht 8,240,202 of which comprised internal, external and international training.

Internal Training Courses

- Strategic Management
- CMMI in Practices
- Leader Training
- Competency Assessment
- Marketing Management
- Leave Online
- Negotiation Sales Skill
- The Power of Presentation
- Managing People to All Direction
- Business Development & Investment Strategy
- To Learn and Enhance Leadership
- Change Management
- Scenario Planning
- CRM in Action
- Power up Your Positive Mind
- Total Quality Management (TQM)
- Modern Supervisory Skill
- Technology 3G
- Strategic Systematic Problem
- Solving & Decision Making
- Systems, Applications Products (SAP)

External and international Courses

- Implement high-speed communications in China
- Communic Asia 2009 Singapore
- Cisco CCIE LAB Japan
- Financial management for executives
- Motion Graphic and Digital Composition
- SOA : Transform Business Model to Service and Architecture Design
- Solaris System Performance Management
- How to Survive in the Economic Crisis
- Financial Statement for Director
- Logistics Cost and Risks Under Incoterms
- Information systems to manage human resources
- The Supervisory Gird.
- IT Risk Management
- Every issue accounting standards.
- Project Management Professional
- The use of executive power to decline during economic crisis.
- Supply Chain Technology
- And how to differentiate products from prominent competitors.
- Advance Network with Server Configuration Tab & Management
- Risk Management and Enterprise Risk Management Course

7. Internal Control System

(See details in the “5.7 Internal Control and Internal Audit”)

8. Dividend Policy

On dividend payment, the Company has policy to pay dividend to the shareholders of not less than 50% of its consolidated net profit after deduction of all reserves as stated in the Company’s Articles of Association and related laws, subject to need for future investment and business plan, future necessity and appropriation. The Company’s subsidiary and associated companies have policy to pay dividend no less than 50% of their net profit after deduction of all reserves as stated in the Company’s Articles of Association and related laws, and consideration of company’s financial position.



*Mobile Multimedia,
Technology for All Lifestyle*

Connected Transactions

1. Connected transactions in 2009

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
<p>1. Vilailuck International Holdings Co., Ltd. (VIH) The major shareholder of Samart Corporation Public Co., Ltd. (SC) with 21.92% stake owner. <u>Director of VIH</u> (related person)</p> <p>1. Mrs. Siripen Vilailuck 2. Mr. Charoenrath Vilailuck 3. Mr. Watchai Vilailuck</p>	<p>SC rents the office at Software Park Building from VIH.</p> <p>- Services charge for public utilities and property tax (the service charge is Baht 1.06 million per month)</p> <p><u>Remarks</u> : The rate of Service Fee will be increased 5% annually in accordance with the service conditions in the Services Agreement</p>	17.622	Such transaction was complied with the Services Agreement dated May 1, 1999 (The 30 year lease agreement for 11,926 sq. meters was approved by the Company's shareholders in the meeting no. 1/1997 on August 24, 1997 and also had the opinion from the Audit Committee that such Service charge was a normal condition of rental) (No. 1/2010 on February 25, 2010)
	<p>- Rental, Service charge and Property tax for SC (for the period during June 1, 2008-May 31, 2009 with monthly rental and service charge of Baht 77,222.50) (for the period during June 1, 2009-May 31, 2012 with monthly rental and service charge of Baht 148,665.54)</p> <p><u>Remarks</u> : the rental agreement was cancelled on July 31, 2009</p>	0.718	The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same price compared with other renters (existing agreement with area of 158 sq. meter and renew the rental area to 302 sq.). The Audit Committee had its meeting No. 1/2010 on February 25, 2010, and resolved that it was the same rate charged to other customers.
	<p>- Additional Rental, Service charge and Property Tax for SC (for the period during August 1, 2008 July 31, 2009 with monthly rental and service charge of Baht 788,842.50) (for the period during August 1, 2009 - July 31, 2012 with monthly rental and service charge of Baht 794,523.78)</p>	9.969	The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same price compared with other renters (with area of 1,614 sq. meters). The Audit Committee had its meeting No. 1/2010 on February 25, 2010, and resolved that it was the same rate charged to other customers.
	<p>- SC entered into a rental contract with VIH for the space at 30th floor, Software Park Building which in the past SC leased the area from VIH for the period of 30 years. At the present, the such area is unused and VIH would like to rent. (for the period during June 1, 2009 - May 31, 2012 with monthly rental and service charge of Baht 558,711.68)</p>	3,911	The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same price compared with other renters (with area of 1,134.97 sq. meters). The Audit Committee had its meeting No. 1/2010 on February 25, 2010, and resolved that it was the same rate charged to other customers.
	<p>- SC entered into a rental contract with VIH for the space at 31th floor, Software Park Building which in the past SC leased the area from VIH for the period of 30 years. At the present, the such area is unused and VIH would like to rent. (for the period during October 1, 2009 - September 30, 2012 with monthly rental and service charge of Baht 724,301.48)</p>	2,173	The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same price compared with other renters (with area of 1,471.35 sq. meters). The Audit Committee had its meeting No. 1/2010 on February 25, 2010, and resolved that it was the same rate charged to other customers.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	<ul style="list-style-type: none"> - Telephone preventive-maintenance (Total outstanding as of December 31, 2009 was Baht 567.10) 	0.006	A normal business transaction, which charged in proportion of actual usage and prices. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was the same rate charged to other customers.
	<ul style="list-style-type: none"> - Advanced payment by SC for Telephone and Training expenses to VIH (Total outstanding as of December 31, 2009 was Baht 2,619.42) 	0.032	Advanced payment for normal business of which repayment will be settled from time to time (monthly/quarterly basis) The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was the real advanced expense.
	<ul style="list-style-type: none"> - Miscellaneous expenses paid to Vilailuck International Holding Co., Ltd. (VIH) by SC. (Total outstanding as of December 31, 2009 was Baht 6,360) 	0.204	A normal business transaction, which charged in proportion of actual usage and price. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was the real advanced expense.
	<p>SIM, a subsidiary, entered into the Agreement with VIH for office rental at Software Park Building and service charge for public utilities.</p> <ul style="list-style-type: none"> - Rental and service charge of SIM (for the period during October 1, 2007 to September 30, 2010 with monthly rental and service charge of Baht 146,308.78) Remarks : the rental agreement was cancelled on February 28, 2009 	0.293	The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same price compared with other renters (with area of 330.38 sq. meters). The Audit Committee had an opinion that it was the same rate charged to other customers. (No. 1/2010 on February 25, 2010).
	<ul style="list-style-type: none"> - SC rented office space at mezzanine floor in the Software Park building. (for the period during June 1, 2008 to May 31, 2009 with monthly rental and service charge of Baht 104,592.50) 	0.523	The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same price compared with other renters (with area of 214 sq. meters). The Audit Committee had an opinion that it was the same rate charged to other customers. (No. 1/2010 on February 25, 2010).
	<ul style="list-style-type: none"> - SC rented office space at mezzanine floor in the Software Park building. (for the period during June 1, 2009 to May 31, 2012 with monthly rental and service charge of Baht 44,033.55) Remarks : the rental agreement was cancelled on July 31, 2009 	0.088	The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same price compared with other renters (with area of 89.45 sq. meters). The Audit Committee had an opinion that it was the same rate charged to other customers. (No. 1/2010 on February 25, 2010).

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	<p>- Samtel rented office space at mezzanine floor in the Software Park building. (for the period during June 1, 2008 to May 31, 2009 with monthly rental and service charge of Baht 13,685) (for the period during June 1, 2009 to May 31, 2012 with monthly rental and service charge of Baht 13,783.56) Remarks : the rental agreement was cancelled on July 31, 2009</p> <p>Miscellaneous transactions of SC and its subsidiaries paid to VIH during Jan. - Dec. 2009. Actual miscellaneous payments i.e. service charge for public utilities, overtime, air condition and parking lots were as follows:</p> <p>- Samart Corporation PCL. (SC) 1.778 - Sanart Engineering Co., Ltd. (Subsidiary of SC) 0.002 - Samart Raditech Co., Ltd. (Subsidiary of SC) 0.002 - Samart Telcoms PCL. (SC is a major shareholder) 0.460 - Samart Broad Brand Services Co., Ltd. (Subsidiary of Samart Telcoms PCL.) 0.007 - Samart Communication Service Co., Ltd. (Subsidiary of Samart Telcoms PCL.) 0.129 - Thai Trade Net Co., Ltd. (Subsidiary of Samart Telcoms PCL.) 0.042 - One To One Contacts Co., Ltd. (Subsidiary of SC) 0.061 - Samart Infonet Co., Ltd. (Subsidiary of Samart Telcoms PCL.) 0.062 - Samart Comtech Co., Ltd. (Subsidiary of Samart Telcoms PCL.) 0.427 - Smarterware Co., Ltd. (Subsidiary of Samart Telcoms PCL.) 0.101 - Vision and Security System Co., Ltd. (Subsidiary of SC) 0.096 - Samart I-Mobile PCL. (SIM) (SC is a Major shareholder) 0.301 - Samart Mobile Services Co., Ltd. (Subsidiary of SIM) 0.004 - I-Mobile International Co., Ltd. (Subsidiary of SIM) 0.023 - I-Mobile Inter Trade Co., Ltd. (Subsidiary of SIM) 0.003 - Samart Multimedia Co., Ltd. (Subsidiary of SIM) 1.180 - Samart Interactive Media Co., Ltd. (Subsidiary of SIM) 0.218</p>	0.096	<p>The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same price compared with other renters (with area of 28 sq. meters). The Audit Committee had an opinion that it was the same rate charged to other customers. (No. 1/2010 on February 25, 2010).</p> <p>Such service charge was the actual payment, which was the same rate charged to other customers. The Audit Committee had an opinion that it was the same rate charged to other customers. (No. 1/2010 on February 25, 2010).</p>

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	<ul style="list-style-type: none"> - I-Sport Co., Ltd. (Subsidiary of SIM) - Take a Look Co., Ltd. (Subsidiary of SIM) - Brain Source Co., Ltd. (Subsidiary of SIM) (Total outstanding as of December 31, 2009 was Baht 375,571) - Samart I-Mobile PCL. (SIM) (SC is a Major shareholder) sold the mobile telephone to VIH (Total outstanding as of December 31, 2009 was Baht 20,920) 	0.012 0.244 0.028 0.020	A normal business transaction, for sale and purchase of goods, according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.
2. Vilailuck (Cambodia) Co., Ltd. whose major shareholder of 49% is Vilailuck International Holdings Co., Ltd. (VIH) (Vilailuck International Holding Co., Ltd. (VIH) as the major shareholder of SC) <u>Director of VP</u> (related person) 1. Mr. Charoenrath Vilailuck 2. Mr. Watchai Vilailuck	<ul style="list-style-type: none"> - Samart I-Mobile PCL. (SIM) (SC is the major shareholder of SIM) sold the mobile telephone to Vilailuck Cambodia) 	0.012	A normal business transaction, for sale and purchase of goods, according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.
3. Vilailuck Property Co., Ltd. (VPP) whose major shareholder of 50% is Vilailuck International Holdings Co., Ltd. (VIH) (Vilailuck International Holding Co., Ltd. (VIH) as the major shareholder of SC) <u>Director of VPP</u> (related person) 1. Mrs. Siripen Vilailuck 2. Miss Siriluck Vilailuck	Payments of Vilailuck Property Co., Ltd. paid in advance by SC were as follows: <ul style="list-style-type: none"> - Miscellaneous expenses for example telephone expense. (Total outstanding as of December 31, 2009 was Baht 65,573.26) - Vision and Security System Co., Ltd. (Subsidiary of SC) sold CCTV to VPP (Total outstanding as of December 31, 2009 was Baht 43,421) 	0.022 -	Advanced payment for normal business of which repayment will be settled from time to time (monthly/quarterly basis) The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was the real advanced expense. A normal business transaction, for sale and purchase of goods, according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	- Take a Look Co., Ltd. (Subsidiary of SIM) sold service to VPP as follows.	0.008	A normal service business transaction, according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.
	- Advertising Media		
	- Samart Engineering Co., Ltd. (Subsidiary of SC) sold DTH dish to VPP (Total outstanding as of December 31, 2009 was Baht 16,613)	0.028	A normal business transaction, for sale and purchase of goods, according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.
	- Samart Engineering Co., Ltd. (Subsidiary of SC) Payment of Vilailuck Property Co., Ltd. Paid in advance by Samart Engineering (SE) were as follows:	0.314	Advanced payment for normal business of which repayment will be settled from time to time (monthly/quarterly basis) The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was the real advanced expense.
	- SE officer's salary working for VPP (Total outstanding as of December 31, 2009 was Baht 470,044)		
	- Samart Engineering Co., Ltd. (Subsidiary of SC) sold drinking water to VPP	0.002	A normal service business transaction, according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.
	- Samart I-Mobile PCL. (SIM) (SC is the major shareholder of SIM) sold mobile phone to VPP (Total outstanding as of December 31, 2009 was Baht 19,700)	0.018	A normal business transaction, for sale and purchase of goods according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.
4. Vilailuck Development Co., Ltd. (VLD) whose major shareholder of 42% is VIH and VIH is the major shareholder of SC. <u>Director of VLD</u> (related person) 1. Mr. Charoenrath Vilailuck 2. Mr. Watchai Vilailuck 3. Mr. Thananan Vilailuck	Advance payment of VLD paid by SC as follows: - Miscellaneous expense such as telephone. (Total outstanding as of December 31, 2009 was Baht 3,569.89)	0.019	Advanced payment for normal business of which repayment will be settled from time to time (monthly/quarterly basis) The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was the real advanced expense.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	- Samart I-Mobile PCL. (SIM) (SC is the major shareholder of SIM) sold mobile phone to VLD (Total outstanding as of December 31, 2009 was Baht 2,700)	0.085	A normal business transaction, for sale and purchase of goods according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.
	- Samart I-Mobile PCL. (SIM) (SC is the major shareholder of SIM) provided service on Plasma Monitor to VLD	0.003	A normal service business transaction, according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.
	- Vision and Security System Co., Ltd. (Subsidiary of SC) sold CCTV to VLD	0.621	A normal business transaction, for sale and purchase of goods, according to the general trade conditions. The Audit Committee had its meeting No.1/2009 on February 25, 2010, and resolved that it was normal business.
	- Smarterware Co., Ltd. (Subsidiary of STC) provided System Development service to VLD (Total outstanding as of December 31, 2009 was Baht 100,537)	-	A normal service business transaction, according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.
	- Thai trade Net Co., Ltd. (Subsidiary of Samart Telcoms PCL.) provided Web Hosting service to VLD (Total outstanding as of December 31, 2009 was Baht 8,025)	0.008	A normal service business transaction, according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.
	- Samart Engineering Co., Ltd. (Subsidiary of SC) sold DTH Dish to VLD (Total outstanding as of December 31, 2009 was Baht 489,463)	0.911	A normal business transaction, for sale and purchase of goods, according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
<p>8. AXIATA GROUP BERHAD (formerly TM International Berhad) a major shareholder of SC with 18.96% stake owner. <u>Director of AXIATA GROUP BERHAD</u> (related person)</p> <p>1. Mr. Azwan Khan Bin Osman Khan</p> <p>2. Mr. Reza Bin Abdul Rahim</p>	<p>Advanced SC staffs' expense paid by AXIATA GROUP BERHAD (Total outstanding as of December 31, 2009 was Baht 1,186,226)</p>	4.799	Advanced payment for normal business of which repayment will be settled from time to time (monthly/quarterly basis) The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was the real advanced expense.
<p>9. Smart I-Mobile PCL. (SIM) whose major shareholder of 58.28% is SC and AXIATA GROUP BERHAD (formerly TM International Berhad) a major shareholder of SC and SIM with 18.96% and 24.42% stake owner respectively <u>Director of SIM</u> (related person)</p> <p>1. Mr. Charoenrath Vilailuck</p> <p>2. Mr. Watchai Vilailuck</p> <p>3. Mr. Azwan Khan Bin Osman Khan</p> <p>4. Mr. Reza Bin Abdul Rahim</p>	<p>Advance payment of SIM paid by SC as follows:</p> <ul style="list-style-type: none"> - Miscellaneous expense for example training, telephone expense, rent, copy and duty fee etc. - Samart I-Mobile PCL. (SIM) (SC is a Major shareholder (Total outstanding as of December 31, 2009 was Baht 171,285.60) - Samart Mobile Services Co., Ltd. (Subsidiary of SIM) - I-Mobile International Co., Ltd. (Subsidiary of SIM) (Total outstanding as of December 31, 2009 was Baht 26,385.52) - Samart Multimedia Co., Ltd. (Subsidiary of SIM) (Total outstanding as of December 31, 2009 was Baht 77,234.45) - Samart Interactive Media Co., Ltd. (Subsidiary of SIM) (Total outstanding as of December 31, 2009 was Baht 291.98) - Take a Look Co., Ltd. (Subsidiary of SIM) (Total outstanding as of December 31, 2009 was Baht 85.27) - I-Mobile Inter Trade Co., Ltd. (Subsidiary of SIM) (Total outstanding as of December 31, 2009 was Baht 9,603.99) - I-Sport Co., Ltd. (Subsidiary of SIM) (Total outstanding as of December 31, 2009 was Baht 42.31) - Brain Source Co., Ltd. (Subsidiary of SIM) (Total outstanding as of December 31, 2009 was Baht 3,687.87) 	<p>3.658</p> <p>0.025</p> <p>0.160</p> <p>0.716</p> <p>0.028</p> <p>0.027</p> <p>0.042</p> <p>0.004</p> <p>0.031</p>	Advanced payment for normal business of which repayment will be settled from time to time (monthly/quarterly basis) The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was the real advanced expense.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	- Samart Corporation PCL. (SC) bought mobile phone from SIM (Total outstanding as of December 31, 2009 was Baht 3,500)	0.349	A normal business transaction, for sale and purchase of goods, according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.
	- Samart Corporation PCL. (SC) Maintenance service for SETOSS Program to SIM	5.820	A normal service business transaction, according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.
	- Samart Corporation PCL. (SC) Computer maintenance service to Subsidiary of SIM as follows: - Samart Mobile Services Co., Ltd. Samart Multimedia Co., Ltd.	0.001 0.097	A normal service business transaction, according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.
	Samart Corporation PCL. (SC) Advertising and Marketing Services to SIM and Subsidiary as follows: - Samart I-Mobile PCL. (SIM) - Samart Multimedia Co., Ltd.	0.026 0.025	A normal service business transaction, according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.
	SIM paid Management Fee to Samart Corporation PCL. (SC)	12.000	Provide services on management and administration. As above the charge was calculated by estimating from times usage. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was reasonably price.
	- Samart Mobile Services Co., Ltd. Payment for gaurantee fee to SC (Total outstanding as of December 31, 2009 was Baht 7,500)	0.090	Fee payment was in line with terms and conditions fixed. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was according with corporate conditions.
	SIM and subsidiaries of SIM paid IT Data Center Fee to SC as follows - Samart I-Mobile PCL. (SIM) (SC is a Major shareholder - Samart Multimedia Co., Ltd. (Subsidiary of SIM)	46.918 17.085	A normal service business transaction, according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	<p>SIM and subsidiaries paid rental and public utilities fee to SC as follows</p> <ul style="list-style-type: none"> - Samart I-Mobile PCL. (SIM) (SC is a Major shareholder) - Samart Mobile Services Co., Ltd. (Subsidiary of SIM) - Samart Multimedia Co., Ltd. (Subsidiary of SIM) (Total outstanding as of December 31, 2009 was Baht 626,374.11) - Samart Interactive Media Co., Ltd. (Subsidiary of SIM) (Total outstanding as of December 31, 2009 was Baht 19,006) - Brain Source Co., Ltd. (Subsidiary of SIM) (Total outstanding as of December 31, 2009 was Baht 103,802.28) - Samart Engineering Co., Ltd. (Subsidiary of SC) sold DTH dish to SIM and Subsidiaries as follows: - Samart I-Mobile PCL. (SIM) (Total outstanding as of December 31, 2009 was Baht 243,332) - Samart Multimedia Co., Ltd. - Take a Look Co., Ltd. - Samart Engineering Co., Ltd. (Subsidiary of SC) bought mobile phone from SIM - Samart Engineering Co., Ltd. (Subsidiary of SC) sold drinking water to Samart Multimedia Co., Ltd. (Subsidiary of SIM) 	<p>22.365</p> <p>0.025</p> <p>7.129</p> <p>0.219</p> <p>1.181</p> <p>-</p> <p>0.022</p> <p>0.049</p> <p>0.061</p> <p>0.040</p>	<p>The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same prices compared with other renter. The Audit Committee had an opinion that it was the same rate charged to other customers. (No. 1/2010 on February 25, 2010).</p> <p>A normal business transaction, for sale and purchase of goods, according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.</p> <p>A normal business transaction, for sale and purchase of goods, according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.</p> <p>A normal service business transaction, according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.</p>

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	<ul style="list-style-type: none"> - One to One Contacts Co., Ltd. (Subsidiary of SC) provided Call Center service to SIM and Subsidiary of SIM as follows. - Samart I-Mobile PCL. (SIM) (SC is a Major shareholder) (Total outstanding as of December 31, 2009 was Baht 366,329) - Samart Multimedia Co., Ltd. (Subsidiary of SIM) (Total outstanding as of December 31, 2009 was Baht 856,552.92) 	<p>4.192</p> <p>47.960</p>	<p>A normal service business transaction, according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.</p>
	<ul style="list-style-type: none"> - One to One Contacts Co., Ltd. (Subsidiary of SC) bought mobile phone from SIM (Total outstanding as of December 31, 2009 was Baht 8,100) 	0.059	<p>A normal business transaction, for sale and purchase of goods, according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.</p>
	<ul style="list-style-type: none"> - One to One Contacts Co., Ltd. (Subsidiary of SC) bought mobile phone from I-Mobile Inter Trade Co., Ltd. (Subsidiary of SC) (Total outstanding as of December 31, 2009 was Baht 4,600) 	0.021	<p>A normal business transaction, for sale and purchase of goods, according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.</p>
	<ul style="list-style-type: none"> - One to One Contacts Co., Ltd. (Subsidiary of SC) Payment for Risk Insurance fee of Postel building to Samart Mobile Services Co., Ltd. (Subsidiary of SC) 	0.011	<p>A normal expense business transaction, according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.</p>
	<ul style="list-style-type: none"> - Samart Mobile Services Co., Ltd. (Subsidiary of SIM) Advanced payment of utilities fee (water, electric, telephone) to OTO (Total outstanding as of December 31, 2009 was Baht 461,879) 	11.222	<p>Advanced payment for normal business of which repayment will be settled from time to time (monthly/quarterly basis) The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was the real advanced expense.</p>

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	<ul style="list-style-type: none"> - One to One Contacts Co., Ltd. (Subsidiary of SC) Sold office equipment to Samart Multimedia Co., Ltd. (Subsidiary of SIM) (Total outstanding as of December 31, 2009 was Baht 2,633,235.76) - Vision and Security System Co., Ltd. a subsidiary of SC sold CCTB to Samart Interactive Media Co., Ltd. (Subsidiary of SIM) - Vision and Security System Co., Ltd. a subsidiary of SC bought mobile phone from SIM - Suvamabhum Environment Care Co., Ltd. a subsidiary of SC bought mobile phone from SIM - Cambodia Air Traffic Services Co., Ltd. a subsidiary of SC bought mobile phone from SIM 	<p>2.461</p> <p>0.006</p> <p>0.011</p> <p>0.53</p> <p>0.011</p>	<p>Sale and purchase for assets in the price Net value plus add conditions of assets. The Audit Committee had its Meeting No.1/2010 on February 25, 2010, and resolved that it was reasonably price.</p> <p>A normal business transaction, for sale and purchase of goods, according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.</p> <p>A normal business transaction, for sale and purchase of goods, according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.</p> <p>A normal business transaction, for sale and purchase of goods, according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.</p> <p>A normal business transaction, for sale and purchase of goods, according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.</p>
10. C-Mobile Sdn. Bhd. whose major shareholder of 100% is AXIATA GROUP BERHAD (formerly TM International Berhad) (AXIATA GROUP BERHAD is the major shareholder of SC)	<ul style="list-style-type: none"> - I-Mobile International Co., Ltd. (Subsidiary of SIM) paid management fee to C-Mobile Sdn. Bhd. - I-Mobile Co., Ltd. (Malaysia) (Subsidiary of SIM) sold mobile phone to C-Mobile Sdn. Bhd. 	<p>1.651</p> <p>8.607</p>	<p>Provide services on management and administration. As above the charge calculated by estimating from times usage. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was reasonably price.</p> <p>A normal business transaction, for sale and purchase of goods, according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.</p>

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	- I-Mobile Co., Ltd. (Malaysia) (Subsidiary of SIM) bought mobile phone from C-Mobile Sdn. Bhd.	3.578	A normal business transaction, for sale and purchase of goods, according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.
	- I-Mobile Co., Ltd. (Malaysia) (Subsidiary of SIM) received interest caused by delayed payment from C-Mobile Sdn. Bhd.	0.177	A normal business transaction with general commercial terms The Audit Committee had its meeting No.1/2010 on February 25, 2010 and resolved that it was interest rate with general commercial terms
	- I-Mobile Co., Ltd. (Malaysia) (Subsidiary of SIM) paid miscellaneous expense to C-Mobile Sdn. Bhd.	0.133	Advanced payment for normal business of which repayment will be settled from time to time (monthly/quarterly basis) The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was the real advanced expense.
	- I-Mobile Co., Ltd. (Malaysia) (Subsidiary of SIM) provided partial rental office space to C-Mobile Sdn. Bhd and claimed rental and service charges.	2.170	The rental and service charges for public utilities were reasonable as agreed upon. The Audit Committee had its meeting No. 1/2010 on February 25, 2010, and resolved that it was the same rate charged to other customers.
11. Master Ad. PCL. as a major shareholder, 33.33%, of Take a Look Co., Ltd. (TAL) which is SIM's subsidiary and SC is a major share holder of SIM. <u>Director of TAL</u> (related person) 1. Mr. Noppodal Tansalarak 2. Mr. Phiched Maneerattanaporn	Master Ad. Plc. loaned Take a Look Co., Ltd. as follows : - The short term loan (Total outstanding as of December 31, 2009 was Baht 12,606,000)	-	Loan from Shareholders' proportion approved by the Board of Directors' meeting of Take a Look Co., Ltd. (No. 2/2005 on June 7, 2005) The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was approved by the Board of Director's
	- Accrued interest expenses (Total outstanding as of December 31, 2009 was Baht 1,145,033)	0.885	A normal business transaction with general commercial terms and the loan interest rate was MLR+1% / year. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was interest rate same as bank rate

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
<p>12. Ascon Construction PLC. has Director of SC is a major shareholder <u>Director of SC</u> (related person)</p> <p>1. Mr. Charoenrath Vilailuck 2. Mr. Watchai Vilailuck <u>Join of Director</u></p> <p>1. Mr. Sombut Uthaisang 2. Mr. Sirichai Rasameechan</p>	<p>Samart Engineering Co., Ltd. (Subsidiary of SC) sold DTH dish and Antenna to Ascon (Total outstanding as of December 31, 2009 was Baht 309,111.78)</p>	-	<p>A normal business transaction, for sale and purchase of goods, according to the general trade conditions. The Audit Committee had its meeting No.1/2010 on February 25, 2010, and resolved that it was normal business.</p>

2. Transactions between the Company, subsidiaries and associated companies.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	Transactions between the Company and the related corporation were mentioned in the note No.3 of the Financial Statement as of December 31, 2009		

- **Necessity and reasonableness of transactions**

Any connected transaction will be considered on necessity and for the maximize benefit of the Company with opinion from the Audit Committee on its reasonableness of normal business transactions.

- **Procedure and approval of the connected transactions**

The connected transactions will be considered by the Audit Committee to protect and avoid conflict of interest then proposed for consideration and approval in the Board of Directors' meeting. Such transactions may be required further approval from the shareholders of the Company of which will be depended on conditions and values of transactions according to the SET's regulation. Meanwhile, the directors, management and the stakeholders who have conflict of interest will not vote on such connected transactions. The approval on the connected transaction will be complied with the regulations and notifications of the Stock Exchange of Thailand (SET)

- **Policy on the connected transactions in the future**

The Company may have any connected transaction as appropriate but can be referred with same transaction with outside parties with the necessity and the maximize benefit to the Company. However, the Company will strictly comply with SET's regulations and notifications. Any transaction with conflict of interest, opinion from the Audit Committee on its necessity and appropriateness will be required and disclosed in the Company's audited noted of financial statement.

Financial Analysis

Operation Overview

Total revenues in 2009 were Baht 17,305 million up slightly from Baht 16,277 million in 2008 or an increase of 6.3%. Revenue from sales and services were Baht 17,038 million compared to Baht 15,854 million in 2008 or an increase of 7.4%. Other income decreased from Baht 423 million to Baht 266 million in 2009. Sales and service income was higher due to higher revenues from ICT Solutions and Services Group. Revenues from handset sales on the other hand remained weak. Drop in other income was due to absence of disposal of Property, Plant & Equipment in 2009 and lower selling support income for handset business which dropped from Baht 140 million in 2008 to Baht 81 million 2009.

Cost of sales and services in 2009 were Baht 14,109 million as compared to Baht 12,874 million for the same period in 2008. Gross profit for 2009 was 17.2% as compared to 18.8% in 2008. The drop in Gross margins was due to lower other income which dropped from Baht 423 million in 2008 to Baht 266 million in 2009.

Selling and administrative expenses in 2009 were Baht 2,025 million or 11.7% of total revenues as compared to Baht 2,297 million or 14.1% of total revenues in 2008. Decrease in selling and administration expenses as a percentage of sales is due to cost optimization in promotional expenses for handset and other businesses. The volatility in Global currency markets resulted in exchange loss of Baht 6 million, where as rebound in the stock market led to gain due to change in value of short term investments of Baht 34 million as compared to the loss of 78 million in 2008. Company also realized a gain of Baht 50 million from the sale of investments as compared Baht 10 million in gain in 2008.

On a consolidated basis, interest expenses decreased from Baht 382 million to Baht 347 million in 2009. Decrease in interest expenses is due to reduction of working capital and long-term loan amount within the Group subsidiaries. Interest expenses at holding Company decreased from Baht 77 million to Baht 68 million in 2009 as a result of ongoing repayment of existing loan facilities.

On a consolidated basis, the Company reported a net profit of Baht 455 million as compared to Baht 261 million in 2008 or an increase of 74% year on year.

Consolidated Operating Results

Revenue from sales and services were Baht 17,038 million as compared to Baht 15,854 million in 2008 or an increase of 7.4%. Increase in revenue is mainly due to higher sales in ICT Solutions and Services Group.

Revenue breakdown by line of business :

Line of Business	Revenue from Sales & Services 2009 (Million Baht)	Growth Rate
1. Mobile Multimedia	8,877	(20.2%)
2. ICT Solutions & Services	6,299	122.2%
3. Technology Related Business	2,128	11.9%
Total	17,305	9.1%

Mobile Multimedia:

In 2009, sales and service income was Baht 8,768 million down from Baht 11,150 million in 2008. The decrease is mainly due to two reasons firstly lower handset sales in international markets and lower average handset price per unit in domestic market. Secondly, 2008 service income included mobile solution services outsourced by Thai Mobile. This contract finished in 2008 and Company did not recognized any service income under this segment. Domestic handset sales by value decreased 6.7% year on year and handset sales by value in the overseas markets were down 47.8% as compared to year 2008. Overseas sales continue to be weaker in 2009 mainly due to currency related issues in emerging markets that made imported handsets more expensive to the end users. Content sales on the other hand were up to Baht 800 million in 2009 compared to Baht 730 million in 2008 or an increase of 9.6%.

Gross margin for 2009 was 17.9% as against 17.0% in 2008. The improvement in Gross margins is due to increasing composition of i-mobile handset sales in domestic and overseas markets. Selling support income dropped to Baht 81 million in 2009 as compared to Baht 140 million 2008.

A total of 3,546,517 handsets were sold in 2009 as compared to 4,038,191 handsets in 2008. Handsets sold in domestic market were 3,027,904 as compared to 2,780,061 in 2008. Increase in handsets sales in domestic market was due to more affordability of end users as average handset prices continue to fall in 2009. Handsets sold in international markets were 518,613 as compared to 1,258,130 in 2008. Number of handsets sold was lower by 58.7% in international markets mainly due to currency depreciations in markets such as Indian and Indonesia that made imported handsets more expensive to the end users. Out of total handsets sold in 2009, 3,290,345 were i-mobile handsets amounting for 92.7% as compared to 3,663,298 i-mobile handsets sold in 2008.

Revenues of infotainment group were up from Baht 730 million in 2008 to Baht 800 million in 2009 or an increase of 9.6%. The increase is attributed to better than expected performance of voice content programs such as “BUG 1900” and substantial improvement in non-voice content services usage via I-link bundled in i-mobile handsets.

ICT Solutions & Services:

Sales and service income increased 116.4% to Baht 6,230 million as compared to Baht 2,866 million in 2008. Increase in revenues is attributed to the ICT spending by the Government as well as successful project backlog.

Gross margins for 2009 were 14.9% as compared to 23.0% in 2008. Lower Gross margins mostly derived from sales related revenues.

Technology Related Business:

Technology Related Businesses comprised of international and local business portfolio. Overall revenue increased 9.7% to Baht 2,077 million in 2009. Overall Gross profit for Related Businesses remained flat in 2009 as compared to 2008. Gross profit margin for 2009 was 32.4% as compared to 35.7% in 2008. Slight drop in Gross profit margins was attributed to local businesses.

- **International**

International operations comprising of Air Traffic Management Services and Kampot Power Plant Company reported a consolidated revenues of Baht 1,000 million in 2009 as compared to 962 million in 2008. Revenues were up 3.9% mostly due to increase in Air Traffic movement in second half of 2009. Overall Gross profit was 51.5% as compared to 52.1% in 2008.

- **Domestic**

Consolidated revenues in domestic portfolio were Baht 1,077 million up from Baht 931 million from 2008 or an increase of 15.6%. Overall Gross profit margins dropped to 14.6% in 2009 as compared to 18.7% in 2008.

In local portfolio, revenues from Samart Engineering Co.,Ltd. decreased from Baht 383 million in 2008 to Baht 321 million in 2009. The decrease is due to lower sales of KU band antenna's and set top box sets to direct to home (DTH) operator in Thailand. The price competition in this segment caused Gross margins to drop to 17.6% from 24.8% in previous year. Call center business revenues were up from Baht 511 million in 2008 to Baht 605 million in 2009 mainly due to growth in call center outsourcing. Gross profit for 2009 was 12.1% compared to 11.7% for the same period in 2008. Gross profit variations are due to competitive pricing on bidding projects. Vision and security system Co.,Ltd. revenues were up from Baht 78 million in 2008 to Baht 194 million in 2009. Gross profit margin was down from 24.7% in 2008 to 17.4% in 2009. Decrease in Gross margins was mainly attributed to competition on bidding projects.

Financial Statement

Assets

Total assets increased 17.2% from Baht 13,255 million to Baht 15,518 million as of December 2009. Total current assets increased from Baht 8,740 million in 2008 to Baht 10,933 million in 2009. Main reason for increase was increase in accrued income from Baht 1,287 million to Baht 2,394 million in 2009 and increase in trade accounts receivable from Baht 3,357 million to Baht 4,309 million in 2009. Inventory on the other hand decreased from Baht 2,205 million in 2008 to Baht 1,708 million in 2009. Cash and cash equivalents increased marginally from Baht 935 million to Baht 959 million in 2009. Consolidated non current assets increased marginally from Baht 4,514 million to Baht 4,584 million in 2009.

Company's net trade A/R as of December 2009 was Baht 4,309 million, which is equivalent to 27.7% of total assets as compared to 25.3% of total assets in 2008. Out of Baht 4,309 million worth of trade accounts receivables, Baht 3,079 million are in Mobile Multimedia (Samart I-mobile) and Baht 922 million came from ICT Solutions & Services (Samart Telcoms).

Inventories at the end of 2009 were Baht 1,708 million or equivalent of 11.0% of total assets as compared to inventory figure of Baht 2,205 million or equivalent of 16.6% of total assets in 2008. The inventory decrease is due to reduction in handset inventory in Mobile Multimedia (Samart I-mobile) from Baht 1,653 million in 2008 to Baht 777 million in 2009.

Trade Account Receivable and Inventory

In line with increase in sales volume, net trade A/R increased by 28.3% to Baht 4,309 million from Baht 3,357 million in 2008. Outstanding A/R at Mobile Multimedia (Samart I-Mobile) is worth Baht 3,079 million or equivalent to 71.4% of total A/R. Outstanding A/R in ICT Solutions & Services Group (Samart Telcoms) is worth Baht 922 million or equivalent to 21.4% of total A/R. Overall provision for doubtful accounts increased from Baht 128 million to Baht 130 million in 2009. Accounts over twelve months increased from Baht 185 million to Baht 296 million in 2009.

Net Inventories as of December 2009 decreased by 22.5% to Baht 1,708 million from Baht 2,205 million as of December 2008. The increase is mainly attributed to inventories handsets under Mobile Multimedia (Samart I-Mobile).

D/E ratio

On a consolidated basis, D/E ratio (total liabilities over total equity) for 2009 was 2.12 times up from 1.83 times, as of end December 2008. However, on a Company basis, D/E increased marginally from 0.45 times as of December 2008 to 0.49 times as of December 2009. The increase in D/E at holding Company level is due to increase in current liabilities comprising bank overdrafts and short term loan from Baht 80 million in 2008 to Baht 507 million in 2009. Looking at the trend, D/E at holding Company should be declining progressively, whereas on consolidated basis, long-term D/E is subject to winning new projects that might require additional borrowing to finance new investments.

Liquidity

On a consolidated basis, current ratio (current assets/current liabilities) remained at 1.12 for the year ended 2009 as compared to 1.22 for the year ended 2008. On a Company basis, current ratio was 0.52 for 2009 as compared to 1.17 times in December 2008. Decrease in current ratio at Company level is due to reduction of intercompany loan and increase in current portion of long term loan as well as increase in bank overdraft and short term loans in 2009. However, looking at trend, Company & its subsidiaries shall be liquid enough to service its interest obligations as per the schedule.

On a consolidated basis, Cash flow from operation increased from Baht 70 million in 2008 to Baht 501 million in 2009.

Company used Baht 1,433 million worth of cash towards investment activities as compared to Baht 707 million as of December 2008. Investment of Baht 114 million is attributed to purchase of property, plant and equipment, investment in short term debt securities is Baht 299 million and investment increased investment in fixed deposit is Baht 100 million in 2009.

On a consolidated basis in 2009, Baht 983 million worth of cash came from financing activities as compared to Baht 473 million in 2008. Increase in trust receipts was Baht 845 million, proceeds from long-term loan were Baht 143 million and cash paid for settling long-term loan was Baht 596 million.

As a result, ending cash and cash equivalents increased marginally from Baht 935 million as of December 2008 to Baht 959 million as of December 2009.

Sources of Fund

As of December 2009, consolidated shareholders equity was Baht 4,967 million as compared to Baht 4,676 million as of December 2008. On a Company level, equity attributable to Company's shareholders was slightly lower from Baht 3,345 million to Baht 3,306 million in 2009. Consolidated retained earnings as of 2008 were Baht 1,941 million increased to Baht 2,165 million in 2009. Issued and fully paid up capital increased marginally to Baht 977.070 million from Baht 976.503 million as a result of exercise of employee stock options.

Total liabilities in 2009 were Baht 10,551 million up from Baht 8,578 million as of December 2008. Liabilities increased due to increase in bank overdrafts and short-term loans from financial institutions which increased from Baht 4,709 million to Baht 6,473 million as of December 2009. The funding was used as a short term working capital for Group subsidiaries. Non current liabilities decreased from Baht 1,465 million in 2008 to Baht 853 million in 2009. The reduction mainly came from long-term loan net of current portion which reduced from Baht 1,341 million in 2008 to Baht 809 million in 2009. Long-term loan net of current portion of Company (only) were reduced from Baht 672 million in 2008 to Baht 220 million in 2009.



*Technology Related,
Technology for All Need*

Report of the Board of Directors' responsibility on the Company's Financial Statements

The Board of Directors is responsible for the Company's consolidated financial statements and any financial information which been disclosed in the Company's annual report. Such financial statements were prepared in accordance with the general acceptance-accounting standard in Thailand with appropriated financial policy. The reports were carefully considered and prepared with sufficient information in the notes to the financial statements and been generally practiced.

The Board of Directors also set out and maintained for the efficiency internal control system to obtain reasonable assurance that the financial information had been correctly booked in proper way and completely enough to maintain the Company's assets and be aware of weak point in order to prevent whether from any dishonesty or significant error.

The Board of Directors had appointed the Audit Committee of which comprised 4 independent directors with qualification according to SET/SEC regulations and notification for being the audit committee's members to responsible for the quality of the financial statements and the internal control system. The opinion of the Audit Committee has already been disclosed in the annual report.

The Company's consolidated financial statements have been audited by Ernst & Young Office Limited with full support from the Board of Directors in order to have the auditor to audit and provide their opinion in accordance with the accounting standard and such opinion has been disclosed in the Company's Annual Report.

The Board of Directors satisfied the Company's internal control system that was sufficient to obtain reasonable assurance in the Company's consolidated financial statements as of December 31, 2009, which was accurate and complied to the accounting standard and related law and regulations.



(Dr. Tongchat Hongladaromp)

Chairman

Samart Corporation Public Company Limited



(Mr. Charoenrath Vilailuck)

Executive Chairman

Samart Corporation Public Company Limited

Report of Independent Auditor

To the Shareholders of Samart Corporation Public Company Limited

I have audited the accompanying consolidated balance sheets of Samart Corporation Public Company Limited and its subsidiaries as at 31 December 2009 and 2008, the related consolidated statements of income, changes in shareholders' equity, and cash flows for the years then ended, and the separate financial statements of Samart Corporation Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Company and its subsidiaries as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits. I did not audit the financial statements of Samart Inter Holding Company Limited, Cambodia Air Traffic Service Company Limited, Kampot Power Plant Company Limited and Cambodia Samart Company Limited, the overseas subsidiaries of the Company, whose financial statements were included in the consolidated financial statements. The consolidated balance sheet as at 31 December 2009 included the financial statements of the four subsidiary companies which presented total assets of Baht 1,363 million, or equivalent to 8.78 percent (2008: Baht 1,448 million or equivalent to 10.92 percent) of total consolidated assets. The consolidated statements of income for the year ended 31 December 2009 included total revenue of the four subsidiary companies of Baht 1,002 million, or equivalent to 5.79 percent of total consolidated revenue (2008: Baht 1,109 million or equivalent to 6.81 percent of total consolidated revenue). The financial statements of the four subsidiary companies were audited by other auditors, whose reports have been furnished to me, and my report, insofar as it relates to the amounts included for these subsidiaries, is based solely on the reports of those auditors.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, based on my audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Samart Corporation Public Company Limited and its subsidiaries and of Samart Corporation Public Company Limited as at 31 December 2009 and 2008, and the results of their operations and cash flows for the years then ended, in accordance with generally accepted accounting principles.

Without qualifying my opinion on the above financial statements, I draw attention to the following matters.

- a) As discussed in Note 8.2 to the financial statements, as at 31 December 2009 accrued income in the consolidated financial statements includes accrued income of a subsidiary company totaling Baht 62.1 million (2008: Baht 155.2 million) relating to the sales and installation of communication equipment in the passenger terminal of Suvarnabhumi Airport for a company (formerly a state enterprise), amount of which has been outstanding for more than two years since the subsidiary company rendered the related service. The subsidiary has already delivered all work to the customer. However, the subsidiary is in the process of negotiating collection and invoicing with the customer and the management believe that the subsidiary has completed the delivery of service and performance in accordance with the conditions in the contract, and the counterparty has issued notice of acceptance of the work to the subsidiary company. The subsidiary has continued to pursue collection and during the year 2009, the subsidiary company received payment from such company of Baht 93.1 million. Therefore the subsidiary's management believe that the subsidiary company will be able to negotiate collection of the remaining debt from the counterparty. As at 31 December 2009, the subsidiary therefore did not set aside provision for doubtful debt for such accrued income.
- b) As discussed in Note 14.c) and 41.3 i) to the financial statements, on 26 October 2006, a subsidiary company entered into an agreement with a company (formerly a state enterprise), whereby they would provide an information technology network to The Department of Local Administration for a period of 1 year. The subsidiary is obliged to make the network available at not less than 1,000 sites within 120 days from the contract date and guarantee this minimum number of users throughout the contract period. If the subsidiary is unable to do so within the delivery period (22

February 2007), the counterparty will charge a penalty for any delays in the subsidiary's work. However, as at 22 February 2007 the subsidiary could not make the network available at 1,000 sites because such subsidiary has yet to receive the equipment from the counterparty and Bandwidth received is not adequate for actual usage. As at 31 December 2009, a subsidiary has the service capacity of 575 places but the service has been used at only 79 places with the net outstanding balance of assets and assets under installation under such agreement amounted to Baht 94.4 million (2008: Baht 126.1 million), which is presented as a part of property, plant and equipment in the balance sheets. As a consequence during the year, the subsidiary pulled down from sites the equipment which service request has been terminated and wrote off assets of Baht 3.3 million by taking into account the wage and cost of installation of the equipment. The subsidiary has set up provision for impairment of such assets amounting to Baht 2 million (2008: Baht 0.3 million). In addition, the subsidiary has not recognised the service income from this project since 1 February 2009 and since the subsidiary could not be accomplished the number of guaranteed users. The counterparty therefore could charge a penalty for delay work. However, the subsidiary's management and legal counsel are of the opinion that the subsidiary is not obligated to pay any fine to the counterparty as the delay of such project is not the subsidiary's fault. In addition the management believes that the negotiation with the counterparty will be successful and the service fee can be collected from the counterparty. Furthermore, the subsidiary's management considers that all equipment used in this project is general equipment which can be used in the subsidiary's other projects therefore as at 31 December 2009 the subsidiary has not set up provision for fine from the project delay and believe that recorded provision for impairment for the asset of such project is adequate.

- c) As discussed in Note 8.1 c) to the financial statements, as at 31 December 2009, the subsidiary company has an unrelated accounts receivable balance of Baht 27.1 million which is more than 1 year past due (2008: Baht 36.2 million). The subsidiary company has recorded allowance for doubtful accounts of Baht 3.0 million (2008: Baht 1.3 million). The management believes the allowance is adequate in the current circumstances because the subsidiary company has been informed by such debtor in writing that the debtor is in the process of business expansion with the requirement of working capital for the expansion and asks for settlement in installments.
- d) As discussed in Note 9 to the financial statements which indicate that Samart Corporation Public Company Limited and its subsidiaries had significant business transactions with subsidiary, and related companies, relating to the purchase and sales of finished goods, services, investments, fixed assets and loans. Such transactions have been concluded on the terms and basis as determined by Samart Corporation Public Company Limited and those companies.



Saifon Inkaew

Certified Public Accountant (Thailand) No. 4434

Ernst & Young Office Limited
Bangkok: 24 February 2010

Balance sheets

Samart Corporation Public Company Limited and its subsidiaries
As at 31 December 2009 and 2008

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Assets					
Current assets					
Cash and cash equivalents		959,666,923	935,978,078	207,179,946	177,864,457
Short-term investments					
Trading securities - net	6	110,808,022	98,645,572	27,775,186	36,484,015
Short-term debt securities		299,557,905	-	-	-
Fixed deposit at financial institution		100,000,000	-	-	-
Trade accounts receivable					
Related parties	8.1, 9	1,010,490	534,026	884,782	13,910,000
Unrelated parties - net	8.1	4,308,739,364	3,356,824,461	5,088,812	5,258,925
Total trade accounts receivable - net		4,309,749,854	3,357,358,487	5,973,594	19,168,925
Accrued income	8.2	2,394,703,647	1,287,357,188	727,315	799,908
Amounts due from and short-term loans to related parties	9	8,072,855	305,678	424,803,432	583,249,662
Inventories - net	10	1,708,497,757	2,205,288,632	-	-
Other current assets	11	1,042,586,047	855,383,719	16,893,985	21,940,318
Total current assets		10,933,643,010	8,740,317,354	683,353,458	839,507,285
Non-current assets					
Restricted bank deposits	7	126,832,630	129,788,039	-	-
Investments in subsidiaries - net	12	-	-	3,478,445,573	3,207,278,745
Investment in associated company	13	-	484,312	-	-
Property, plant and equipment - net	14	3,539,205,877	3,425,225,634	466,901,766	498,622,370
Assets held for sale - net	15	-	47,000,000	-	-
Prepaid rental to a related company	16	242,097,800	254,620,100	242,097,800	254,620,100
Other non-current assets					
Goodwill		216,275,065	215,991,400	-	-
Deferred right for the use of communication equipment - net	17	215,715,537	244,803,451	-	-
Right under the advertising agreement	15	27,500,000	-	-	-
Assets held for future projects - net	18	73,228,088	81,545,378	45,503,838	53,193,431
Deposits		51,263,214	53,848,450	3,376,145	3,321,783
Others		92,748,156	61,481,441	8,081,062	7,543,778
Total other non-current assets		676,730,060	657,670,120	56,961,045	64,058,992
Total non-current assets		4,584,866,367	4,514,788,205	4,244,406,184	4,024,580,207
Total assets		15,518,509,377	13,255,105,559	4,927,759,642	4,864,087,492

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

Balance sheets (continued)

Samart Corporation Public Company Limited and its subsidiaries
As at 31 December 2009 and 2008

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	19	6,473,541,872	4,709,912,756	507,128,588	80,000,000
Trade accounts payable					
Related parties	9	-	19,050	4,810,949	5,091,621
Other companies		1,579,731,001	912,948,421	-	10,500,000
Total trade accounts payable		1,579,731,001	912,967,471	4,810,949	15,591,621
Accounts payable and short-term loans from related parties	9	1,561,797	2,673,821	232,398,321	122,434,636
Short-term loan from unrelated party	20	12,606,000	12,606,000	-	-
Current portion of long-term loans from other company	22	55,000,000	60,000,000	55,000,000	60,000,000
Current portion of long-term loans from financial institutions	23	645,402,293	635,139,042	460,282,632	390,000,000
Current portion of liabilities under finance lease agreements	24	26,801,570	26,725,735	362,856	614,895
Other current liabilities	21	902,907,527	752,612,858	43,888,421	48,530,509
Total current liabilities		9,697,552,060	7,112,637,683	1,303,871,767	717,171,661

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

Balance sheets (continued)

Samart Corporation Public Company Limited and its subsidiaries
As at 31 December 2009 and 2008

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
Note		2009	2008	2009	2008
Liabilities and shareholders' equity (continued)					
Non-current liabilities					
Long-term loan from subsidiary company	9	-	-	50,275,200	-
Long-term loan from other company - net of current portion	22	-	55,000,000	-	55,000,000
Long-term loans from financial institutions - net of current portion	23	809,785,927	1,341,007,345	220,531,000	672,788,632
Long-term liabilities under finance lease agreements - net of current portion	24	26,032,852	53,096,244	215,393	578,249
Long-term loan from individual		-	-	-	-
Other non-current liabilities					
Deposits		6,457,435	2,193,331	16,549,102	15,406,390
Advance received IT service fees from subsidiary companies - net	9, 25	-	-	29,643,750	57,007,212
Others		11,366,205	14,398,652	291,100	872,300
Total other non-current liabilities		17,823,640	16,591,983	46,483,952	73,285,902
Total non-current liabilities		853,642,419	1,465,695,572	317,505,545	801,652,783
Total liabilities		10,551,194,479	8,578,333,255	1,621,377,312	1,518,824,444

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

Balance sheets (continued)

Samart Corporation Public Company Limited and its subsidiaries
As at 31 December 2009 and 2008

(Unit : Baht)

Note	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital 26				
Registered				
1,006,601,830 ordinary shares of Baht 1 each	1,006,601,830	1,006,601,830	1,006,601,830	1,006,601,830
Issued and fully paid up				
977,070,910 ordinary shares of Baht 1 each (31 December 2008: 976,503,910 ordinary shares of Baht 1 each)	977,070,910	976,503,910	977,070,910	976,503,910
Share premium	21,041,660	18,518,510	21,041,660	18,518,510
Share premium of subsidiary companies	1,186,159,106	1,183,349,852	-	-
Surplus on revaluation of property, plant and equipment 27	177,822,024	139,803,377	177,822,024	139,803,377
Surplus on revaluation of land, building and improvement of subsidiary companies 27	205,132,840	161,695,450	-	-
Surplus on investments in subsidiary companies arising as a result of acquisition of additional shares at a price higher than the net book value at the acquisition date	(796,349,516)	(756,735,209)	-	-
Translation adjustments	(138,144,008)	(100,989,601)	-	-
Retained earnings				
Appropriated - statutory reserve 30	100,660,183	100,660,183	100,660,183	100,660,183
- treasury stock reserve 28	209,669,951	144,269,892	209,669,951	144,269,892
Unappropriated	2,165,227,503	1,941,578,064	2,029,787,553	2,109,777,068
Total shareholders' equity	4,108,290,653	3,808,654,428	3,516,052,281	3,489,532,940
Less: Treasury stock 28	(209,669,951)	(144,269,892)	(209,669,951)	(144,269,892)
Equity attributable to the Company's shareholders - net	3,898,620,702	3,664,384,536	3,306,382,330	3,345,263,048
Minority interest - Equity attributable to minority shareholders of subsidiaries	1,068,694,196	1,012,387,768	-	-
Total shareholders' equity	4,967,314,898	4,676,772,304	3,306,382,330	3,345,263,048
Total liabilities and shareholders' equity	15,518,509,377	13,255,105,559	4,927,759,642	4,864,087,492

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

Income statements

Samart Corporation Public Company Limited and its subsidiaries
For the years ended 31 December 2009 and 2008

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Revenues					
Sales income		13,075,880,303	11,932,373,107	-	-
Service income		3,963,062,156	3,922,310,782	14,558,201	28,950,739
Other income	33.1	266,506,430	423,195,747	583,534,337	759,685,509
Total revenues		17,305,448,889	16,277,879,636	598,092,538	788,636,248
Expenses					
Cost of sales		11,411,460,889	10,223,497,280	-	-
Cost of services		2,697,584,697	2,650,649,080	14,089,150	25,489,647
Selling expenses		1,177,189,975	1,309,913,928	-	-
Administrative expenses		848,227,370	988,061,396	262,641,755	291,398,688
Management's remuneration		70,795,472	71,161,912	20,738,250	21,161,000
Other expenses	33.2	54,000,374	181,698,338	45,401,226	52,292,837
Total expenses		16,259,258,777	15,424,981,934	342,870,381	390,342,172
Income before finance cost and corporate income tax		1,046,190,112	852,897,702	255,222,157	398,294,076
Finance cost	35	(347,740,471)	(382,920,307)	(68,844,989)	(77,375,022)
Share of loss from investment in associate	13.2	(579)	(15,638)	-	-
income before corporate income tax		698,449,062	469,961,757	186,377,168	320,919,054
Corporate income tax	36	(147,285,770)	(103,288,134)	(34,999,126)	(36,503,976)
Net income for the year		551,163,292	366,673,623	151,378,042	284,415,078
Net income attributable to:					
Equity holders of the parent		455,016,996	261,715,027	151,378,042	284,415,078
Minority interests of the subsidiaries		96,146,296	104,958,596		
		551,163,292	366,673,623		
Earnings per share	29				
Basic earnings per share					
Net income attributable to equity holders of the parent		0.48	0.27	0.16	0.29
Diluted earnings per share					
Net income attributable to equity holders of the parent		0.48	0.27	0.16	0.29

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

Statements of changes in shareholders' equity

Samart Corporation Public Company Limited and its subsidiaries

For the years ended 31 December 2009 and 2008

(Unit: Baht)

	Consolidated financial statements													
	Equity attributable to the parent's shareholders													
	Share capital issued and fully paid	Share premium	Share premium of subsidiary companies	Surplus on property, plant and equipment revaluation	Surplus on revaluation of land, building and improvement of subsidiary companies	Surplus on investments in subsidiary companies arising as a result of acquisition of additional shares at a price higher than the net book value at the acquisition date	Translation adjustment	Retained earnings			Total equity attributable to the parent's shareholders	Treasury stock	Minority interest-equity attributable to minority shareholders of subsidiaries	Total
								Appropriated statutory reserve	Treasury stock reserve	Unappropriated				
Balance as at 31 December 2007	976,503,910	18,518,510	1,183,349,852	140,721,006	161,744,171	(637,966,390)	(114,147,470)	100,000,000	-	2,097,238,058	3,925,961,647	-	1,141,145,874	5,067,107,521
Income and expenses recognised directly in equity:														
Decrease in surplus on property, plant and equipment	-	-	-	(917,629)	-	-	-	-	-	-	-	-	-	-
Increase in surplus on revaluation of land, building and improvement of subsidiary companies	-	-	-	-	(48,721)	-	-	-	-	917,629	(48,721)	-	48,721	-
Surplus on investments in subsidiary companies arising as a result of acquisition of additional shares at a price higher than the net book value at the acquisition date	-	-	-	-	-	(118,768,819)	-	-	-	-	(118,768,819)	-	-	(118,768,819)
Translation adjustments	-	-	-	-	-	-	13,157,869	-	-	-	13,157,869	-	-	13,157,869
Net income and expenses recognised directly in equity														
Net income for the year	-	-	-	(917,629)	(48,721)	(118,768,819)	13,157,869	-	-	917,629	(105,653,671)	-	48,721	(105,610,950)
Dividend paid (Note 31)	-	-	-	-	-	-	-	-	-	261,715,027	261,715,027	-	104,958,596	366,673,623
Unappropriated retained earnings transferred to statutory reserve	-	-	-	-	-	-	-	-	-	(273,362,575)	(273,362,575)	-	-	(273,362,575)
Unappropriated retained earnings transferred to treasury stock reserve	-	-	-	-	-	-	-	660,183	-	(660,183)	-	-	-	-
Increase in treasury stock	-	-	-	-	-	-	-	-	-	144,269,892	(144,269,892)	-	-	-
Decrease in minority interest due to dividend paid by subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	-	(144,269,892)	(144,269,892)
Decrease in minority interest	-	-	-	-	-	-	-	-	-	-	-	-	(179,742,440)	(179,742,440)
Balance as at 31 December 2008	976,503,910	18,518,510	1,183,349,852	139,803,377	161,695,450	(756,735,209)	(100,989,601)	100,660,183	144,269,892	1,941,578,064	3,808,654,428	(144,269,892)	(54,022,983)	4,676,772,304

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

Samart Corporation Public Company Limited and its subsidiaries
For the years ended 31 December 2009 and 2008

Consolidated financial statements (continued)													
	Equity attributable to the parent's shareholders												
	Share capital issued and fully paid	Share premium	Share premium of subsidiary companies	Surplus on property, plant and equipment revaluation	Surplus on revaluation of land, building and improvement of subsidiary companies	Surplus on investments in subsidiary companies arising as a result of acquisition of additional shares at a price higher than the net book value at the acquisition date	Translation adjustment	Retained earnings			Total equity attributable to the parent's shareholders		
								statutory reserve	Appropriated Treasury stock reserve	Unappropriated			
Balance as at 31 December 2008	976,503,910	18,518,510	1,183,349,852	139,803,377	161,695,450	(756,735,209)	(100,989,601)	100,660,183	144,269,892	1,941,578,064	3,808,654,428	1,012,387,768	4,676,772,304
Income and expenses recognised directly in equity:													
Increase in share capital (Note 262)	567,000	-	-	-	-	-	-	-	-	-	567,000	-	567,000
Increase in share premium (Note 262)	-	2,523,150	-	-	-	-	-	-	-	-	2,523,150	-	2,523,150
Increase in share premium of subsidiaries	-	-	2,809,254	-	-	-	-	-	-	-	2,809,254	-	2,809,254
Transfer surplus from disposed on assets (Note 27)	-	-	-	(1,646,778)	-	-	-	-	-	-	(1,646,778)	-	(1,646,778)
Increase in surplus on property, plant and equipment (Note 27)	-	-	-	42,606,341	-	-	-	-	-	-	42,606,341	-	42,606,341
Amortise surplus on property, plant and equipment (Note 27)	-	-	-	(2,940,916)	-	-	-	-	-	2,940,916	-	-	-
Increase in surplus on revaluation of land, building and improvement of subsidiary companies (Note 27)	-	-	-	-	44,291,566	-	-	-	-	-	44,291,566	-	44,291,566
Amortise surplus on revaluation of building and improvement of subsidiaries (Note 27)	-	-	-	-	(854,176)	-	-	-	-	-	(854,176)	21,832	(832,344)
Surplus on investments in subsidiary companies arising as a result of acquisition of additional shares at a price higher than the net book value at the acquisition date (Note 12.1.1)	-	-	-	-	-	(39,614,307)	-	-	-	-	(39,614,307)	-	(39,614,307)
Translation adjustments	-	-	-	-	-	-	(37,154,407)	-	-	-	(37,154,407)	-	(37,154,407)
Net income and expenses recognised directly in equity	567,000	2,523,150	2,809,254	38,018,647	43,437,390	(39,614,307)	(37,154,407)	-	-	2,940,916	13,527,643	21,832	13,549,475

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(Unit: Baht)

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

Statements of changes in shareholders' equity (continued)

Samart Corporation Public Company Limited and its subsidiaries
For the years ended 31 December 2009 and 2008

	Separate financial statements						(Unit: Baht)		
	Share capital issued and fully paid	Share premium	Surplus on property, plant and equipment revaluation	Retained earnings				Treasury stock	Total
				Appropriated		Unappropriated			
				Statutory reserve	Treasury stock reserve				
Balance as at 31 December 2007	976,503,910	18,518,510	140,721,006	100,000,000	-	2,242,737,011	-	3,478,480,437	
Expenses recognised directly in equity:									
Decrease in surplus on property, plant and equipment	-	-	(917,629)	-	-	917,629	-	-	
Net expenses recognised directly in equity			(917,629)			917,629			
Net income for the year	-	-	-	-	-	284,415,078	-	284,415,078	
Dividend paid (Note 31)	-	-	-	-	-	(273,362,575)	-	(273,362,575)	
Unappropriated retained earnings transferred to statutory reserve	-	-	-	660,183	-	(660,183)	-	-	
Unappropriated retained earnings transferred to treasury stock reserve									
Unappropriated retained earnings transferred to treasury stock reserve	-	-	-	-	144,269,892	(144,269,892)	-	-	
Increase in treasury stock	-	-	-	-	-	-	(144,269,892)	(144,269,892)	
Balance as at 31 December 2008	976,503,910	18,518,510	139,803,377	100,660,183	144,269,892	2,109,777,068	(144,269,892)	3,345,263,048	

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

Statements of changes in shareholders' equity (continued)

Samart Corporation Public Company Limited and its subsidiaries
For the years ended 31 December 2009 and 2008

	Separate financial statements (continued)						(Unit: Baht)
	Share capital issued and fully paid	Share premium	Surplus on property, plant and equipment revaluation	Retained earnings		Treasury stock	
				Appropriated			
				Statutory reserve	Treasury stock reserve		
					Unappropriated	Total	
Balance as at 31 December 2008	976,503,910	18,518,510	139,803,377	100,660,183	144,269,892	2,109,777,068	3,345,263,048
Expenses recognised directly in equity:							
Increase in share capital (Note 26.2)	567,000	-	-	-	-	-	567,000
Increase in share premium (Note 26.2)	-	2,523,150	-	-	-	-	2,523,150
Transfer surplus on disposed asset (Note 27)	-	-	(1,646,778)	-	-	-	(1,646,778)
Increase in surplus on property, plant and equipment (Note 27)	-	-	42,606,341	-	-	-	42,606,341
Amortise surplus on plant and equipment (Note 27)	-	-	(2,940,916)	-	-	2,940,916	-
Net expenses recognised directly in equity	567,000	2,523,150	38,018,647	-	-	2,940,916	44,049,713
Net income for the year	-	-	-	-	-	151,378,042	151,378,042
Dividend paid (Note 31)	-	-	-	-	-	(168,908,414)	(168,908,414)
Unappropriated retained earnings transferred to treasury stock reserve	-	-	-	-	65,400,059	(65,400,059)	-
Increase in treasury stock	-	-	-	-	-	-	(65,400,059)
Balance as at 31 December 2009	977,070,910	21,041,660	177,822,024	100,660,183	209,669,951	2,029,787,553	3,306,382,330

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

Cash flows statements

Samart Corporation Public Company Limited and its subsidiaries
For the years ended 31 December 2009 and 2008

(Unit : Baht)

Note	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Cash flows from operating activities				
Net income before tax	698,449,062	469,961,757	186,377,168	320,919,054
Adjustments to reconcile net income before tax to net cash provided by (paid from) operating activities				
Gain on disposal of investments in related parties 33.1	(50,551,025)	(10,105,246)	(5,626,490)	(13,687,844)
Loss on disposal of short-term investment in trading securities 6	2,500,432	9,342,528	640,693	1,604,885
Amortization of deferred income on sale and lease back	(3,911,863)	(3,922,581)	-	-
Gain on liquidation of associated company	(16,217)	-	-	-
Share of loss from investment in associate 13.2	579	15,638	-	-
Loss (gain) on sales and disposal of property, plant and equipment and idle assets awaiting transfer	(69,049)	(138,533,747)	(2,207,919)	918,423
Loss on sales of assets held for sale	6,572,961	-	-	-
Loss (gain) on change in value of short-term investment in trading securities 6	(34,718,841)	78,367,772	(4,334,785)	29,566,683
Unrealised loss (gain) on exchange	5,090,193	(20,770,484)	(3,885,915)	1,613,756
Loss on cancel installation system	-	950,000	-	950,000
Bad debts and doubtful accounts	13,191,021	469,841	-	-
Allowance for diminution in value of advance for purchase of inventories	12,432	-	-	-
Allowance for diminution in value of sales promotion receivables (reversal)	1,068,024	(3,076,317)	-	-
Allowance for withholding tax deducted at source and refundable value added tax	12,640,343	15,851,921	5,616,727	5,271,152
Write offs for obsolete and damaged inventory	1,638,303	3,278,996	-	-
Provision for obsolete inventories	2,690,635	7,842,305	-	-
Depreciation and amortisation	912,153,382	898,005,115	101,753,009	100,595,938
Allowance for impairment of investment in subsidiaries	-	-	35,610,172	15,850,117
Allowance for impairment of assets	1,695,718	612,097	-	-
Amortisation of advance receive from subsidiaries	-	-	(581,200)	(580,000)
Amortisation of advance receive for IT service fee from subsidiaries	-	-	(27,363,462)	(27,363,461)
Transfer equipment to expense	10,196,872	1,627,712	-	-

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

Cash flows statements (continued)

Samart Corporation Public Company Limited and its subsidiaries
For the years ended 31 December 2009 and 2008

(Unit : Baht)

Note	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Cash flows from operating activities (continued)				
Gain on compensation receipt from insurance	(163,167)	(74,085)	-	-
Amortisation of excess of cost of investments over the net book value of the subsidiaries	5,676,000	-	-	-
Interest income	(8,507,221)	(12,619,385)	(34,176,492)	(55,880,552)
Interest expense	328,844,476	356,021,445	68,651,631	77,176,127
Income from operating activities before changes in operating assets and liabilities	1,904,483,050	1,653,245,282	320,473,137	456,954,278
Decrease (increase) in operating assets				
Trade accounts receivable - unrelated parties	(1,009,868,303)	420,393,735	170,113	10,161,926
Trade accounts receivable - related parties	(476,464)	1,908,662	13,026,337	135,199,780
Other accounts receivable - related parties	(7,767,177)	(241,282)	(37,092,902)	3,793,845
Inventories	385,677,560	(673,791,424)	-	-
Accrued income	(1,110,872,671)	(190,944,723)	72,593	44,366
Other current assets	(208,553,155)	(89,349,296)	2,671,349	(914,243)
Other non-current assets	13,484,942	(52,565,568)	(54,363)	(253,184)
Increase (decrease) in operating liabilities				
Trade accounts payable - unrelated parties	803,347,740	(268,161,180)	(10,500,000)	10,219,232
Trade accounts payable - related parties	(19,050)	19,050	(280,672)	(9,875,794)
Other accounts payable - related parties	(613,232)	(885,656)	(21,410,187)	10,488,249
Accrued expenses	184,357,796	(40,224,903)	(169,149)	1,125,309
Other payables	40,442,788	(23,666,857)	3,248,152	(2,367,422)
Other current liabilities	32,792,442	(78,943,860)	9,895,588	(86,744)
Other non-current liabilities	5,143,520	(926,737)	1,142,712	463,588
Cash flows from operating activities	1,031,559,786	655,865,243	281,192,708	614,953,186
Proceed from sale of short-term investment in trading securities 6	95,515,972	141,416,102	87,862,934	101,282,519
Purchase of short-term investment in trading securities 6	(75,460,013)	(173,830,516)	(75,460,013)	(96,814,669)
Cash paid for interest expenses	(328,653,896)	(352,703,575)	(66,855,775)	(76,811,104)
Cash paid for corporate income tax	(251,211,882)	(242,973,195)	(38,851,496)	(42,658,669)
Cash received from refund corporate income tax	30,163,507	43,000,492	-	-
Net cash flows from operating activities	501,913,474	70,774,551	187,888,358	499,951,263

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

Cash flows statements (continued)

Samart Corporation Public Company Limited and its subsidiaries
For the years ended 31 December 2009 and 2008

(Unit : Baht)

Note	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Cash flows from operating activities (continued)				
Cash received for interest income	8,593,836	12,646,686	45,388,317	56,906,284
Decrease in restricted bank deposits	2,955,409	12,891,876	-	-
Cash paid for acquisition of short-term investments in debt securities	(299,557,905)	-	-	-
Increase in fixed deposit	(100,000,000)	-	-	-
Cash paid to provide short-term loans to related parties 9	-	-	(103,800,000)	(45,957,500)
Cash received from repayment from short-term loans to related parties 9	-	-	288,128,404	203,716,960
Cash paid to provide short-term loans to unrelated parties	-	(9,000,000)	-	-
Cash receipt from repayment from long-term loans to related parties	-	-	-	33,649,600
Cash received from insurance claims for equipment	521,148	194,636	-	-
Proceeds from sales of investments in related parties	9,770,259	19,142,257	9,770,259	41,607,401
Purchase of investments in related parties	(114,017,151)	(29,771,208)	(312,770,704)	(202,525,797)
Net cash received from disposal of related party 12.3.1	(8,434,864)	(1,582,219)	-	-
Purchase of investments in associated company 13	-	(499,950)	-	-
Cash flow from liquidation of associated company 13	499,950	-	-	-
Proceeds from sales of property, plant and equipment and idle assets awaiting transfer	14,067,763	244,703,479	8,310,899	1,168,064
Cash paid for property, plant and equipment and idle assets awaiting transfer	(904,525,222)	(628,667,324)	(21,056,527)	(22,035,270)
Cash received from sales of assets held for sale	5,850,000	-	-	-
Cash paid for assets held for sale	(6,572,961)	-	-	-
Increase in surplus on investment over book value in subsidiary company	(39,830,568)	(118,768,819)	-	-
Decrease in minority interest due to dividend paid by subsidiary companies	(41,477,320)	(182,317,137)	-	-
Increase (decrease) in minority interests in subsidiary companies	38,988,388	(26,438,468)	-	-
Net cash flows from (used in) investing activities	(1,433,169,238)	(707,466,191)	(86,029,352)	66,529,742

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

Cash flows statements (continued)

Samart Corporation Public Company Limited and its subsidiaries
For the years ended 31 December 2009 and 2008

(Unit : Baht)

Note	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Cash flows from financing activities				
Increase in bank overdrafts	30,711,811	98,597,647	107,128,588	-
Proceeds from short-term loans from financial institutions	7,684,432,070	8,319,752,081	636,460,000	980,000,000
Cash paid to settle short-term loans from financial institutions	(6,794,363,508)	(6,335,328,688)	(316,460,000)	(900,000,000)
Increase (decrease) in trust receipts	845,438,038	(556,283,154)	-	-
Proceeds from long-term loans from financial institutions	143,832,486	366,961,328	8,025,000	5,891,830
Cash paid to settle long-term loans from financial institutions	(596,521,300)	(904,805,775)	(390,000,000)	(282,800,000)
Cash paid for repayment of loans from other company	22 (60,000,000)	(45,937,572)	(60,000,000)	(45,937,572)
Cash paid for repayment long-term loan from individual	-	(33,767,300)	-	-
Proceeds from short-term loans from related parties	9 -	140,000	134,419,000	86,010,800
Cash paid for repayment of short-term loans from related parties	-	(490,000)	-	(667,589)
Cash receipt from long-term loans from related party	9 -	-	50,052,750	-
Cash paid to settle advance from director	(499,950)	-	-	-
Cash paid to settle liabilities under finance lease agreements	(31,115,214)	(36,380,141)	(668,100)	(1,359,618)
Cash receipt from disposal of equipment under financial lease agreement	-	8,350,000	-	-
Cash paid for treasury stock	(75,682,491)	(133,987,460)	(75,682,491)	(133,987,460)
Dividend paid	31 (168,908,414)	(273,362,575)	(168,908,414)	(273,362,575)
Proceed from increase in share capital during the year	5,899,404	-	3,090,150	-
Net cash flows from (used in) financing activities	983,222,932	473,458,391	(72,543,517)	(566,212,184)
Decrease (increase) in translation adjustments	(28,278,323)	9,369,892	-	-
Increase (decrease) in cash and cash equivalents - net	23,688,845	(153,863,357)	29,315,489	268,821
Cash and cash equivalents at beginning of the year	935,978,078	1,089,841,435	177,864,457	177,595,636
Cash and cash equivalents at end of the year	959,666,923	935,978,078	207,179,946	177,864,457

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

Cash flows statements (continued)

Samart Corporation Public Company Limited and its subsidiaries
For the years ended 31 December 2009 and 2008

(Unit : Baht)

Note	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Supplement disclosures of cash flows information				
Non-cash items				
Transfer inventories to equipment	97,625,471	114,125,047	-	-
Increase on purchase equipment under finance lease agreements	-	16,806,263	-	639,200
Transfer in from assets held for future projects to equipment	327,697	187,891	-	-
Adjust asset value from decreasing payable	-	755,483	-	-
Adjust asset during the period - transfer to expense	10,196,872	1,627,712	-	-
Transfer equipment to inventories	-	4,311,942	-	-
Transfer equipment to assets held for sale	-	47,000,000	-	-
Surplus on revaluation of property, plant and equipment	88,982,829	-	42,306,399	-

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

Notes to consolidated financial statements

Samart Corporation Public Company Limited and its subsidiaries
For the years ended 31 December 2009 and 2008

1. General information

Corporate information

Samart Corporation Public Company Limited ("the Company") is a public limited company incorporated and domiciled in Thailand. The Company is principally engaged in the design, implementation and installation of telecommunications systems, and the sale and distribution of telecommunications equipment and its registered address is at 99/1 Moo 4, Software Park Building 35th Floor, Chaengwattana Road, Klong Glur, Pak-Kred, Nonthaburi.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 30 January 2009, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of the Company and the following subsidiary companies ("the subsidiaries")

	Registered and paid up share capital		Equity interest of the Company - Direct and Indirect		Country of incorporation	Nature of business
	2009 (Million Baht)	2008 (Million Baht)	2009 Percent	2008 Percent		
Subsidiaries directly held by the Company						
1. The Samart Engineering Co., Ltd.	250	50	100	100	Thailand	Manufacture and distribution of television and radio antenna and solid satellite dishes
2. Samart International Co., Ltd.	6.25	6.25	100	100	Thailand	Distribution of telecommunications products in international market
3. Samart Research & Development Co., Ltd.	20	20	100	100	Thailand	Research and development of telecommunications products
4. Samart Telcoms Public Co., Ltd.	600	600	73.53	72.33	Thailand	Provision of data, voice and image communications services via satellite
5. Samart I-Mobile Public Co., Ltd.	430	430	59.99	59.91	Thailand	Distribution of communication and electronic equipment
6. One to One Contacts Co., Ltd.	100	60	99.21	99.17	Thailand	Call center
7. Vision and Security System Co., Ltd.	10	10	70	70	Thailand	Provide services, sale, installation if security system, audio and video conference, wire and wireless communication system.
8. Suvarnabhumi Environment Services Co., Ltd.	0.25	0.25	90	90	Thailand	Provision of waste management services in vicinity of Suvarnabhumi Airport
9. Suvarnabhumi Environment Care Co., Ltd.	50	50	60	60	Thailand	Provision of waste management services in vicinity of Suvarnabhumi Airport
10. Samart RadiTech Co., Ltd.	40	40	100	100	Thailand	The development of nuclear technology services and use of radiation for commercial purposes

	Registered and paid up share capital		Equity interest of the Company - Direct and Indirect		Country of incorporation	Nature of business
	2009 (Million Baht)	2008 (Million Baht)	2009 Percent	2008 Percent		
11. Newly established company	10	-	65	-	Thailand	
12. Cambodia Samart Co., Ltd. (The Company has control over this company's operations)	USD 25,000	USD 25,000	49	49	Cambodia	Distribution of communication and electronic equipment in Cambodia
13. Samart Inter Holding Co., Ltd.	USD 17 million	USD 17 million	100	100	Hong Kong	The holding company for investing in public utilities in the Indochina region
Subsidiary directly held by One to One Contacts Co., Ltd.						
1. One to One Vietnam Co., Ltd.	-	USD 0.43 million	-	99.17	Vietnam	Provide consulting and setting up contact center solutions for business enterprises and government entities in Vietnam.
2. One to One Professional Co., Ltd.	0.25	0.25	99.21	99.17	Thailand	Provide company personnel to perform work regarding providing information, news and information center on-site and off-site
Subsidiary held by Samart Inter Holding Co., Ltd.						
1. Cambodia Air Traffic Services Co., Ltd.	USD 2.5 million	USD 2.5 million	100	100	Cambodia	Provision of air traffic control services in Cambodia
2. Kampot Power Plant Co., Ltd.	USD 5 million	USD 5 million	100	100	Cambodia	Production and sale of electricity to Kampot Cement Co., Ltd. which produces cement for Siam Cement Public Co., Ltd. in Cambodia
Subsidiary held by The Samart Engineering Co., Ltd.						
1. Contact-In-One Co., Ltd.	1	1	100	100	Thailand	Institute of telecommunication mechanic
Subsidiaries held by Samart Telcoms Public Co., Ltd.						
1. Samart Communication Services Co., Ltd.	500	500	73.53	72.33	Thailand	Design and installation of communication network, public rural telephone project
2. Posnet Co., Ltd.	72	72	73.53	72.33	Thailand	Electronic fund transfer
3. Thai Trade Net Co., Ltd.	53	53	73.53	72.33	Thailand	Electronic data interchange
4. Samart Broadband Services Co., Ltd.	55.25	55.25	73.53	72.33	Thailand	Broadband data interchange services
5. Samart Comtech Co., Ltd.	225	225	73.53	72.33	Thailand	Design and installation of telecommunications networks
6. Oasis Consulting Co., Ltd.	10	10	51.47	50.63	Thailand	Computer systems consultation and installation of SAP
7. Samart Infonet Co., Ltd.	62	62	73.53	72.33	Thailand	Provision for internet services
8. Smarterware Co., Ltd.	10	10	73.53	72.33	Thailand	Commercial-off-the-shelf software development and consultation on software application development
9. Samart Telecommunication (Cambodia) Co., Ltd.	USD 30,000	USD 30,000	73.53	72.33	Cambodia	Provision of VoIP and fully-integrated ICT outsourcing services
10. IT Gen Co., Ltd.	15.61	-	73.53	-	Thailand	Distribution of computer and communications equipment

	Registered and paid up share capital		Equity interest of the Company - Direct and Indirect		Country of incorporation	Nature of business
	2009 (Million Baht)	2008 (Million Baht)	2009 Percent	2008 Percent		
Subsidiaries held by Samart I-Mobile Public Co., Ltd.						
1. Samart Multimedia Co., Ltd.	200	200	59.99	59.91	Thailand	Provision of multimedia infotainment
2. Samart Mobile Services Co., Ltd.	490	490	58.43	58.35	Thailand	Distribution of information technology devices
3. I-Mobile International Co., Ltd.	125	125	59.99	59.91	Thailand	General management business including business planning and business coordination
4. Brain Sources Co., Ltd.	1	1	59.99	59.91	Thailand	Research and development of mobile phone application
5. I-Mobile Netplus Co., Ltd.	2.5	2.5	59.99	59.91	Thailand	Provision of international call services (In 2009, not yet operational in its principal activity)
Subsidiaries held by Samart Multimedia Co., Ltd.						
1. Take A Look Co., Ltd.	75	75	40.19	40.14	Thailand	Provision of advertising and billboard advertisement services, and preparation
2. Samart Interactive Media Co., Ltd.	160	160	59.99	59.91	Thailand	Provision of interactive entertainment content services
3. I-Sport Co., Ltd.	30	30	30.00	29.96	Thailand	Provider of sports information via mobile phone
Subsidiaries held by I-Mobile International Co., Ltd.						
1. Samart I-Mobile (Malaysia) Sdn. Bhd.	MYR 2 million	MYR 2 million	59.99	59.91	Malaysia	Distributor of mobile phones and provider of entertainment content
2. I-Mobile (Cambodia) Co., Ltd.	-	-	-	-	Cambodia	Ceased business in 2006, currently is in process of liquidation
3. Pt. Samart I-Mibile Indonesia	USD 0.5 million	USD 0.5 million	59.99	59.91	Indonesia	Distributor of mobile phones and accessories
4. Samart I-Mobile (Hong Kong) Ltd.	HKD 5 million	HKD 5 million	59.99	59.91	Hong Kong	Distributor of mobile phones and accessories
5. C-Mobile Sdn. Bhd. (Disposed in 2009)	MYR 5 million	MYR 5 million	-	30.55	Malaysia	Distributor of mobile phones and accessories
6. I-Mobile Inter Trade Co., Ltd.	5	5	59.99	59.91	Thailand	Export I-Mobile products
Subsidiary held by I-Mobile International Co., Ltd. and I-Mobile Inter trade Co., Ltd.						
1. Samart I-Mobile (Middle East) FZCO	UAE 0.5 million	-	59.99	-	United Arab Emirates	Distributor of mobile phones and provision of mobile content (In 2009, not yet started operation in its principal activity)
Subsidiary held by Samart I-Mobile (Malaysia) Sdn. Bhd.						
1. Pemata Benar Sdn. Bhd.	MYR 2	MYR 2	59.99	59.91	Malaysia	Not yet started operation

- b) The consolidated financial statements include the financial statements for the years ended 31 December 2009 and 2008 of the Company and its subsidiaries. The percentage of these companies' total assets and revenues for the years ended 31 December 2009 and 2008 to the consolidated financial statements as a whole are as follows:

	Subsidiaries' assets as a percentage to the consolidated total assets as at 31 December		Subsidiaries' revenues as a percentage to the consolidated total revenues for the years ended 31 December	
	2009	2008	2009	2008
1. The Samart Engineering Co., Ltd.	3	4	2	2
2. Samart Telcoms Public Co., Ltd.	38	26	36	18
3. Samart I-Mobile Public Co., Ltd.	39	47	51	69
4. One to One Contacts Co., Ltd.	2	2	3	3
5. Vision and Security System Co., Ltd.	1	1	1	-
6. Suvarnabhumi Environment Care Co., Ltd.	1	1	-	-
7. Cambodia Samart Co., Ltd. (The Company has control over this company's operations)	-	-	-	1
8. Samart Inter Holding Co., Ltd.	9	11	6	6

- c) Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent significant accounting policies.
- e) The financial statements of overseas subsidiary companies are translated into Thai Baht at the closing exchange rate as to assets and liabilities, and at monthly average exchange rates as to revenues and expenses. The resultant differences are shown under the caption of "Translation adjustment" in shareholders' equity.
- f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- g) Minority interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.
- h) In recording the acquisition of additional shares of subsidiaries (repurchase of shares from minority shareholders) when the fair value of the net assets acquired is lower than the cost of the investment the difference has been presented in shareholders' equity in the balance sheet under the caption of "Surplus on investments in subsidiary companies arising as a result of acquisition of additional shares at a price higher than net book value at the acquisition date". When the fair value of the net assets acquired is higher than the cost of the investment the difference has been presented in shareholders' equity in the balance sheet under "Lower of investment in subsidiary companies arising as a result of acquisition of additional shares at a price lower than net book value at the acquisition date".

2.3 The separate financial statements, which present investments in subsidiaries presented under the cost method, have been prepared solely for the benefit of the public.

3. Adoption of new accounting standards

In June 2009, the Federation of Accounting Professions issued Notification No. 12/2552, assigning new numbers to Thai Accounting Standards that match the corresponding International Accounting Standards. The numbers of Thai Accounting Standards as referred to these financial statements reflect such change.

The Federation of Accounting Professions has issued Notification No. 86/2551 and 16/2552, mandating the use of new accounting standards, financial reporting standard and accounting treatment guidance as follows.

3.1 Accounting standards, financial reporting standard and accounting treatment guidance which are effective for the current year

Framework for the Preparation and Presentation of Financial Statements (revised 2007)

TAS 36 (revised 2007) Impairment of Assets

TFRS 5 (revised 2007) Non-current Assets Held for Sale and Discontinued Operations

Accounting Treatment Guidance for Leasehold Right

Accounting Treatment Guidance for Business Combination under Common Control

These accounting standards, financial reporting standard and accounting treatment guidance became effective for the financial statements for fiscal years beginning on or after 1 January 2009. The management of the Company and subsidiaries has assessed the effect of these standards and believes that Framework for Preparation and Presentation of Financial Statements (revised 2007), TAS 36 (revised 2007), TFRS 5 (revised 2007), Accounting Treatment Guidance for Leasehold Right and Accounting Treatment Guidance for Business Combination under Common Control do not have any significant impact on the financial statements for the current year.

3.2 Accounting standards which are not effective for the current year

		<u>Effective date</u>
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2012
TAS 24 (revised 2007)	Related Party Disclosures	1 January 2011
TAS 40	Investment Property	1 January 2011

However, TAS 24 (revised 2007) and TAS 40 allow early adoption by the entity before the effective date.

The management of the Company and the subsidiaries have assessed the effect of these standards that TAS 20 and TAS 40 are not relevant to the business of the Company and the subsidiary companies, while TAS 24 (revised 2007) will not have any significant impact on the financial statements for the year in which it is initially applied.

4. Significant accounting policies

4.1 Revenue recognition

a) Sales and services

Sales of goods are recognized when the Company and its subsidiaries, the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Service revenue is recognised when services have been rendered taking into account the stage of completion.

b) Transponder rental income

Transponder rental income is recognised as revenue on a monthly accrual basis, as stipulated in the agreement.

c) Sales of equipment including designation and installation.

Sales of equipment including designation and installation are recognized as income under the percentage of completion method.

d) Selling support income, commission and interest income

Selling support income, commission are recognised as income on an accrual basis.

Interest income is recognized as income based on the effective rate method.

e) Interconnection fees

Interconnection fees are recognised as revenue or expenses when a subsidiary and other parties, such as the Ministry of Post and Telecommunications in Cambodia (“MPTC”) or other operators, agree and approve the transactions with one another in writing. This is done in view of the uncertainty surrounding these transactions, which are dependent on confirmation from MPTC or other operators.

f) Entrance fee on franchise agreement

Entrance fee on franchise agreement is recognized on the term of agreement.

g) Dividend

Dividend are recognized when the right to receive the dividend is established.

h) Royalty and technical assistance fee

Royalty and technical assistance fee are recognized as income on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents consist cash in hand and at banks and all highly liquid investments with an original maturity of 3 months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

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

4.4 Inventories

Inventories are valued at the lower of cost (first-in, first-out and average method) and net realisable value. In arriving at net realizable value due allowance has been made for obsolete, slow-moving and deteriorated inventories.

4.5 Investments

- a) Investments in securities held for trading are stated at fair value. Gains or losses arising from changes in the carrying amounts of securities are included in determining income.
- b) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.
- c) Investments in associate are accounted for in the consolidated financial statements using the equity method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand.

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

4.6 Asset held for sale

Asset held for sale is stated at the lower of cost less accumulated depreciation and allowance for loss an impairment (if any) and net realisable value.

4.7 Property, plant and equipment and depreciation/Assets held for future projects

Land is stated at revalued amount. Buildings and equipment are stated at cost or revalued amount less accumulated depreciation and allowance for loss on impairment of assets (if any).

All items of property, plant and equipment are initially recorded at cost. However subsequently revalued by an independent professional valuer, on an asset-by-asset basis, to their fair values. Revaluations will be made whenever events or changes in circumstances indicate that an asset may be impaired to ensure that their carrying amount does not differ materially from their fair value at the balance sheet date.

The differences arising from revaluation are dealt with in the financial statements as follows:

- When an asset’s carrying amount is increased as a result of the revaluation, the increase is credited directly to the equity under the heading of “Surplus on revaluation”. However, a revaluation decrease will be recognised as income to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense.

- When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised as an expense. However, a revaluation increase will be charged directly against the related "Revaluation surplus" to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same asset.

Depreciation of plant and equipment is calculated by reference to their costs or revalued amounts on a straight-line basis over estimated useful lives of 2 - 20 years.

No depreciation is provided for land and land revaluation and assets in progress.

Depreciation is included in determining income. Revaluation surpluses are recognised as a deduction against depreciation in the retained earnings over the estimated useful lives of the related assets.

4.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.9 Intangible assets

Intangible assets acquired in a business combination are recognised at fair value on the date of acquisition. Other acquired intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

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

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

	<u>Useful lives</u>
The right under the advertising agreement	2 and 3 years but not exceeding the number of hours granted with such right in each month

4.10 Deferred rights to use of communication equipments and amortization

The deferred rights to use of communication equipment are stated at cost less accumulated amortization. Amortization of deferred rights to use of communication equipments is amortized on a straight-line basis over the estimated useful lives of the transferred assets (5, 10, 15, 20 and 30 years) but for no longer than the remaining period of the concessions. For the concessions of a subsidiary company in Cambodia the deferred right is amortized on a straight-line basis over 3 - 10 years.

4.11 Goodwill

Goodwill is initially measured at cost, which is the excess of the cost of the business combination over the Company's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

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

4.12 Impairment of assets

At each reporting date, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the income statement. However in cases where property, plant and equipment was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

4.13 Treasury stock

Treasury stock is stated at cost and is presented as a reduction from shareholders' equity. Gains on disposal of treasury stock are determined by reference to its carrying amount and are taken to premium on treasury stock, losses on disposal of treasury stock are determined by reference to its carrying amount and are taken to premium on treasury stock and retained earnings, consecutively.

4.14 Long-term leases

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

4.15 Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor and classified as operating leases. Payments made under operating leases are recognised as expenses to the income statements over the lease period.

4.16 Sale and leaseback

In cases where assets are sold and then leased back, whereby the transaction is a kind of finance lease, the surplus of the receipts from the sale over the net book value of the assets is recorded as deferred revenues and amortized over the period of the lease.

4.17 Related party transactions

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

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

4.18 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling on the balance sheet date.

Gains and losses on exchange are included in determining income.

4.19 Employee benefits

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

4.20 Provisions

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

4.21 Income tax

Income tax of the Company and subsidiaries in Thailand is provided in the accounts based on taxable profits determined in accordance with tax legislation.

Overseas subsidiary companies calculate corporate income tax in accordance with tax rate regulated in tax law of those countries.

4.22 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling on the balance sheet date. Gains and losses from the translation are included in determining income.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant judgments and estimates are as follows:

Construction contracts

The Company and its subsidiaries recognise contract revenue by reference to the stage of completion of the contract activity, when the outcome of a construction contract can be estimated reliably. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Significant assumptions are required to estimate the total contract cost and the recoverable variation works that will affect the stage of completion. The management is required to make judgement and estimates based on past experience and knowledge of the project engineers.

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for diminution in value of inventory

The determination of allowance for diminution in the value of inventory requires management to exercise judgement in estimating losses on outstanding inventory, based on the selling price expected in the ordinary course of business; minus selling expenses and provision for obsolete, slow-moving and deteriorated inventories, and taking into account the approximate useful life of each type of inventory and current changes in technology.

Impairment of equity investments

The Company and its subsidiaries treat available-for-sale equity investments and other investments as impaired when the management considers that there has been a significant or prolonged decline in the fair

value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment.

Allowance for diminution in value of withholding tax deducted at sources

The Company and its subsidiaries regard withholding tax deducted at sources as an asset since they have the right to claim for a refund of it. The net realisable value of tax depends on the exercise of the right to claim it, and the results of any tax audit by the Revenue officials. However, the management has used judgement to assess the outcome of the refund claim and believes that no loss will result. Therefore, no allowance for diminution in value of withholding tax deducted at sources is recorded as at the balance sheet date.

Property, plant and equipment/Depreciation

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

The Company and its subsidiaries measure land and buildings at revalued amounts. Such amounts are determined by the independent valuer using the market approach for land and the income approach for buildings. The valuation involves certain assumptions and estimates.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying cost. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and other intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Contingent liabilities

The subsidiary has contingent liabilities as a result of tax assessment. The subsidiary’s management has used judgment to assess of the results of the litigation and believes that no loss will result. Therefore, no contingent liabilities are recorded as at the balance sheet date. However, actual results could differ from the estimates.

Litigation

The subsidiary companies have contingent liabilities as a result of litigation. The subsidiary companies’s management have used judgment to assess of the results of the litigation and believe that no loss will result. Therefore no contingent liabilities are recorded as at the balance sheet date.

6. Short-term investment in trading securities

As at 31 December 2009 and 2008, the Company and its subsidiary companies invested in short-term investment in trading securities as follows:

	Consolidated financial statements					
	2009			2008		
	Shares (Shares)	Cost (Baht)	Fair value (Baht)	Shares (Shares)	Cost (Baht)	Fair value (Baht)
Common stock of Siam Sport Syndicate Public Company Limited	13,778,800	30,946,109	46,572,344	18,533,300	41,522,875	27,985,283
Common stock of Ascon Construction Public Company Limited	10,929,200	76,514,531	43,279,632	10,929,200	76,514,531	44,153,968
Common stock of Salee Industry Public Company Limited	4,531,000	20,116,191	13,442,380	6,700,000	30,743,579	14,606,000
Common stock of Rich Asia Steel Public Company Limited	20,000,000	7,018,725	1,600,000	20,000,000	7,018,725	1,400,000
Common stock of Living Land Capital Public Company Limited	2,010,000	2,438,116	804,000	5,560,000	9,183,116	3,836,400
Common stock of Thaicom Public Company Limited	100,000	770,806	720,000	100,000	770,806	290,000
Common stock of CH. Karnchang Public Company Limited	80,000	683,371	484,000	80,000	683,371	288,000
Common stock of PTT Aromatics and Refining Public Company Limited	14,000	428,142	367,500	14,000	428,142	137,200
Common stock of The Siam Cement Public Company Limited	-	-	-	19,200	2,008,441	1,977,600
Common stock of Electricity Generating Public Company Limited	-	-	-	15,000	1,409,705	1,027,500
Common stock of PTT Exploration and Production Public Company Limited	-	-	-	11,800	1,194,988	1,262,600
Common stock of Hana Microelectronics Public Company Limited	-	-	-	40,000	1,037,769	396,000
Common stock of S.E.C. Auto Sales and Services Public Company Limited	1,290,000	4,057,879	-	1,290,000	4,057,879	-
Warrant No. 3 of Siam Sport Syndicate Public Company Limited	2,039,716	3,092,029	3,538,166	2,039,716	3,092,029	1,285,021
Total short-term investment in trading securities		146,065,899	110,808,022		179,665,956	98,645,572
Less: Allowance for diminution in value		(35,257,877)	-		(81,020,384)	-
Total short-term investment in trading securities - net		110,808,022	110,808,022		98,645,572	98,645,572

	Separate financial statements					
	2009			2008		
	Shares (Shares)	Cost (Baht)	Fair value (Baht)	Shares (Shares)	Cost (Baht)	Fair value (Baht)
Common stock of Ascon Construction Public Company Limited	5,040,000	37,536,440	19,958,400	5,040,000	37,536,440	20,361,600
Common stock of Siam Sport Syndicate Public Company Limited	1,866,500	4,747,160	6,308,770	2,331,000	5,928,544	3,519,810
Common stock of CH. Karnchang Public Company Limited	80,000	683,371	484,000	80,000	683,371	288,000
Common stock of Rich Asia Steel Public Company Limited	5,000,000	902,407	400,000	5,000,000	902,407	350,000
Common stock of Salee Industry Public Company Limited	-	-	-	2,130,000	10,447,944	4,643,400
Common stock of Living Land Capital Public Company Limited	-	-	-	3,550,000	6,745,000	2,449,500
Common stock of The Siam Cement Public Company Limited	-	-	-	19,200	2,008,441	1,977,600
Common stock of PTT Exploration and Production Public Company Limited	-	-	-	11,800	1,194,988	1,262,600
Common stock of Electricity Generating Public Company Limited	-	-	-	15,000	1,409,705	1,027,500
Common stock of Hana Microelectronics Public Company Limited	-	-	-	40,000	1,037,769	396,000
Warrant No. 3 of Siam Sport Syndicate Public Company Limited	330,167	501,854	624,016	330,167	501,854	208,005
Total short-term investment in trading securities		44,371,232	27,775,186		68,396,463	36,484,015
Less: Allowance for diminution in value		(16,596,046)	-		(31,912,448)	-
Total short-term investment in trading securities - net		27,775,186	27,775,186		36,484,015	36,484,015

Movement of the short-term investments in trading securities account during the year ended 31 December 2009 are summarised below

(Unit : Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2009	98,645,572	36,484,015
Cash paid for short-term investment in trading securities during the year - at cost	75,460,013	75,460,013
Disposal during the year - at cost		
Proceed from sales	(95,515,972)	(87,862,934)
Loss on disposals	(2,500,432)	(640,693)
Total	(98,016,404)	(88,503,627)
Gain on change in value	34,718,841	4,334,785
Balance as at 31 December 2009	110,808,022	27,775,186

7. Restricted bank deposits

These represent savings and fixed deposits pledged by the subsidiaries with the banks to secure credit facilities obtained from the banks.

8. Trade accounts receivable/accrued income

8.1 Trade accounts receivable

The balances of trade accounts receivable as at 31 December 2009 and 2008, aged on the basis of due dates, are summarised below.

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Related parties				
Not yet due	26,712	48,771	-	-
Past due				
Up to 3 months	18,509	72,931	884,782	13,910,000
3 - 6 months	337,300	311,787	-	-
6 - 12 months	218,320	100,537	-	-
Over 12 months	409,649	-	-	-
Total trade accounts receivable - related parties	1,010,490	534,026	884,782	13,910,000
Unrelated parties				
Not yet due	2,398,073,073	1,259,839,190	1,277,339	1,222,730
Past due				
Up to 3 months	1,191,335,167	1,607,562,034	3,811,473	4,027,196
3 - 6 months	433,204,629	241,840,130	-	-
6 - 12 months	120,041,035	191,264,172	-	-
Over 12 months	296,608,812	185,108,071	588,251	1,033,948
Total trade accounts receivable - unrelated parties	4,439,262,716	3,485,613,597	5,677,063	6,283,874
Less: Allowance for doubtful debts	(130,523,352)	(128,789,136)	(588,251)	(1,024,949)
Total trade accounts receivable				
- unrelated parties - net	4,308,739,364	3,356,824,461	5,088,812	5,258,925
Trade accounts receivable - net	4,309,749,854	3,357,358,487	5,973,594	19,168,925

- Samart Telcoms Public Co., Ltd., Samart Communication Services Co., Ltd., Samart Comtech Co., Ltd. and One to One Contacts Co., Ltd., four subsidiary companies, have partially transferred and assigned their collection rights from projects to banks as collateral for loans from banks and bank guarantee as described in Note 19, 23 and 39 to the financial statements, respectively. As at 31 December 2009, the balance of the above accounts receivable included the receivables that were transferred and assigned their collection rights to banks totaling approximately Baht 517.7 million (2008: Baht 428 million).
- At 31 December 2009, trade accounts receivable of Samart Telcoms Public Co., Ltd. and its subsidiaries included amounts of Baht 4.1 million (2008: Baht 4.1 million) receivable from financial institutions which were ordered to cease their operations by the authorities. The subsidiaries have already provided full allowance for doubtful accounts for these amounts.
- As at 31 December 2009, Samart Telcoms Public Co., Ltd., a subsidiary company, has an unrelated accounts receivable balance of Baht 27.1 million which is more than 1 year past due (2008: Baht 36.2 million). The subsidiary has recorded allowance for doubtful accounts of Baht 3 million (2008: Baht 1.3 million). The management believes the allowance is adequate in the current circumstances because the subsidiary has been informed by such debtor in writing that the debtor is in the process of business expansion with the requirement of working capital for the expansion and asks for settlement in installments.

- d) As at 31 December 2009, Samart Telcoms Public Co., Ltd. and Samart Infonet Co., Ltd., subsidiaries, have balance receivable from an unrelated accounts receivable of Baht 106.5 million which is overdue more than one year. However, the subsidiaries have been informed from such debtor in writing that the debtor is in the process of revising contracts regarding terms of delivering work and calling up payment from its customer (a state enterprise) and it will repay to the subsidiaries when they can collect the debt from their customer and thus requested the rescheduling of the debt. The management believes that the subsidiaries can collect all debts from such company. As at 31 December 2009, the subsidiaries therefore did not set aside provision for doubtful debt for this accounts receivable in the books of account.
- e) Furthermore, as at 31 December 2009, Oasis Consulting Co., Ltd., the subsidiary company, an unrelated accounts receivable balance of Baht 14.4 million, of which is more than one year. However, the Company plans to invest and acquisition in this debt company as discussed in Note 12.2.1 a). The management believe that the Company can collect all debts from such company. As at 31 December 2009, the subsidiary company therefore did not set aside provision for doubtful debt for this accounts receivable in the books of account.
- f) During the year, One to One Contacts Co., Ltd., a subsidiary company, filed a civil lawsuit against two companies to enforce collection of the outstanding debt for customer services which the subsidiary company presented in the balance sheet under the caption of "Trade accounts receivable - unrelated parties", as of 31 December 2009, amounting to approximately Baht 7.6 million, including interests for the payment default. Nevertheless, the subsidiary's management determines that such accounts receivable are able to pay the outstanding balances and the subsidiary's management and the legal consultant are of the opinion that lawsuit to enforce debt collection of debt would be successful. Thus, such subsidiary company believes that the allowance for doubtful debts for such receivables of approximately Baht 4.8 million recorded in the books of account is sufficient.

8.2 Accrued income

As at 31 December 2009, the Company and its subsidiaries have outstanding accrued income totaling Baht 2,394.7 million. The balance mainly comprises accrued income of Samart Comtech Co., Ltd., a subsidiary company, amounting to Baht 62.1 million (2008: Baht 155.2 million) relating to the sales and installation of communications equipment in the passenger terminal of Suvarnabhumi Airport for a company (formerly a state enterprise), amount of which has been outstanding for more than two years since the subsidiary rendered the related service. Samart Comtech Co., Ltd. has already delivered all work to the customer. However, Samart Comtech Co., Ltd. is in the process of negotiating collection and invoicing with the customer and its management believe that Samart Comtech Co., Ltd. has completed the delivery of service and performance in accordance with the conditions in the contract, and the counterparty has issued notice of acceptance of the work to Samart Comtech Co., Ltd. Samart Comtech Co., Ltd. has continued to pursue collection and during the year 2009, Samart Comtech Co., Ltd. received payment from such company of Baht 93.1 million. Therefore Samart Comtech Co., Ltd.'s management believe that the subsidiary will be able to negotiate collection of the remaining debt from the counterparty. As at 31 December 2009, Samart Comtech Co., Ltd. therefore did not set aside provision for doubtful debt for such accrued income.

9. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

1. Sales prices are determined at market price, if market price not known sales price are determined at cost plus a margin not over 15 percent. However, the pricing policy is subject to change depending on the type of business and market competition when the transaction occurs.
2. Management fees and rental income are charged at the amount stated in the agreement.
3. Advances receive for IT service fee from subsidiary companies are based on cost plus a margin of not over than 5 percent.

4. Other services income and expenses are charged at a determined price.
5. Interest on loans to and from related parties are charged at cost plus margin as follow:
 - 5.1 The Minimum Loan Rate (MLR) of a local commercial bank.
 - 5.2 The Minimum Loan Rate (MLR) of a local commercial bank plus 0.5 percent to 1.25 percent per annum.
 - 5.3 The Minimum Loan Rate (MLR) of a local commercial bank minus 0.75 percent to 2 percent per annum.
 - 5.4 Fixed deposit rate (3 months) of a local commercial bank plus 0.25 percent and 1 percent per annum.
 - 5.5 The London Interbank Offered rate (LIBOR 3 month) plus 1.25 percent to 3 percent per annum.
 - 5.6 The London Interbank Offered rate (LIBOR 6 month) plus 2.5 percent per annum
 - 5.7 Cost of fund plus 0.25 percent per annum.
6. Fixed assets are sold and purchased at their net book value plus a margin, depending on the condition of the fixed assets.
7. Investments are sold and purchased with reference to their fair value.
8. Royalty and technical assistance fees are charged at a rate of 0.5 percent and 0.75 percent of sales according to the conditions stipulated in agreements.
9. Guarantee fee is charged between the parties at a rate of 0.3 percent per annum.
10. Dividend income is recognised when declared.

Significant transactions between the Company, its subsidiaries and related companies are summarised below.

(Unit : Million Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Transactions with subsidiary companies (eliminated in the consolidation)				
Sales and service income	-	-	1	13
Purchase of goods and services	-	-	13	15
Acquisition of fixed assets	-	-	-	1
Dividend income	-	-	88	240
Interest income	-	-	34	54
Interest expense	-	-	4	2
Management fee income	-	-	247	183
Consulting fee income	-	-	-	60
Guarantee fee income	-	-	3	4
IT Service fee income (Note 25)	-	-	116	122
Other income	-	-	72	72
Other expenses	-	-	3	14
Transactions with related companies				
Sales and service income	12	2	-	-
Other income	8	-	6	-
Purchase of goods and service	4	-	-	-
Other expenses	53	55	48	46

As at 31 December 2009 and 2008, the outstanding balances of the above transactions have been separately shown in the balance sheets and consist of the following:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Current assets				
Trade accounts receivable - related parties				
<u>Subsidiary companies</u>				
Cambodia Air Traffic Services Co., Ltd.	-	-	883,006	-
Samart Comtech Co., Ltd.	-	-	1,776	-
Samart I-Mobile Public Co., Ltd.	-	-	-	13,910,000
Total trade accounts receivable - subsidiary companies	-	-	884,782	13,910,000
<u>Related companies</u>				
Vilailuck Development Co., Ltd.	600,725	118,702	-	-
Ascon Construction Public Co., Ltd.	309,112	309,112	-	-
Vilailuck Property Co., Ltd.	79,733	68,812	-	-
Vilailuck International Holding Co., Ltd.	20,920	37,400	-	-
Total trade accounts receivable - related companies	1,010,490	534,026	-	-
Total trade accounts receivable - related parties	1,010,490	534,026	884,782	13,910,000

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Amounts due from and short-term loans to related parties				
<u>Amounts due from and advance to subsidiary companies</u>				
Cambodia Air Traffic Services Co., Ltd.	-	-	37,724,036	10,765,323
Samart Comtech Co., Ltd.	-	-	17,938,041	36,989,573
Kampot Power Plant Co., Ltd.	-	-	15,665,695	3,600,112
Samart Telcoms Public Co., Ltd.	-	-	1,944,524	3,126,206
Suvarnabhumi Environment Care Co., Ltd.	-	-	1,771,457	1,319,989
Vision and Security System Co., Ltd.	-	-	1,616,187	82,935
The Samart Engineering Co., Ltd.	-	-	1,078,335	3,302,357
One to One Contacts Co., Ltd.	-	-	954,551	1,813,832
Samart Infonet Co., Ltd.	-	-	827,912	142,536
Samart Multimedia Co., Ltd.	-	-	703,609	708,941
Samart Inter Holding Co., Ltd.	-	-	343,572	339,304
Samart Communication Services Co., Ltd.	-	-	304,787	527,281
Samart I-Mobile Public Co., Ltd.	-	-	171,286	100,602
Brain Sources Co., Ltd.	-	-	107,490	919
Samart Boardband Services Co., Ltd.	-	-	31,141	32,716
Smarterware Co., Ltd.	-	-	29,479	84,866
Thai Trade Net Co., Ltd.	-	-	28,167	8,891
I-Mobile International Co., Ltd.	-	-	26,386	-
Posnet Co., Ltd.	-	-	20,732	16,799

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Samart Interactive Media Co., Ltd.	-	-	19,298	-
Newly Established Company	-	-	14,000	-
I-Mobile Inter Trade Co., Ltd.	-	-	9,604	9,505
Samart Mobile Services Co., Ltd.	-	-	7,500	7,500
Samart International Co., Ltd.	-	-	5,818	32,977
Oasis Consulting Co., Ltd.	-	-	5,414	3,472
IT Gen Co., Ltd.	-	-	140	-
Take A Look Co., Ltd.	-	-	85	-
I-Sport Co., Ltd.	-	-	42	-
Samart Raditech Co., Ltd.	-	-	-	3,472
Total amounts due from and advance to subsidiary companies	-	-	81,349,288	63,020,108
<u>Amounts due from and advance to associated company</u>				
Call2Travel Co., Ltd.	-	33,555	-	-
<u>Amounts due from and advance to related companies</u>				
Vilailuck International Holding Co., Ltd.	7,530,383	5,669	7,530,383	5,669
Vilailuck Property Co., Ltd.	535,617	168,333	65,573	37,990
Vilailuck Development Co., Ltd.	3,570	4,490	3,570	1,280
Telekom Malaysia International (Cambodia) Co., Ltd.	2,339	93,631	2,339	4,878
Wilailak Agriculture Industry Co., Ltd.	946	-	946	-
Total amounts due from and advance to related companies	8,072,855	272,123	7,602,811	49,817
Amounts due from and short-term loans to related parties (continued)				
<u>Short-term loans to subsidiary companies</u>				
Samart Comtech Co., Ltd.	-	-	142,000,000	142,000,000
Samart Telcoms Public Co., Ltd.	-	-	103,000,000	103,000,000
The Samart Engineering Co., Ltd.	-	-	31,500,000	194,308,600
Vision and Security System Co., Ltd.	-	-	30,200,000	-
Suvarnabhumi Environment Care Co., Ltd.	-	-	28,151,333	14,651,333
Samart International Co., Ltd.	-	-	1,000,000	1,000,000
One to One Contacts Co., Ltd.	-	-	-	45,933,764
Samart Infonet Co., Ltd.	-	-	-	19,286,040
Total short-term loans to subsidiary companies	-	-	335,851,333	520,179,737
Total amounts due from and short-term loans to related parties	8,072,855	305,678	424,803,432	583,249,662
Current liabilities				
Trade accounts payable - related parties				
<u>Subsidiary company</u>				
Suvarnabhumi Environment Care Co., Ltd.	-	-	4,810,949	5,091,621
<u>Related company</u>				
Vilailuck International Holding Co., Ltd.	-	19,050	-	-
Total trade accounts payable - related company	-	19,050	-	-
Total trade accounts payable - related parties	-	19,050	4,810,949	5,091,621

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Accounts payable and short-term loans from related parties				
<u>Amounts due to and advance from subsidiary companies</u>				
Samart Research and Development Co., Ltd.	-	-	809,777	610,960
Kampot Power Plant Co., Ltd.	-	-	785,150	96,813
Cambodia Air Traffic Services Co., Ltd.	-	-	688,463	387,253
Samart Infonet Co., Ltd.	-	-	164,704	21,095,037
Samart Comtech Co., Ltd.	-	-	68,480	-
One to One Contacts Co., Ltd.	-	-	63,023	319,191
Vision and Security System Co., Ltd.	-	-	33,331	-
The Samart Engineering Co., Ltd.	-	-	16,098	9,750
Thai Trade Net Co., Ltd.	-	-	3,812	1,906
Samart I-Mobile Public Co., Ltd.	-	-	3,500	68,898
Samart Interactive Media Co., Ltd.	-	-	600	-
Samart Telcoms Public Co., Ltd.	-	-	-	5,953
Total amounts due to and advance from subsidiary companies	-	-	2,636,938	22,595,761
<u>Amounts due to and advance from related companies</u>				
Axiata Group Berhad (Formerly known as "TM International Sdn. Bhd.")	1,186,226	1,251,599	1,186,226	1,251,599
Vilailuck International Holding Co., Ltd.	375,571	917,972	89,105	254,424
Vilailuck Development Co., Ltd.	-	4,300	-	-
Total amounts due to and advance from related companies	1,561,797	2,173,871	1,275,331	1,506,023
Accounts payable and short-term loans from related parties (continued)				
<u>Amounts due to and advance from director</u>				
Mrs. Sukanya Winchajakkawong	-	499,950	-	-
<u>Short-term loans from subsidiary companies</u>				
Kampot Power Plant Co., Ltd.	-	-	150,825,600	17,541,200
Cambodia Air Traffic Services Co., Ltd.	-	-	67,033,600	70,164,800
Samart Research and Development Co., Ltd.	-	-	10,626,852	10,626,852
Total short-term loans from subsidiary companies	-	-	228,486,052	98,332,852
Total accounts payable and short-term loans from related parties	1,561,797	2,673,821	232,398,321	122,434,636
Non-current liabilities				
Long-term loans from subsidiary company				
Cambodia Air Traffic Services Co., Ltd.	-	-	50,275,200	-
Advance received IT service fee from subsidiary companies				
<u>Subsidiary companies</u>				
Samart I-Mobile Public Co., Ltd.	-	-	11,379,375	21,883,414
Samart Multimedia Co., Ltd.	-	-	4,143,750	7,968,750
Samart Comtech Co., Ltd.	-	-	3,362,813	6,466,947
Samart Communication Services Co., Ltd.	-	-	3,346,875	6,436,298
One to One Contacts Co., Ltd.	-	-	2,550,000	4,903,846

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
The Samart Engineering Co., Ltd.	-	-	2,486,250	4,781,250
Samart Telcoms Public Co., Ltd.	-	-	1,418,437	2,727,764
Posnet Co., Ltd.	-	-	430,312	827,524
Samart Infonet Co., Ltd.	-	-	334,688	643,630
Thai Trade Net Co., Ltd.	-	-	191,250	367,789
Total advance receive IT service fee from subsidiary companies	-	-	29,643,750	57,007,212

- a) On 30 November 2005, the Company and Samart Comtech Co., Ltd., a subsidiary company, entered into a debt repayment memorandum, whereby both parties agreed to change the conditions and period of debt repayment. Samart Comtech Co., Ltd. (debtor) agreed to finish the repayment of principal Baht 242.64 million and interest to the Company (creditor) within November 2008. Interest is to be charged at MLR plus 1 percent per annum and the memorandum stipulates that Samart Comtech Co., Ltd. (debtor) is to commence settlement of the debt in January 2007. Subsequently, during the year 2009, Samart Comtech Co., Ltd. (debtor) submitted a letter requesting that commencement of debt repayment period be postponed such that indebtedness to the Company (creditor) would be wholly repaid within 2011. As at 31 December 2009, the outstanding balance of the loan is Baht 142 million (2008: Baht 142 million).
- b) The Company obtained loan facility of USD 1.50 million from Cambodia Air Traffic Services Co., Ltd., a subsidiary company, a loan carries interests at the LIBOR plus 2.00 percent per annum. The loan will mature in full in the fifth year from the date of the first drawdown. As at 31 December 2009 the outstanding balance of the loan is Baht 50.3 million.

During the year, the movement of short-term loans to subsidiary companies and short-term loans from subsidiary companies and related company, are as follows:

(Unit : Baht)

	Separate financial statements			
	Balance as at 1 January	During the year		Balance as at 31 December
		Increase	Decrease	
Short-term loans to subsidiary companies				
The Samart Engineering Co., Ltd.	194,308,600	46,100,000	(208,908,600)	31,500,000
Samart Comtech Co., Ltd.	142,000,000	-	-	142,000,000
Samart Telcoms Public Co., Ltd.	103,000,000	-	-	103,000,000
One to One Contacts Co., Ltd.	45,933,764	-	(45,933,764)	-
Samart Infonet Co., Ltd.	19,286,040	-	(19,286,040)	-
Suvarnabhumi Environment Care Co., Ltd.	14,651,333	15,500,000	(2,000,000)	28,151,333
Samart International Co., Ltd.	1,000,000	-	-	1,000,000
Vision and Security System Co., Ltd.	-	42,200,000	(12,000,000)	30,200,000
Total	520,179,737	103,800,000	(288,128,404)	335,851,333

(Unit : Baht)

	Separate financial statements				
	Balance as at 1 January 2009	During the year		Unrealized loss from exchange rate	Balance as at 31 December 2009
		Increase	Decrease		
Short-term loans from subsidiary companies					
Cambodia Air Traffic Services Co., Ltd.	70,164,800	-	-	(3,131,200)	67,033,600
Kampot Power Plant Co., Ltd.	17,541,200	134,419,000	-	(1,134,600)	150,825,600
Samart Research and Development Co., Ltd.	10,626,852	-	-	-	10,626,852
Total short-term loans from subsidiary companies	98,332,852	134,419,000	-	(4,265,800)	228,486,052
Long-term loans from subsidiary company					
Cambodia Air Traffic Services Co., Ltd.	-	50,052,750	-	222,450	50,275,200

Directors and management's remuneration

During the year 2009 and 2008, the Company and its subsidiaries paid salaries, bonus, meeting allowances and gratuities to their directors and management totaling Baht 70.8 million and 71.2 million (The Company only: Baht 20.7 million and 21.2 million), respectively.

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 40 to the financial statements.

10. Inventories

(Unit : Baht)

	Consolidated financial statements							
	Cost		Allowance of diminution in value of inventory				Inventory-net	
			Reduction cost to net realisable value		Stock obsolescence			
	2009	2008	2009	2008	2009	2008	2009	2008
Finished goods	947,066,950	1,815,543,334	(671,917)	(8,853,467)	(74,984,253)	(91,158,801)	871,410,780	1,715,531,066
Work in process	545,401,254	148,164,597	-	(7,314,138)	(6,712,089)	-	538,689,165	140,850,459
Raw materials and supplies	270,608,830	272,810,457	-	-	(1,636,783)	(5,915,773)	268,972,047	266,894,684
Goods in transit	29,425,765	82,012,423	-	-	-	-	29,425,765	82,012,423
Total	1,792,502,799	2,318,530,811	(671,917)	(16,167,605)	(83,333,125)	(97,074,574)	1,708,497,757	2,205,288,632

11. Other current assets

Other current assets as at 31 December 2009 and 2008 consist of:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Prepaid expenses	86,558,880	99,177,935	8,999,068	9,375,690
Refundable value added tax	217,868,976	199,278,037	86,990	-
Withholding tax and prepaid tax	249,968,938	214,536,277	3,852,371	6,154,693
Advance for purchase of inventory and equipment	254,462,155	133,247,288	-	-
Advance payments	27,381,296	34,265,918	13,711	-
Other receivables	61,641,363	85,742,730	151,738	1,517,101
Short-term loans to unrelated company	9,000,000	9,000,000	-	-
Others	135,704,439	80,135,534	3,790,107	4,892,834
Total	1,042,586,047	855,383,719	16,893,985	21,940,318

12. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2009 Million Baht	2008 Million Baht	2009 Percent	2008 Percent	2009 Baht	2008 Baht	2009 Baht	2008 Baht
The Samart Engineering Co., Ltd.	250	50	100	100	287,257,900	87,257,900	-	-
Samart International Co., Ltd.	6.25	6.25	100	100	6,384,971	6,384,971	-	-
Samart Research and Development Co., Ltd.	20	20	100	100	20,935,970	20,935,970	-	-
Samart Telcoms Public Co., Ltd.	600	600	73.53	72.33	1,362,303,068	1,305,544,708	63,378,939	20,367,329
Samart I-Mobile Public Co., Ltd.	430	430	59.99	59.91	1,076,176,284	1,072,657,644	25,059,644	162,180,744
One to One Contacts Co., Ltd. (The Company holds 96% and held by the three subsidiaries altogether 99.21%)	100	60	96	96	94,286,364	54,286,364	-	-
Samart Raditech Co., Ltd.	40	40	100	100	39,999,965	39,999,965	-	-
Vision and Security System Co., Ltd.	10	10	70	70	7,000,000	7,000,000	-	-
Cambodia Samart Co., Ltd. (The Company has control over this company's operation)	USD 25,000	USD 25,000	49	49	24,244,294	24,244,294	-	57,475,481
Suvarnabhumi Environment Care Co., Ltd.	50	50	60	60	29,989,946	29,989,946	-	-
Suvarnabhumi Environment Services Co., Ltd.	0.25	0.25	90	90	224,990	224,990	-	-
Samart Inter Holding Co., Ltd.	USD 17 million	USD 17 million	100	100	583,829,301	583,829,301	-	-
Newly established company	10	-	65	-	6,500,000	-	-	-
Total investments in subsidiaries					3,539,133,053	3,232,356,053	88,438,583	240,023,554
Less: Allowance for impairment of investments					(60,687,480)	(25,077,308)		
Total investments in subsidiaries - net					3,478,445,573	3,207,278,745		

12.1 Change in investments in subsidiaries held by the Company

12.1.1 Acquisition and disposal of investments during the year

During the period, the Company purchased approximately 2.1 million ordinary shares of Samart I-Mobile Public Co., Ltd. for Baht 8.5 million and approximately 3.5 million shares of Samart Telcoms Public Co., Ltd. for Baht 60.9 million. However, during the year, the Company also sold approximately 1.3 million ordinary shares of Samart Telcoms Public Co., Ltd. for approximately Baht 9.8 million and incurred gain on sales of investment at equity method approximately Baht 5 million. As a result of such additional purchase and sales of ordinary shares the percentage of shareholding of the Company, both directly and indirectly, in Samart I-Mobile Public Co., Ltd. and Samart Telcoms Public Co., Ltd., as at 31 December 2009 was 59.99 percent and 73.53 percent, respectively and excess of investments in subsidiary companies arising as a result of additional purchase and sales of investments in the subsidiary companies at a price higher than the net book value of the subsidiary companies at the acquisition date has increased approximately Baht 39.6 million.

12.1.2 Establishment of new companies

- On 12 February 2009, a meeting of the Board of Directors of One to One Contacts Co., Ltd., a subsidiary company, passed a resolution approving the establishment of a new oversea company to provide consulting and setting up contact center solutions for business enterprises and government entities in Vietnam, with a registered capital of USD 0.04 million or approximately Baht 1.33 million with such subsidiary company holding 100 percent interest in new company. As at 31 December 2009, the management of the subsidiary company has considered different factors affecting the investment and was of the opinion that such investment should be delayed for the time being.

- b) On 27 April 2009, a meeting of the Board of Directors of the Company passed a resolution approving the establishment of a new company with a registered capital comprising 0.1 million shares of Baht 100 each, or a total of Baht 10 million, fully called up and the Company holds 65 percent of the registered capital. The new company was registered with the Ministry of Commerce on 15 May 2009. The new company has not commenced its operation yet.

12.1.3 Liquidation

On 28 April 2008, a meeting of the Board of Directors of One to One Contacts Co., Ltd., a subsidiary company, passed a resolution approving the establishment of a new company named "One to One Vietnam Co., Ltd." to provide consulting and setting up contact center solutions for business enterprises and government entities in Vietnam, with a registered capital of Baht 41 million with such subsidiary company holding 100 percent.

On 7 May 2008, the subsidiary company incorporated One to One Vietnam Co., Ltd. with registered share capital of USD 0.43 million or equivalent to Baht 13.57 million.

Subsequently on 12 February 2009, a meeting of the Board of Directors of One to One Contacts Co., Ltd., passed a resolution to liquidate One to One Vietnam Co., Ltd., due to changes in key factors affecting the investment. One to One Vietnam registered its dissolution on 7 August 2009. Later, the meeting of the Board of Directors approved the incorporation of a new company with changed investment method and investment capital.

12.1.4 Change in share capital

- a) On 11 September 2008, an Extraordinary General Meeting of the shareholders of Suvarnabhumi Environment Services Co., Ltd., a subsidiary company, passed a special resolution to increase its registered share capital from Baht 1 million (0.1 million ordinary shares of Baht 10 each) to Baht 50 million (5 million ordinary shares of Baht 10 each). The subsidiary company is in process to register share capital with the Ministry of Commerce.
- b) On 21 August 2009, an Extraordinary General Meeting of the shareholders of The Samart Engineering Co., Ltd., a subsidiary company, passed a special resolution approving the increasing of the such subsidiary company's registered share capital from Baht 50 million (0.5 million ordinary shares of Baht 100 each) to Baht 250 million (2.5 million ordinary shares of Baht 100 each). The subsidiary allocated all additional share capital to Samart Corporation Public Co., Ltd. The subsidiary company registered the increasing of share capital with the Ministry of Commerce on 1 September 2009.
- c) On 16 December 2009, the meeting of the Board of Directors of One to One Contacts Co., Ltd., a subsidiary company, passed a resolution to call up the remaining uncalled portion of its registered capital of 8 million shares of Baht 5 per share, or equivalent to Baht 40 million from the Company. The subsidiary already received the payment on 29 December 2009. The subsidiary's total registered and paid up share capital therefore amounts to Baht 100 million, or 100 percent of the registered share capital.

12.2 Change in investments in subsidiaries held by Samart Telcoms Plc. (subsidiary)

12.2.1 Acquisition and disposal of investment during the year

- a) On 18 September 2006, a meeting of the Board of Directors of Samart Telcoms Public Co., Ltd., a subsidiary company, passed resolutions approving the purchase of the 999,940 shares of Portalnet Co., Ltd. currently held by a public company, representing 99.99 percent of its registered and issued capital, amounting to Baht 140.0 million, and also approved the purchase of indebtedness of Portalnet Co., Ltd. through the transfer of rights of claim of such public company amounting to Baht 628.7 million under the loan agreement between such public company and Portalnet Co., Ltd., at a total price of Baht 768.7 million together with any additional debt incurred from 1 September 2006 to the acquisition date.

As at 31 December 2009, the subsidiary company is in the process of considering the details and conditions of its acquisition of Portalnet Co., Ltd.

- b) On 13 August 2009, a meeting of the Board of Directors of Samart Telcoms Public Co., Ltd., a subsidiary company, passed a resolution approving the purchase of 624,373 ordinary shares of IT Gen Co., Ltd. from existing shareholders, representing 99.99 percent of its issued and paid up share capital, at a price of Baht 78.48 per share (as stipulated in the purchase and sale of share agreement) or for a total of Baht 49 million. As a result of the purchase of investment in IT Gen Co., Ltd., the subsidiary company recorded the excess of the cost of acquisition of the ordinary shares in the new subsidiary over the fair value, amounting to approximately Baht 47.3 million in non-current assets in the consolidated financial statements. The fair value of purchased assets and liabilities are summarised below.

(Unit : Baht)

	Consolidated financial statements
IT Gen Co., Ltd.	
Cash and cash equivalents	1,253,553
Inventories - net	32,270,578
Other assets	3,898,416
Current liabilities	(35,563,289)
Non-current liabilities	(164,298)
Net acquired assets	1,694,960
Add: Excess of cost of investment over the book value of the subsidiary	47,305,040
Cash used in purchase of investment in subsidiary company	49,000,000
Less: Cash and cash equivalents of the subsidiary company	(1,253,553)
Net cash outflows from additional purchase of investment in subsidiary company	47,746,447

12.2.2 Establishment of new companies

- a) On 9 March 2006, a meeting of the Board of Directors of Samart Telcoms Public Co., Ltd., a subsidiary company, passed a resolution to establish a new subsidiary named "Telecom Clearing House Co., Ltd." to conduct telecommunications including network maintenance and satellite communications both domestically and overseas. This new subsidiary has an initial registered capital comprising 500,000 shares of Baht 100 per share, or a total of Baht 50 million which is 25 percent called up, and the subsidiary company is to hold 99.99 percent. The subsidiary may increase its capital or sell the shares held by the subsidiary company to other investors, but the subsidiary company must retain a holding of at least 40 percent.

As at 31 December 2009, the subsidiary company had not established such new subsidiary.

- b) On 12 November 2009, a meeting of the Board of Directors of Samart Telcoms Public Co., Ltd., passed a resolution to establish a new subsidiary named Samart Ed-tech Co., Ltd. to provide e-learning courseware development and distance learning consultancy. This new subsidiary has an initial registered capital comprising 200,000 shares of Baht 100 per share, or a total of Baht 20 million which is 25 percent called up, Samart Telcoms Public Co., Ltd. hold 99.99 percent. On 5 February 2010, Samart Telcoms Public Co., Ltd. had registered the new subsidiary with the Ministry of Commerce.

12.3 Change in investments in subsidiaries held by Samart I-Mobile Plc. (subsidiary)

12.3.1 Acquisition and disposal of investments during the year

On 9 December 2008, the meeting of Board of Directors of Samart I-Mobile Public Co., Ltd., a subsidiary company, passed a resolution approving the sale by I-Mobile International Co., Ltd., another subsidiary company, of 2.55 million ordinary shares of C-Mobile Sdn. Bhd., a subsidiary company, to CT Paging Sdn. Bhd. at a price of 1 Malaysian ringgit per share, or for a total of 2.55 million Malaysian ringgit. I-Mobile International Co., Ltd. and CT Paging Sdn. Bhd. signed the shares sale agreement on 19 February 2009.

Net cash flows from the disposal of investment in this subsidiary company were as follows:

(Unit : Baht)

		Consolidated financial statements
Proceeds from disposal of investment in subsidiary company		24,757,181
Less: Cash and cash equivalents of subsidiary company at disposal date		(33,192,045)
Net cash flow from disposal of investment in subsidiary company		(8,434,864)
Less: Trade accounts receivable - net	34,088,381	
Inventories - net	40,127,870	
Other current assets	35,303,709	
Equipment - net (Note 14)	63,207,582	
Other non-current assets	15,480,261	
Trade accounts payable	(136,774,797)	
Other current liabilities	(87,336,859)	
Other non-current liabilities	(3,521,188)	
Long-term loans (Note 23.12)	(34,461,504)	(73,886,545)
Less: Minority interest		19,940,144
Gain on disposal of investment in subsidiary company		45,511,537

12.3.2 Establishment of new companies

- a) On 9 August 2007, a meeting of Board of Directors of Samart I-Mobile Public Co., Ltd., a subsidiary company, passed a resolution approving the establishment of new companies in Thailand and overseas in order to provide international call services.

Subsequently on 2 October 2007, the subsidiary company registered the establishment of I-Mobile Netplus Co., Ltd. with the Ministry of Commerce. This company has a registered share capital of Baht 10 million, with the subsidiary company holding 100 percent. I-Mobile Netplus Co., Ltd. resolved to call up 25 percent of registered share capital, or Baht 2.5 million.

However, the subsidiary company is in the process to establish the new overseas company.

- b) On 13 November 2008, a meeting of the Board of Directors of Samart I-Mobile Public Co., Ltd., a subsidiary company, passed a resolution authorising I-Mobile International Co., Ltd., together with I-Mobile Inter trade Co., Ltd, to establish a new company in the United Arab Emirates with a registered share capital of 0.5 million UAE Dollars or equivalent to Baht 4.54 million to distribute mobile phones and provide mobile content. The shareholding structure of such company is to be as follows:

	Equity interest (percent)
I-Mobile International Co., Ltd.	80
I-Mobile Inter trade Co., Ltd.	20

On 3 September 2009, I-Mobile International Co., Ltd. and I-Mobile Inter trade Co., Ltd. jointly invested in the establishment of a new company called Samart I-Mobile (Middle East) FZCO, and registered it with the Jebel Ali Free Zone Authority of the United Arab Emirates, with a registered capital 0.5 million UAE Dollars or equivalent to Baht 4.54 million, fully paid up.

- c) On 13 November 2008, a meeting of Board of Directors of Samart I-Mobile Public Co., Ltd., a subsidiary company, passed a resolution authorising I-Mobile International Co., Ltd., another subsidiary company, to establish representative office in India to support business expansion by providing sales and marketing support and appointing a mobile phone representative to distribute mobile phones and provide mobile content.

The establishment of this representative office is currently in the process.

12.3.3 Liquidation

On 11 October 2006, an extraordinary meeting of the shareholders of I-Mobile (Cambodia) Co., Ltd., a subsidiary company, passed a resolution to liquidate the company. The process of registering that company's dissolution and its subsequent liquidation are in progress.

12.4 The offering of warrants of subsidiary companies

12.4.1 The offering of warrants of Samart Telcoms Public Co., Ltd.

On 24 April 2008, the Annual General Meeting of Samart Telcoms Public Co., Ltd., a subsidiary company passed a resolution to issue 18 million warrants, the offering price per unit is Baht 0, to the directors of Samart Telcoms Public Co., Ltd., and the employees of Samart Telcoms Public Co., Ltd., and its subsidiaries. The exercise ratio is 1:1 and the exercise price is Baht 7.5 per 1 ordinary share. Warrants to be allocated to the directors of Samart Telcoms Public Co., Ltd., and the employees of Samart Telcoms Public Co., Ltd., and its subsidiaries will be divided into 5 certificates with 5 years maturity from the issuance date. Each certificate will have the same date of issuance, offering and expiration with different exercise period as shown in the following detail. Each warrant holders can split exercise or fully exercise their right of the amount allocated for each certificate.

Certificate No. 1	will represent 10% of total number of warrants allocated which is entitled to exercise since the first day of the exercise period until the expired date of warrants.
Certificate No. 2	will represent 15% of total number of warrants allocated which is entitled to exercise after the end of the first year that the warrants are issued until the expired date of warrants.
Certificate No. 3	will represent 20% of total number of warrants allocated which is entitled to exercise after the end of the second year that the warrants are issued until the expired date of warrants.
Certificate No. 4	will represent 25% of total number of warrants allocated which is entitled to exercise after the end of the third year that the warrants are issued until the expired date of warrants.
Certificate No. 5	will represent 30% of total number of warrants allocated which is entitled to exercise after the end of the fourth year that the warrants are issued until the expired date of warrants.

On 27 April 2009, the Annual General Meeting of Samart Telcoms Public Co., Ltd., passed a resolution approving the revision of the exercise price of the warrants offering to the directors of Samart Telcoms Public Co., Ltd., and the employees of Samart Telcoms Public Co., Ltd., and its subsidiaries from Baht 7.5 per share to be Baht 6.75 per share.

On 29 May 2009, Samart Telcoms Public Co., Ltd., has issued and offered 18,000,000 warrants to the directors of Samart Telcoms Public Co., Ltd., and the employees of Samart Telcoms Public Co., Ltd., and its subsidiaries at Baht 0 per unit. The exercise ratio is 1:1 and exercisable at a price of Baht 6.75 per share. The warrants have five years period as from the issuance date which will be expired on 28 May 2014. The warrants are exercisable on every 15th of the last month of each quarter throughout the terms of the warrants commencing 15 June 2009 to 28 May 2014.

As at 31 December 2009, Samart Telcoms Public Co., Ltd., has the remaining balance of warrants as follow:

(Number of units : units)

	31 December 2009
Warrants issued as at 29 May 2009	18,000,000
Less: Cumulative number of exercised warrants - beginning of period	-
Number of warrants exercised during the period	(860,000)
Cumulative number of exercised warrants - end of period	(860,000)
Balance of warrants as at 31 December 2009	17,140,000

12.4.2 The offering of warrants of Samart I-Mobile Public Co., Ltd.

On 24 April 2008, the Annual General Meeting of Samart I-Mobile Public Co., Ltd., a subsidiary company, passed a resolution to issue 140 million warrants, the offering price per unit is Baht 0, to the directors of Samart I-Mobile Public Co. Ltd., and the employees of Samart I-Mobile Public Co. Ltd., and its subsidiaries. The exercise ratio is 1:1 and the exercise price is Baht 2 per 1 ordinary share. Warrants to be allocated to the directors of Samart I-Mobile Public Co. Ltd., and the employee of Samart I-Mobile Public Co. Ltd., and its subsidiaries will be divided into 5 certificates with 5 years maturity from the issuance date. Each certificate will have the same date of issuance, offering and expiration with different exercise period as shown in the following detail. Each warrant holders can split exercise or fully exercise their right of the amount allocated for each certificate.

- Certificate No. 1 will represent 10% of total number of allocated warrants which is entitled to exercise since the first day of the exercise period until the expired date of warrants.
- Certificate No. 2 will represent 15% of total number of warrants allocated which is entitled to exercise after the end of the first year that the warrants are issued until the expired date of warrants.
- Certificate No. 3 will represent 20% of total number of warrants allocated which is entitled to exercise after the end of the second year that the warrants are issued until the expired date of warrants.
- Certificate No. 4 will represent 25% of total number of warrants allocated which is entitled to exercise after the end of the third year that the warrants are issued until the expired date of warrants.
- Certificate No. 5 will represent 30% of total number of warrants allocated which is entitled to exercise after the end of the fourth year that the warrants are issued until the expired date of warrants.

On 27 April 2009, the Annual General Meeting of shareholders of Samart I-Mobile Public Co., Ltd., passed a resolution to approve the revision of the exercise price of the warrants offering to directors of Samart I-Mobile Public Co., Ltd. and the employees of Samart I-Mobile Public Co., Ltd. and its subsidiaries from Baht 2 per share to be Baht 1.7 per share.

On 29 May 2009, Samart I-Mobile Public Co., Ltd. issued 100,250,000 warrants to directors of Samart I-Mobile Public Co., Ltd. and the employees of Samart I-Mobile Public Co., Ltd. and its subsidiaries at Baht 0 per unit, 39,750,000 warrants being cancelled as conditions of the warrant issue. The warrants have an exercise ratio of 1:1, are exercisable at a price of Baht 1.7 per share and have exercise period of five years period from the issue date, expiring on 28 May 2014. The warrants are exercisable on every 15th of the last month of each quarter throughout the terms, from 15 June 2009 to 28 May 2014.

As at 31 December 2009, none of the above warrants have been exercised.

13. Investments in associate

13.1 Details of associate

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amount based on equity method	
			2009 (%)	2008 (%)	2009 (Baht)	2008 (Baht)	2009 (Baht)	2008 (Baht)
Call2Travel Co., Ltd. (Held by One to One Contacts Co., Ltd.)	Provide customer services and information center services for the airline and travel business	Thailand	-	40	-	499,950	-	484,312

13.2 Share of loss

During the year, the Company has recognised its share of net loss from investments in associate companies in the consolidated financial statements as follows:

(Unit : Baht)

Company's name	Consolidated financial statements	
	Share of loss from investments in associate during the year	
	2009	2008
Call2Travel Co., Ltd.	579	15,638

13.3 Summarised financial information of associate

Financial information of the associated company is summarised belows:

(Unit : Million Baht)

Company's name	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the years ended 31 December		Net loss for the years ended 31 December	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Call2Travel Co., Ltd.	-	1.25	-	1.21	-	-	-	-	-	(0.04)

On 14 December 2007, a meeting of the Board of Directors of the Company, passed a resolution authorizing One to One Contacts Co., Ltd., a subsidiary company, to act together with another private sector company to establish a new company named "Call2Travel Co., Ltd." to provide customer services and information center services for the airline and travel business, with a registered share capital of Baht 5 million. One to One Contacts Co., Ltd. and the other company hold 40 percent and 60 percent of the shares of such company, respectively. Such company registered the establishment with the Ministry of Commerce on 28 July 2008 and called for 25 percent of its capital, or Baht 1.25 million.

Subsequently on 30 December 2008, an Annual General Meeting of the shareholders of Call2Travel Co., Ltd., an associated company, passed a resolution to liquidate the company. Such associated company registered its dissolution with the Ministry of Commerce on 9 January 2009 and its liquidation was registered with the Ministry of Commerce on 17 February 2009.

14. Property, plant and equipment

(Unit : Baht)

	Consolidated financial statements						
	Revaluation basis		Cost basis				Total
	Land	Building and improvement	Office equipment	Machinery and equipment	Vehicles	Assets in progress	
Cost/Revalued amount:							
As at 31 December 2008	464,962,972	523,132,634	1,773,329,071	4,222,087,636	186,701,880	218,842,007	7,389,056,200
Revaluation	44,975,000	55,810,917	-	-	-	-	100,785,917
Additions	-	5,939,172	176,334,963	721,649,439	2,867,170	135,813,784	1,042,604,528
Transfer in	110,000	1,380,000	49,178,999	228,529,299	-	82,312,970	361,511,268
Disposals	-	-	(4,350,909)	(131,250)	(3,497,661)	-	(7,979,820)
Transfer out	-	(4,851,341)	(63,989,222)	(2,094,803)	(505,607)	(359,474,800)	(430,915,773)
Decrease in disposal of investment in subsidiary company	-	-	(86,126,196)	-	-	(162,209)	(86,288,405)
Translation adjustment	(152,570)	(8,393,431)	(6,569,769)	(54,483,471)	(538,484)	(5,794,763)	(75,932,488)
As at 31 December 2009	509,895,402	573,017,951	1,837,806,937	5,115,556,850	185,027,298	71,536,989	8,292,841,427
Accumulated depreciation:							
As at 31 December 2008	-	224,461,733	1,148,900,186	2,345,633,180	109,239,761	-	3,828,234,860
Revaluation	-	11,803,087	-	-	-	-	11,803,087
Depreciation for the year	-	33,315,667	211,987,512	572,130,327	25,777,435	-	843,210,941
Transfer in	-	-	-	23,902,933	-	-	23,902,933
Transfer out	-	(2,914,455)	(31,132,753)	(512,908)	(199,196)	-	(34,759,312)
Accumulated depreciation on disposals	-	-	(1,638,047)	(88,678)	(3,037,539)	-	(4,764,264)
Decrease in disposal of investment in subsidiary company	-	-	(23,080,823)	-	-	-	(23,080,823)
Translation adjustments	-	(1,051,876)	(3,792,876)	(23,067,294)	(291,250)	-	(28,203,296)
As at 31 December 2009	-	265,614,156	1,301,243,199	2,917,997,560	131,489,211	-	4,616,344,126
Allowance for impairment loss:							
As at 31 December 2008	-	7,679,609	8,717,341	118,873,756	-	325,000	135,595,706
Increase	-	-	-	-	-	1,695,718	1,695,718
As at 31 December 2009	-	7,679,609	8,717,341	118,873,756	-	2,020,718	137,291,424
Net book value:							
31 December 2008	464,962,972	290,991,292	615,711,544	1,757,580,700	77,462,119	218,517,007	3,425,225,634
31 December 2009	509,895,402	299,724,186	527,846,397	2,078,685,534	53,538,087	69,516,271	3,539,205,877
Depreciation for the year:							
2008 (Baht 577 million included in cost of sales and services, and the balance in selling and administrative expenses)							831,991,956
2009 (Baht 603 million included in cost of sales and services, and the balance in selling and administrative expenses)							843,210,941

(Unit : Baht)

	Separate financial statements						
	Revaluation basis		Cost basis				Total
	Land	Building and improvement	Office equipment	Machinery and equipment	Vehicles	Assets in progress	
Cost/Revalued amount:							
As at 31 December 2008	171,601,000	226,747,649	428,472,758	125,735,119	31,829,909	-	984,386,435
Revaluation	17,962,500	48,585,137	-	-	-	-	66,547,637
Additions	-	136,331	204,316	465,642	-	14,156,957	14,963,246
Transfer in	-	-	-	-	-	-	-
Disposals	-	-	(19,355)	-	(154,000)	-	(173,355)
Transfer out	-	-	(6,357,692)	-	-	-	(6,357,692)
As at 31 December 2009	189,563,500	275,469,117	422,300,027	126,200,761	31,675,909	14,156,957	1,059,366,271
Accumulated depreciation:							
As at 31 December 2008	-	121,394,290	223,045,637	120,770,868	20,553,270	-	485,764,065
Revaluation	-	24,241,238	-	-	-	-	24,241,238
Depreciation for the year	-	18,471,817	64,021,921	2,706,548	3,776,418	-	88,976,704
Transfer out	-	-	(6,357,692)	-	-	-	(6,357,692)
Depreciation on disposals	-	-	(5,811)	-	(153,999)	-	(159,810)
As at 31 December 2009	-	164,107,345	280,704,055	123,477,416	24,175,689	-	592,464,505
Net book value:							
31 December 2008	171,601,000	105,353,359	205,427,121	4,964,251	11,276,639	-	498,622,370
31 December 2009	189,563,500	111,361,772	141,595,972	2,723,345	7,500,220	14,156,957	466,901,766
Depreciation for the year:							
2008 (Baht 0.17 million included in cost of services, and the balance in administrative expenses)							87,809,877
2009 (All depreciation included in administrative expenses)							88,976,704

As at 31 December 2009, the Company and its subsidiaries had machinery, vehicles and equipment under finance lease agreements with net book values amounting to Baht 62.7 million (the Company Only: Baht 1.1 million).

As at 31 December 2009 and 2008, some building and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 1,686 million and Baht 1,405 million (the Company Only: Baht 213 million and Baht 198 million), respectively.

The Company and two subsidiaries hired independent professional valuers to appraise the value of their land and buildings during the second quarter of 2009, on the basis of the market comparison approach for land and cost approach/replacement cost for building. As a result of the reappraisal, the carrying amounts of total assets and surplus on revaluation of property, plant and equipment increased by approximately Baht 88.9 million in the consolidated financial statement as at 31 December 2009 (the Company only: Baht 42.3 million).

The Company and the subsidiaries had presented their assets at cost, the net book value as at 31 December 2009 and 2008 on a cost basis would have been as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	Land	Building and improvement	Land	Building and improvement
Net book value (presented at cost)				
As at 31 December 2009	89,440,383	86,309,070	58,281,668	82,589,494
As at 31 December 2008	89,440,383	103,922,549	58,281,668	98,027,647

- a) During the second quarter of 2008, Cambodia Samart Co., Ltd., an oversea subsidiary company, sold a plot of land in Phnom Penh to a company with a selling price of USD 7 million. The subsidiary company has gain after deduct commission on disposal of land of approximately USD 4.4 million or equivalent to approximately Baht 139.7 million.
- b) Cambodia Air Traffic Services Co., Ltd., a subsidiary company, received some of the equipment transferred from The Cambodian State Secretariat of Civil Aviation (“SSCA”) under a Build Cooperate and Transfer contract with Government of Cambodia. The subsidiary company must return all equipment to SSCA at the end of the contract, as described in Note 41.3 g) to the financial statements.
- c) On 26 October 2006, Samart Communication Services Co., Ltd., a subsidiary company entered into an agreement with a company (formerly a state enterprise), whereby they would provide an information technology network to The Department of Local Administration for a period of 1 year. The subsidiary is obliged to make the network available at not less than 1,000 sites within 120 days from the contract date and guarantee this minimum number of users throughout the contract period. If the subsidiary is unable to do so within the delivery period (22 February 2007), the counterparty will charge a penalty for any delays in the subsidiary’s work. However, as at 22 February 2007 the subsidiary could not make the network available at 1,000 sites because such subsidiary has yet to receive the equipment from the counterparty and Bandwidth received is not adequate for actual usage. As at 31 December 2009, a subsidiary has the service capacity of 575 places but the service has been used at only 79 places with the net outstanding balance of assets and assets under installation under such agreement amounted to Baht 94.4 million (2008: Baht 126.1 million) which is presented as a part of property, plant and equipment in the balance sheet. As a consequence, during the year, the subsidiary pulled down from sites the equipment which service request has been terminated and wrote off assets of Baht 3.3 million by taking into account the wage and equipment cost of installation. As at 31 December 2009, the subsidiary has set up provision for impairment of such assets amounting to Baht 2 million (2008: Baht 0.3 million). In addition, the subsidiary has not recognised the service income from this project since 1 February 2009 and since the subsidiary could not be accomplished the number of guaranteed users. The counterparty therefore could charge a penalty for delay work. However, the subsidiary’s management and legal counsel are of the opinion that the subsidiary is not obligated to pay any fine to the counterparty as the delay of such project is not the subsidiary’s fault. In addition the management believes that the negotiation with the counterparty will be successful and the service fee can be collected from the counterparty. Furthermore, the subsidiary’s management considers that all equipment used in this project is general equipment which can be used in the subsidiary’s other projects therefore as at 31 December 2009 the subsidiary has not set up provision for fine from the project delay and believe that recorded provision for impairment for the asset of such project is adequate.
- d) In June 2007, Samart Broadband Services Co., Ltd., a subsidiary company, sold telecommunications equipment used in its operations to a leasing company at a price of Baht 50 million, and recorded a gain on the sales of the assets of approximately Baht 29.9 million as other income in its books of account. Subsequently, the leasing company leased the telecommunications equipment to Samart Communication Services Co., Ltd., another subsidiary company, under a financial lease totaling Baht 50 million. However, in the consolidated financial statements for the year ended 31 December 2009, the Company eliminated the above relevant transactions from the consolidated financial statements.
- e) In December 2007, Samart Infonet Co., Ltd., a subsidiary company, sold telecommunications equipment used in its operations to a leasing company at a price of Baht 26.6 million, and recorded a gain on the sales of the assets of approximately Baht 15.6 million as deferred income in its books of account. Subsequently, the subsidiary company lease back such assets under a financial lease totaling Baht 26.6 million. However, in the consolidated financial statements for the year ended 31 December 2009, the Company eliminated the above relevant transactions from the consolidated financial statements.

15. Asset held for sale/Rights under the advertising agreement

(Unit : Baht)

	Consolidated financial statements
Cost	
As at 31 December 2008	52,000,000
Disposal	(52,000,000)
As at 31 December 2009	-
Allowance for impairment	
As at 31 December 2008	5,000,000
Transfer out	(5,000,000)
As at 31 December 2009	-
Net book value	
31 December 2008	47,000,000
31 December 2009	-

During the year 2009, Take A Look Co., Ltd., a subsidiary company, entered into an agreement with a company to sell LED Screen. The installation and transfer have already been completed and such company has made payment of Baht 19.5 million and granted the right to advertise on the LED Screen with the value of Baht 27.5 million. Thus the total sales value of the equipment is Baht 47 million. In addition, the subsidiary company is obliged to comply with the conditions in the agreement, such as provision of equipment repair and maintenance, for a period of 3 years.

On 28 December 2009, the subsidiary company entered into a memorandum with Samart Multimedia Co., Ltd., another subsidiary company, to transfer the rights and obligations under the LED Screen sales and advertising agreements. Therefore, all rights and obligations under such agreements have fallen upon Samart Multimedia Co., Ltd. since the date of entry into the memorandum of agreement, which consist of:

- 1) Samart Multimedia Co., Ltd. receives the airing right to promote and advertise products and services for Samart I-Mobile Public Co., Ltd. and other two companies.
- 2) Samart Multimedia Co., Ltd. is obliged to comply with the conditions in the agreements, such as provision of equipment repair and maintenance, for a period of 3 years.

As a result, Samart Multimedia Co., Ltd. is required to make a payment of Baht 25.3 million to Take A Look Co., Ltd. so Samart Multimedia Co., Ltd. records the Right under the Advertising Agreement as non-current assets in the consolidated financial statements.

Moreover, Take A Look Co., Ltd. and Samart Multimedia Co., Ltd. entered into a memorandum of agreement with other shareholder of Take A Look Co., Ltd. to jointly assume responsibility for the rights, duties, and obligations arising from Take A Look Co., Ltd. entering into the screen sales agreement. If any claim is made or any action taken that causes Take A Look Co., Ltd. or Samart Multimedia Co., Ltd. to pay compensation or be held responsible, the other shareholding company of Take A Look Co., Ltd. shall be jointly responsible for the damages in proportion to its shareholding. Such contractual liability will cease on 31 December 2012.

16. Prepaid rental to a related companies

(Unit : Baht)

	Consolidated financial statements/ Separate financial statements	
	2009	2008
Prepaid rental	375,669,000	375,669,000
Less: Accumulated amortisation	(133,571,200)	(121,048,900)
Prepaid rental - net	242,097,800	254,620,100

The Company has leased an office building from a related company for a period of 30 years, for which it paid full rental in advance. The payment was recorded as prepaid rental in the balance sheet and amortised over the rental period.

17. Deferred right for the use of communications equipment

(Unit : Baht)

	Consolidated financial statements	
	2009	2008
Deferred right for the use of communication equipment	5,557,840,033	5,557,840,033
Less: Accumulated amortisation	(4,132,446,916)	(4,103,359,002)
Allowance for impairment of assets	(1,209,677,580)	(1,209,677,580)
Net	215,715,537	244,803,451

The subsidiary company assessed the impairment of deferred right for the use of communication equipment by determining the present value of projected future cash inflows on the basis of certain assumptions and operations plans prepared by the Company's management. Based on such information as at 31 December 2009, the Company set aside provisions of Baht 1,210 million for impairment of such assets (2008: Baht 1,210 million), and the management believes that this provision is adequate. However, changes in market competition and changes of technology in the future could further affect the diminution in the value of projected future cash inflows below the book values as stated in the balance sheets.

18. Assets held for future projects

Assets held for future projects in the consolidated and the Company's financial statements as at 31 December 2009 and 2008, consists of:

Consolidated financial statements

(Unit : Baht)

	Revaluation basis		Cost basis	Total
	Land	Building and improvement	Machinery and equipment	
Cost/Revalued amount:				
As at 31 December 2008	69,512,320	5,275,221	25,914,399	100,701,940
Increase (decrease) on revaluation	171,893	(352,390)	-	(180,497)
Transfer out (8,063,910)	(7,736,213)		-	(327,697)
As at 31 December 2009	61,948,000	4,922,831	25,586,702	92,457,533
Accumulated depreciation:				
As at 31 December 2008	-	2,594,153	16,562,409	19,156,562
Depreciation on revaluation	-	(180,439)	-	(180,439)
Depreciation for the year	-	253,322	-	253,322
As at 31 December 2009	-	2,667,036	16,562,409	19,229,445
Net book value:				
31 December 2008	69,512,320	2,681,068	9,351,990	81,545,378
31 December 2009	61,948,000	2,255,795	9,024,293	73,228,088
Depreciation for the years :				
2008 (All depreciation included in administrative expenses)				263,761
2009 (All depreciation included in administrative expenses)				253,322

Separate financial statements

(Unit : Baht)

	Revaluation basis		Cost basis	Total
	Land	Building and improvement	Machinery and equipment	
Cost/Revalued amount:				
As at 31 December 2008	50,512,320	5,275,221	16,562,452	72,349,993
Increase (decrease) on revaluation	471,893	(352,390)	-	119,503
Disposal/transfer out	(7,736,213)	-	-	(7,736,213)
As at 31 December 2009	43,248,000	4,922,831	16,562,452	64,733,283
Accumulated depreciation:				
As at 31 December 2008	-	2,594,153	16,562,409	19,156,562
Depreciation on revaluation	-	(180,439)	-	(180,439)
Depreciation for the year	-	253,322	-	253,322
As at 31 December 2009	-	2,667,036	16,562,409	19,229,445
Net book value:				
31 December 2008	50,512,320	2,681,068	43	53,193,431
31 December 2009	43,248,000	2,255,795	43	45,503,838
Depreciation for the years:				
2008 (All depreciation included in administrative expenses)				263,761
2009 (All depreciation included in administrative expenses)				253,322

The Company and two subsidiaries hired independent professional valuers to appraise the value of their land and buildings during the second quarter of 2009, on the basis of the market comparison approach for land and cost approach/replacement cost for building. As a result of the reappraisal, the carrying amounts of total assets and surplus on revaluation of property, plant and equipment decreased by approximately Baht 60 in the consolidated financial statement as at 31 December 2009 (the Company only increase: Baht 300,000).

The Company and the subsidiaries had presented their assets at cost, the net book value as at 31 December 2009 and 2008 on a cost basis would have been as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	Land	Building and improvement	Land	Building and improvement
Net book value (presented at cost)				
As at 31 December 2009	74,689,253	1,922,113	25,813,767	1,922,113
As at 31 December 2008	80,778,888	2,131,853	31,903,202	2,131,853

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

19. Bank overdrafts and short-term loans from financial institutions

Bank overdrafts and short-term loans from financial institutions as at 31 December 2009 and 2008, consists of:

(Unit : Baht)

	Interest rate (percent per annum)	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Bank overdrafts	5.70 - 7.75	204,669,994	173,958,184	107,128,588	-
Short-term loans	3.10 - 6.71	4,233,104,072	3,345,202,709	400,000,000	80,000,000
Trust receipts	1.79 - 6.50	2,035,767,806	1,190,751,864	-	-
Total		<u>6,473,541,872</u>	<u>4,709,912,757</u>	<u>507,128,588</u>	<u>80,000,000</u>

Bank overdrafts and short-term loan acquired from a financial institution of the Company are guaranteed by the mortgage of the Company's shares in some of its subsidiaries. These shares are the ones that the Company has previously put into mortgage in order to provide guarantee for its long-term loan.

Bank overdrafts and short-term loans from financial institutions of subsidiaries are secured by the pledge of the subsidiaries's bank deposits, cross-guarantee by the Company and subsidiaries, transfer and assign of right over collection of any contract/project as specified in loan agreements, and is guaranteed by the Company and subsidiaries.

20. Short-term loan from unrelated party

As at 31 December 2009, Take A Look Co., Ltd., a subsidiary company, had obtained short-term loan of Baht 12.6 million (2008: Baht 12.6 million) from Master Ad Public Co., Ltd. which carries interest at Minimum Loan Rate (MLR) plus 1 percent per annum. This loan is due at call.

21. Other current liabilities

Other current liabilities as at 31 December 2009 and 2008 consist of:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Corporate income tax payable	16,285,651	42,047,598	-	-
Accrued expenses	546,956,248	369,486,012	10,577,384	10,746,533
Other payables	150,541,188	173,182,312	14,993,490	23,158,156
Deposits	7,275,260	16,326,126	4,913,800	1,974,371
Others	181,849,180	151,570,810	13,403,747	12,651,449
Total	<u>902,907,527</u>	<u>752,612,858</u>	<u>43,888,421</u>	<u>48,530,509</u>

22. Long-term loan from other company/current portion of long-term loan from other company

(Unit : Baht)

	Consolidated/Separate financial statements	
	2009	2008
Long-term loan from other company	115,000,000	160,937,572
Less: Cash paid for long-term loan during year	(60,000,000)	(45,937,572)
Current portion of long-term loan	(55,000,000)	(60,000,000)
Long-term loan from other company- net of current portion	<u>-</u>	<u>55,000,000</u>

As at 31 December 2009, the Company has long-term loan from Digital Phone Co., Ltd. of Baht 55 million (2008: Baht 115 million). The loan is payable on a quarterly installment of Baht 15 million each, commencing from the first quarter of 2009 to the third quarter of 2010. The last installment is Baht 10 million at the fourth quarter of 2010. The interest is charged at fixed rate of 7.25 percent per annum.

23. Long-term loans from financial institutions/current portion of long-term loans from financial institutions

As at 31 December 2009 and 2008 the outstanding balance of long-term loans from financial institutions consisted of:

(Unit : Baht)

		Consolidated financial statements																																	
		2009	2008																																
1.	<p>The Company obtained the loan facilities amounting to Baht 2,200 million from a local bank carrying interest at the Minimum Loan Rate (MLR) minus 0.5 percent per annum and scheduled for repayment in 60 monthly installments. The loan is secured by guarantees from the certain subsidiaries and the pledge of the shares it holds in some subsidiaries. The loan was used by the Company to repay the loan under the debt restructuring agreement dated 25 October 2001. In addition, on 29 June 2006, the Company entered into an amendment agreement with a local commercial bank extending the repayment term for this loan from repayment within 5 years ending in September 2008 to repayment within 7 years and 9 months, ending in June 2011. The first installment is to be paid in June 2006. Subsequently on 29 December 2006, the Company entered into an amendment agreement to change the rate of interest for this loan facilities amounting to Baht 1,759 million, which carries interest at the rate of the Minimum Loan Rate (MLR) minus 0.5 percent per annum shall be changed to Minimum Loan Rate (MLR) minus 1 percent per annum. In the current year, the bank agreed to charge the revised interest rate until December 2010.</p> <p>The principal is to be repaid as detailed below.</p> <table><tr><th>Terms of repayment</th><th>Amount (Baht)</th></tr><tr><td>1</td><td>5,000,000</td></tr><tr><td>2 - 3</td><td>10,000,000</td></tr><tr><td>4 - 6</td><td>12,000,000</td></tr><tr><td>7 - 12</td><td>15,000,000</td></tr><tr><td>13 - 24</td><td>20,000,000</td></tr><tr><td>25 - 30</td><td>25,000,000</td></tr><tr><td>31 - 32</td><td>30,000,000</td></tr><tr><td>33</td><td>Not under 10,000,000</td></tr><tr><td>34</td><td>Not under 210,000,000</td></tr><tr><td>35 - 44</td><td>Not under 10,000,000</td></tr><tr><td>45 - 56</td><td>Not under 15,000,000</td></tr><tr><td>57 - 68</td><td>Not under 20,000,000</td></tr><tr><td>69 - 80</td><td>Not under 30,000,000</td></tr><tr><td>81 - 92</td><td>Not under 40,000,000</td></tr><tr><td>93</td><td>Not under 19,000,000</td></tr></table>	Terms of repayment	Amount (Baht)	1	5,000,000	2 - 3	10,000,000	4 - 6	12,000,000	7 - 12	15,000,000	13 - 24	20,000,000	25 - 30	25,000,000	31 - 32	30,000,000	33	Not under 10,000,000	34	Not under 210,000,000	35 - 44	Not under 10,000,000	45 - 56	Not under 15,000,000	57 - 68	Not under 20,000,000	69 - 80	Not under 30,000,000	81 - 92	Not under 40,000,000	93	Not under 19,000,000	649,000,000	959,000,000
Terms of repayment	Amount (Baht)																																		
1	5,000,000																																		
2 - 3	10,000,000																																		
4 - 6	12,000,000																																		
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93	Not under 19,000,000																																		
2.	<p>The Company obtained from a local bank the loan facilities amounting to Baht 50.25 million carrying interest at the Minimum Loan Rate (MLR) minus 0.5 per annum, whereby the term of repayment is monthly installment within 86 months. The loan is secured by a negative covenant that the Company will not pledge of the Company's building, the transfer of the beneficiary rights under insurance policies for the building and the pledge of shares it holds in some subsidiaries. Subsequently, during the year 2007, the Company entered into an amendment agreement to change the rate of interest for this loan facilities amounting to Baht 40.23 million, which carries interest at the rate of the Minimum Loan Rate (MLR) minus 0.5 percent per annum to be Minimum Loan Rate (MLR) minus 1 percent per annum. In the current year, the bank agreed to charge the revised interest rate until December 2010.</p>																																		

(Unit : Baht)

		Consolidated financial statements	
		2009	2008
The principal repayment schedule is as detailed below.			
<u>Terms of repayment</u>	<u>Amount (Baht)</u>		
1 - 8	Grace period		
9 - 20	300,000		
21 - 32	500,000		
33 - 44	600,000		
45 - 56	700,000		
57 - 68	800,000		
69 - 75	900,000		
76	631,000	11,731,000	20,731,000
3. Samart Communication Services Co., Ltd., a subsidiary company, obtained a loan facility of Baht 670 million from a local commercial bank carrying interest at the minimum loan rate (MLR) minus 1 percent per annum. This loan is guaranteed by Samart Telcoms Public Co., Ltd. and Samart Communication Services Co., Ltd., to transfer to the bank the rights of claim over collections under a satellite communication equipment rental agreement made with a company (a former state enterprise). The loan is to be repaid within 60 months since the first drawdown.		-	54,269,700
4. The Company obtained from a local bank the new loan facilities amounting to Baht 260 million, on which interest is charged at a rate close to the Minimum Loan Rate minus 0.5 percent per annum for 5 years and is repayable in monthly installments with a grace period of 12 months. The first monthly installment is to be paid in the 13th month, with the total 48 monthly installments to be made, while interest is payable separately from repayment of principal. The loan is secured by the transfer of right over collection of total service fees under the SAMART IT Consolidation Project and the right to lease the parking lot on the 11th and 12th floor of the Software Park Building, both under the current lease agreement and the related renewed agreement, the pledge of hardware equipment, other assets and the insurance policy covering equipment, furniture and fixtures of the SAMART IT Consolidation Project. Subsequently, during the year 2008, the Company entered into an amendment agreement to change the rate of interest for this loan facilities, which carries interest at the rate of the Minimum Loan Rate (MLR) minus 0.5 percent per annum to be Minimum Loan Rate (MLR) minus 1 percent per annum. In the current year, the bank agreed to charge the revised interest rate until December 2010. The principal is to be repaid as detailed below.			
<u>Terms of repayment</u>	<u>Amount (Baht)</u>		
1 - 24	5,000,000		
25 - 47	6,000,000		
48	2,000,000	20,082,632	83,057,632
5. A loan of One to One Contacts Co., Ltd., a subsidiary company, has a credit facility of Baht 32 million carrying interest at a rate close to the Minimum Loan Rate minus 0.5 percent per annum for 44 periods and is repayable in monthly installments with a grace period of 8 months. The first monthly installment is to be paid in the 9th month, with the total of 36 monthly installments to be made, while interest is payable separately from repayment of principal. The loan is secured by the transfer of rights over collection of service fees from Provincial Electricity Authority under the Call Center Project and guaranteed by the Company. The principal is to be repaid as detailed below.			
<u>Terms of repayment</u>	<u>Amount (Baht)</u>		
1 - 8	Grace repaid		
9 - 43	900,000		
44	500,000	1,400,000	12,200,000
6. In November 2008, Samart Comtech Co., Ltd. obtained a long-term loan facility of Baht 45.3 million from local commercial bank carrying interest at the minimum loan rate (MLR) per annum for 34 periods which is guaranteed by Samart Telcoms Public Co., Ltd.		25,500,000	-

(Unit : Baht)

	Consolidated financial statements	
	2009	2008
7. In October 2009, Samart Telcoms Public Co., Ltd., a subsidiary company, entered into a short-term loan agreement with financial institution, granting a facility of Baht 21.2 million to be used as working capital in acquiring equipment for Information Technology Security System project. The interest rate of the such loan shall be charged at the effective interest rate of 4.936 percent per annum for 36 periods and is repayable in monthly installments Baht 0.63 million (included interest). The first monthly installment is to be paid at 1 October 2009. At the present, the subsidiary has not yet repaid the loan period.	21,186,000	-
8. During the year, One to One Contacts Co., Ltd., a subsidiary company entered into an agreement with a local commercial bank granting a new loan amounting to Baht 8 million, on which interest is charged at a rate close to the Minimum Loan Rate minus 0.5 percent per annum for 36 periods and is repayable in monthly installments with a grace period of 5 months. The first monthly installment is to be paid in the 6th month, with the total of 30 monthly installments to be made, while interest is payable separately from repayment of principal. The loan is secured by the transfer of rights over collection of service fees from the Social Security Fund under the Social Security Fund's information Project and pledged by the Company.	-	1,520,000
9. One to One Contacts Co., Ltd., a subsidiary company entered into an agreement with a local commercial bank granting a new loan amounting to Baht 25 million, on which interest is charged at a rate close to the Minimum Loan Rate minus 0.5 percent per annum for 35 periods and is repayable in monthly installments with a grace period of 6 months. The first monthly installment is to be paid in the 7th month, with the total of 27 monthly installments to be made, while interest is payable separately from repayment of principal. The loan is guaranteed by the Company and secured by the transfer of rights over hardware and other assets on Second Site Project (C.M. tower), the value of rights were not less than the granting of term loan that use for such project. The Samart Engineering Co., Ltd. has been the custodian of assets without charge.	-	12,830,000
10. Suvarnabhumi Environment Care Co., Ltd. entered into an agreement with a local commercial bank granting a new loan amounting to Baht 160 million, on which interest is charged at a rate close to the Minimum Load Rate minus 1 percent per annum for 78 periods and is repayable in monthly installment with a grace period of 15 months. The first monthly installment is paid in the 16th month, with the total of 63 monthly installments to be made, while interest is payable separately from repayment of principal. The loan is secured by the transfer of rights over collection of service fees from Provision of waste management services agreement in vicinity of Suvarnabhumi Airport and pledge by the Company, Professional Waste Technology (1999) Public Co., Ltd. and Siam Waste Management Consultant Co., Ltd.	45,457,604	53,457,604
11. Kampot Power Plant Co., Ltd. entered into an agreement with a commercial bank granting a new loan amounting to USD 16.5 million or equivalent to Baht 550.4 million, on which interest is charged at a rate to LIBOR plus 1 percent per annum for 8 years and is repayable in quarterly installment. The first quarterly installment is to be paid in the 15th month after drawing down the loan with the total of 28 quarterly installments to be made. The loan is secured by the transfer of rights to receive the payment under the Power Purchase Agreement and pledged by the Company.	445,318,864	480,315,348
12. In November 2007, C-Mobile Sdn. Bhd., a subsidiary company, entered into an agreement with commercial bank granting loan facilities amounting to 4 million Malaysian ringgit which Samart I-Mobile Public Co., Ltd. drew down in January 2008, on which interest is charged at a rate to 1 percent per annum above the bank's 1-month cost of funds. The loan is repayable in 25 monthly installments, with a grace period of 11 months, and the first of these was due in December 2008. It is to be repaid in full within November 2010. The loan agreement certain covenants with which the subsidiary must comply.	-	38,621,184

(Unit : Baht)

		Consolidated financial statements	
		2009	2008
13. In May 2008, Cambodia Air Traffics Services Co., Ltd., a subsidiary company, entered into an agreement with Export-Import Bank of Thailand (EXIM Bank) granting a new loan facilities amounting to USD 14 million which comprised of USD 7.40 million or equivalent to Baht 246.9 million for financing the existing loan and USD 6.60 million or equivalent to Baht 220.2 Million for purchasing new equipment to improve the performance of the System and the quality of the Air Traffic Services. The interest rate of the loan shall be charged at the rate of 1 percent per annum above LIBOR and is repayable in 21 quarterly installments, commencing from year 2009 till 2013. The 1st to 20th installment shall be USD 0.4 million for each installment or equivalent Baht 13.3 million and the last installment shall be in the amount of the loan remaining unpaid after the foregoing payments. The loan is secured by an assignment of rights under the Contract to Build, Cooperate and Transfer of Air Traffic Control System between the Royal Government of Cambodia and the such subsidiary company and is guaranteed by the Company until the loan outstanding is equal to 60 percent of total loan amount and negative pledge of all assets of Cambodia Air Traffics Services Co., Ltd.. Subsequently, during the year 2009, the interest rate is revised to LIBOR plus 1 percent per annum since May 2009.		235,512,120	260,143,919
Total long-term loans		1,455,188,220	1,976,146,387
Less: Current portion mature within one year		(645,402,293)	(635,139,042)
Long-term loans - net of current portion		809,785,927	1,341,007,345
1. The Company obtained the loan facilities amounting to Baht 2,200 million from a local bank carrying interest at the Minimum Loan Rate (MLR) minus 0.5 percent per annum and scheduled for repayment in 60 monthly installments. The loan is secured by guarantees from the certain subsidiaries and the pledge of the shares it holds in some subsidiaries. The loan was used by the Company to repay the loan under the debt restructuring agreement dated 25 October 2001. In addition, as at 29 June 2006, the Company entered into an amendment agreement with a local commercial bank extending the repayment term for loans. The repayment term changed from repayment within 5 years ending in September 2008 to repayment within 7 years and 9 months, ending in June 2011. The first installment is to be paid on June 2006. Subsequently, on 29 December 2006, the Company entered into an amendment agreement to change the rate of interest for this loan facilities amounting to Baht 1,759 million, which carries interest at the rate of the Minimum Loan Rate (MLR) minus 0.5 percent per annum shall be charged to Minimum Loan Rate (MLR) minus 1 percent per annum. In the current year, the bank agreed to charge the revised interest rate until December 2010.			
The principal is to be repaid as detailed below.			
<u>Terms of repayment</u>	<u>Amount (Baht)</u>		
1	5,000,000		
2 - 3	10,000,000		
4 - 6	12,000,000		
7 - 12	15,000,000		
13 - 24	20,000,000		
25 - 30	25,000,000		
31 - 32	30,000,000		
33	Not under 10,000,000		
34	Not under 210,000,000		
35 - 44	Not under 10,000,000		
45 - 56	Not under 15,000,000		
57 - 68	Not under 20,000,000		
69 - 80	Not under 30,000,000		
81 - 92	Not under 40,000,000		
93	Not under 19,000,000	649,000,000	959,000,000

(Unit : Baht)

		Consolidated financial statements																			
		2009	2008																		
2.	<p>The Company obtained from a local bank the loan facilities amounting to Baht 50.25 million carrying interest at the Minimum Loan Rate (MLR) minus 0.5 per annum, whereby the term of repayment were monthly installment within 86 months. The loan is secured by a negative covenant that will not pledge of the Company's building, the transfer of the beneficiary rights under insurance policies for the building and the pledge of shares it holds in some subsidiaries. During the year 2007, the Company entered into an amendment agreement to change the rate of interest for this loan facilities amounting to Baht 40.23 million, which carries interest at the rate of the Minimum Loan Rate (MLR) minus 0.5 percent per annum shall be charged to Minimum Loan Rate (MLR) minus 1 percent per annum. In the current year, the bank agreed to charge the revised interest rate until December 2010.</p> <p>The principal repayment schedule is as detailed below.</p> <table><tr><th><u>Terms of repayment</u></th><th><u>Amount (Baht)</u></th></tr><tr><td>1 - 8</td><td>Grace period</td></tr><tr><td>9 - 20</td><td>300,000</td></tr><tr><td>21 - 32</td><td>500,000</td></tr><tr><td>33 - 44</td><td>600,000</td></tr><tr><td>45 - 56</td><td>700,000</td></tr><tr><td>57 - 68</td><td>800,000</td></tr><tr><td>69 - 75</td><td>900,000</td></tr><tr><td>76</td><td>631,000</td></tr></table>	<u>Terms of repayment</u>	<u>Amount (Baht)</u>	1 - 8	Grace period	9 - 20	300,000	21 - 32	500,000	33 - 44	600,000	45 - 56	700,000	57 - 68	800,000	69 - 75	900,000	76	631,000	11,731,000	20,731,000
<u>Terms of repayment</u>	<u>Amount (Baht)</u>																				
1 - 8	Grace period																				
9 - 20	300,000																				
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76	631,000																				
3.	<p>The Company obtained from a local bank the new loan facilities amounting to Baht 260 million, on which interest is charged at a rate close to the Minimum Loan Rate minus 0.5 percent per annum for 5 years and is repayable in monthly installments with a grace period of 12 months. The first monthly installment is to be paid in the 13th month, with the total 48 monthly installments to be made, while interest is payable separately from repayment of principal. The loan is secured by the transfer of right over collection of total service fees under the SAMART IT Consolidation Project and the right to lease the parking lot on the 11th and 12th floor of the Software Park Building, both under the current lease agreement and the related renewed agreement, the pledge of hardware equipment, other assets and the insurance policy covering equipment, furniture and fixtures of the SAMART IT Consolidation Project. During the year 2007, the Company entered into an amendment agreement to change the rate of interest for this loan facilities, which carries interest at the rate of the Minimum Loan Rate (MLR) minus 0.5 percent per annum shall be charged to Minimum Loan Rate (MLR) minus 1 percent per annum. In the current year, the bank agreed to charge the revised interest rate until December 2010.</p> <p>The principal is to be repaid as detailed below.</p> <table><tr><th><u>Terms of repayment</u></th><th><u>Amount (Baht)</u></th></tr><tr><td>1 - 24</td><td>5,000,000</td></tr><tr><td>25 - 47</td><td>6,000,000</td></tr><tr><td>48</td><td>2,000,000</td></tr></table>	<u>Terms of repayment</u>	<u>Amount (Baht)</u>	1 - 24	5,000,000	25 - 47	6,000,000	48	2,000,000	20,082,632	83,057,632										
<u>Terms of repayment</u>	<u>Amount (Baht)</u>																				
1 - 24	5,000,000																				
25 - 47	6,000,000																				
48	2,000,000																				
Total long-term loans		680,813,632	1,062,788,632																		
Less: Current portion mature within one year		(460,282,632)	(390,000,000)																		
Long-term loan - net of current portion		220,531,000	672,788,632																		

24. Liabilities under finance lease/current portion of liabilities under finance lease

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Liabilities under finance lease agreements	56,119,235	87,234,449	605,933	1,274,033
Less: Deferred interest expense	(3,284,813)	(7,412,470)	(27,684)	(80,889)
	52,834,422	79,821,979	578,249	1,193,144
Less: Current portion of liabilities under finance lease agreements	(26,801,570)	(26,725,735)	(362,856)	(614,895)
Liabilities under finance lease agreements - net of current portion	26,032,852	53,096,244	215,393	578,249

The Company and subsidiaries have entered into the finance lease agreements with leasing companies for rental of equipment and motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 1 and 5 years. Partially such agreement is guaranteed by the Company and subsidiaries.

As at 31 December 2009, Future minimum lease payments required under the finance lease agreements were as follows:

(Unit : Thousand Baht)

	Consolidated financial statements		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	29,277	26,842	56,119
Deferred interest expenses	(2,476)	(809)	(3,285)
Present value of future minimum lease payments	26,801	26,033	52,834

(Unit : Thousand Baht)

	Separate financial statements		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	383	223	606
Deferred interest expenses	(20)	(8)	(28)
Present value of future minimum lease payments	363	215	578

25. Advance received IT service fees from subsidiary companies

The Company has entered into the agreements with its subsidiaries to provide an information technology service (Samart Data Center) for use in the services related to the management of the security (ISO 27001) and service provision (ITIL) for a period of 52 months, commencing on 1 October 2006 to 31 January 2011.

During 2007, the Company partially cancelled the contract with The Samart Engineering Co., Ltd., a subsidiary company, amounting to approximately Baht 3.2 million. During the second quarter of 2009, the Company ceased charging monthly service fees of approximately Baht 14.6 million to the subsidiary company due to decrease in service usage.

The schedule for receipt of payment for information technology services after cancelling the charges is as follows:
(Unit : Thousand Baht)

<u>Installment</u>	<u>Receipt schedule</u>	<u>Amount</u>	<u>Total</u>
1	Within 1 May 2006	81,600	81,600
2 - 6	May - September 2006	8,160	40,800
7 - 15	October 2006 - June 2007	8,160	73,440
16 - 36	July 2007 - March 2009	7,905	166,005
37 - 58	April 2009 - January 2011	7,242	159,324
			<u>521,169</u>

The outstanding balances of advance received IT service fees from subsidiary companies as at 31 December 2009 and 2008 are as follows:

(Unit : Baht)

	<u>Separate financial statements</u>	
	<u>2009</u>	<u>2008</u>
Advanced received for IT service fee	122,400,000	122,400,000
Less: IT service fee with partially cancelled	(3,162,981)	(3,162,981)
Accumulated amortisation	(89,593,269)	(62,229,807)
Net	<u>29,643,750</u>	<u>57,007,212</u>

26. Share capital and warrants

26.1 Share capital

- On 24 April 2008, the Annual General Meeting of the Company passed a resolution to reduce its share capital from Baht 1,000 million (1,000 million ordinary shares of Baht 1 each) to Baht 976,601,830 (976,601,830 ordinary shares of Baht 1 each) by canceling 23,398,170 ordinary shares of Baht 1 each, of which comprised the un-issued and unallocated of ordinary shares as well as the reserved shares for conversion of previous program of warrants that been issued and been cancelled due to resignation of employees. The Company registered the decrease of its share capital with the Ministry of Commerce on 30 April 2008.
- On 24 April 2008, the Annual General Meeting of the Company passed a resolution to increase its registered share capital from Baht 976,601,830 (976,601,830 ordinary shares of Baht 1 each) to Baht 1,006,601,830 (1,006,601,830 ordinary shares of Baht 1 each) by issuing 30 million ordinary shares of Baht 1 each in order to reserve for the exercise of 30 million warrants as described in Note 26.3 to financial statements. The Company registered the increase of its share capital with the Ministry of Commerce on 1 May 2008.

26.2 Exercised warrants of the first project

Up to 31 December 2009, the Company's directors, subsidiaries' employees and subsidiaries had exercised their rights of the first project to convert 3,741,302 warrants with the exercise ratio of 1 warrant for 10 ordinary shares, and exercisable at a price of Baht 1.5 per share as summarized below.

Exercise date	Number of exercised warrants (Units)	Ordinary shares from exercise of warrants		Premium on share capital from exercise of warrants (Baht)	Cash receipts from warrants exercised (Baht)	Registration date with the Ministry of Commerce
		(Shares)	(Baht)			
The second quarter of 2003	37,600	37,600	376,000	188,000	564,000	6 August 2003
The third quarter of 2003	655,700	655,700	6,557,000	3,278,500	9,835,500	7 October 2003
The fourth quarter of 2003	50,160	501,600	501,600	250,800	752,400	6 January 2004
The second quarter of 2004	2,830	28,300	28,300	14,150	42,450	6 July 2004
The third quarter of 2004	693,990	6,939,900	6,939,900	3,469,950	10,409,850	6 October 2004
The fourth quarter of 2004	19,620	196,200	196,200	98,100	294,300	5 January 2005
The first quarter of 2005	17,200	172,000	172,000	86,000	258,000	5 April 2005
The third quarter of 2005	909,120	9,091,200	9,091,200	4,545,600	13,636,800	4 October 2005
The fourth quarter of 2005	31,550	315,500	315,500	157,750	473,250	9 January 2006
The first quarter of 2006	19,490	194,900	194,900	97,450	292,350	4 April 2006
The third quarter of 2006	1,281,362	12,813,620	12,813,620	6,406,810	19,220,430	4 October 2006
The fourth quarter of 2006	8,640	86,400	86,400	43,200	129,600	4 January 2007
The second quarter of 2007	14,040	140,400	140,400	70,200	210,600	3 July 2007
	<u>3,741,302</u>					

As at 31 December 2009, allocated warrants are as summarised below:

Unexercised warrants	2,310 units
Cancelled warrants due to	
- resignation of employees	22,080 units
- expired warrants	62 units

26.3 The offering of warrants / The revision of the exercise price of the warrants/The exercised warrants of the second project

On 24 April 2008, the Annual General Meeting of the Company passed a resolution to issue 30 million warrants, the offering price per unit is Baht 0, to the Company's directors and the employee of the Company and its non-listed direct subsidiaries. The exercise ratio is 1:1 and the exercise price is Baht 7.75 per 1 ordinary share. Warrants to be allocated to the Company's directors and the employee of the Company and its non-listed direct subsidiaries will be divided into 5 certificates with 5 years maturity from the issuance date. Each certificate will have the same date of issuance, offering and expiration with different exercise period as shown in the following detail. Each warrant holders can split exercise or fully exercise their right of the amount allocated for each certificate.

Certificate No. 1 will represent 10% of total number of allocated warrants which is entitled to exercise since the first day of the exercise period until the expired date of warrants.

Certificate No. 2 will represent 15% of total number of allocated warrants which is entitled to exercise after the end of the first year that the warrants are issued until the expired date of warrants.

Certificate No. 3 will represent 20% of total number of allocated warrants which is entitled to exercise after the end of the second year that the warrants are issued until the expired date of warrants.

Certificate No. 4 will represent 25% of total number of allocated warrants which is entitled to exercise after the end of the third year that the warrants are issued until the expired date of warrants.

Certificate No. 5 will represent 30% of total number of allocated warrants which is entitled to exercise after the end of the fourth year that the warrants are issued until the expired date of warrants.

On 27 April 2009, the Annual General Meeting of the Company passed a resolution to approve the revision of the exercise price of the warrants offering to the Company's directors and the employees of the Company and its subsidiaries from Baht 7.75 per share to be Baht 5.45 per share.

On 29 May 2009, the Company has issued and offered 30 million warrants of the second project to the Company's directors and the employees of the Company and its non-listed direct subsidiaries. The warrants will be expired on 28 May 2014. The warrants are exercisable on every 15th of the last month of each quarter throughout the terms of the warrants commencing 15 June 2009 to 28 May 2014.

Up to 31 December 2009, the Company's directors, the Company and subsidiaries' employees had exercised their rights of the second project to convert 567,000 warrants with the exercise ratio of 1 warrant for 1 ordinary share, and exercisable at a price of Baht 5.45 per share as summarised below.

Exercise date	Number of exercised warrants	Ordinary shares from exercise of warrants		Premium on share capital from exercise of warrants	Cash receipts from warrants exercised	Registration date with the Ministry of Commerce
	(Units)	(Shares)	(Baht)	(Baht)	(Baht)	
The second quarter of 2009	412,000	412,000	412,000	1,833,400	2,245,400	22 June 2009
The third quarter of 2009	82,000	82,000	82,000	364,900	446,900	21 September 2009
The forth quarter of 2009	73,000	73,000	73,000	324,850	397,850	23 December 2009
	<u>567,000</u>					

27. Surplus on revaluation of property, plant and equipment

Surplus arising from revaluation of property, plant and equipment is amortised to retained earnings on a straight-line basis over the remaining life of the related assets.

(Unit : Baht)

	Consolidated/ Separate financial statements
Surplus on revaluation of property, plant and equipment of the Company	
Balance as at 1 January 2009	139,803,377
Transfer surplus on disposed property, plant and equipment	(1,646,778)
Increase from revaluation surplus on property, plant and equipment	42,606,341
Amortise to offset with retained earnings for the period	(2,940,916)
Balance as at 31 December 2009	<u>177,822,024</u>

(Unit : Baht)

	Consolidated financial statements
Surplus on revaluation of land, building and improvement of subsidiaries	
Balance as at 1 January 2009	161,695,450
Increase from revaluation surplus on property, plant and equipment according to investment proportion	44,291,566
Adjustment of surplus on revaluation comply with shareholding	(854,176)
Balance as at 31 December 2009	<u>205,132,840</u>

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

28. Treasury shares

On 14 February 2005, the Securities and Exchange Commission of Thailand (SEC) imposed an official requirement for all listed companies to follow the deliberation of the Judicial Council on the issue of treasury share schemes under Section 66/1(2) of the Public Limited Companies Act B.E. 2535, that the cost of treasury shares as acquired by a public limited company should not exceed its unappropriated retained earnings. The public limited company is also required to set aside a separate reserve account in an amount equal to the cost of the treasury shares. The reserve shall remain outstanding until either the shares are sold or paid-up capital is reduced by cancellation of any remaining unsold shares.

By the resolution of the meeting of the Company's Board of Directors held on 16 October 2008, the Company was approved to repurchase its shares in order to manage its excess cash, under the share repurchase scheme, with the investment not to exceed Baht 250 million or in term of shares repurchased not to exceed 48.8 million shares, equivalent to 5% of the total issued and paid-up shares of the Company. The period for the repurchase of the shares was from 31 October 2008 to 30 April 2009 and the resale period is 6 months after the completion date of the share repurchase and not later than 3 years from this time. In the event that the Company does not or is unable to dispose of all repurchased shares within the set period, when the due date has passed the Company is to reduce its paid-up capital by writing-off the remaining unsold repurchased shares.

	Consolidated/Separate financial statements	
	2009	2008
Cost of treasury shares (Thousand Baht)	209,670	144,270
Number of treasury shares (Thousand shares)	38,166	25,900
Average price per share (Baht)	5.49	5.57
Percentage of treasury shares to the Company's shares in issue	3.91	2.65

The Company had set aside approximately Baht 209.7 million to a treasury shares reserve account according to the SEC's requirement.

By the resolution of the meeting of the Company's Board of Directors held on 14 August 2009, the Company was approved to resell its shares. The reselling of shares will require approval from the Board of Directors at least 14 days prior to the process. The period for the reselling of the shares was from 1 October 2009 to 30 September 2012.

29. Earnings per share

Basic earnings per share are calculated by dividing the net income for the year by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing net income for the year by the total sum of the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

29.1 Weighted average number of ordinary shares

As at 31 December 2009 and 2008, the weighted average number of ordinary shares in the consolidated and separate financial statements are calculated as follow:

(Unit : Thousand Baht)

	Consolidated/Separate financial statements	
	2009	2008
Balance brought forward	950,604	976,504
Add: The weighted average number of ordinary shares in issue during the year	253	-
Less: The weighted average number of treasury shares	(10,794)	(2,516)
Weighted average number of ordinary shares	940,063	973,988

29.2 Reconciliation of diluted earnings per share

	Consolidated financial statements					
	Net income		Weighted average number of ordinary shares		Earnings per share	
	2009 Thousand Baht	2008 Thousand Baht	2009 Thousand Shares	2008 Thousand Shares	2009 Baht	2008 Baht
Basic earnings per share						
Net income attributable equity holders of the parent	455,017	261,715	940,063	973,988	0.48	0.27
Effect of dilutive potential ordinary shares						
Warrants to the directors and employees of the Company 2,435,310 warrants (2008: 3,592 warrants)	-	-	93	28		
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares	455,017	261,715	940,156	974,016	0.48	0.27

	Separate financial statements					
	Net income		Weighted average number of ordinary shares		Earnings per share	
	2009 Thousand Baht	2008 Thousand Baht	2009 Thousand Shares	2008 Thousand Shares	2009 Baht	2008 Baht
Basic earnings per share						
Net income attributable equity holders of the parent	151,378	284,415	940,063	973,988	0.16	0.29
Effect of dilutive potential ordinary shares						
Warrants to the directors and employees of the Company 2,435,310 units (2008: 3,592 warrants with exercise ratio of 1 warrant: 10 shares)	-	-	93	28		
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	151,378	284,415	940,156	974,016	0.16	0.29

30. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside as a statutory reserve at least 5 percent of its net earnings for the year after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital. The statutory reserve could not be used for dividend payment.

31. Dividend payment

(Unit: Baht)

	Approved by	Total dividends	Dividend per share	Paid on
2008				
Dividends declared on 2007 operating result	Annual General Meeting of the shareholders on 24 April 2008	351,500,638	0.36	
Less: Interim dividend on earnings for the period as from January to June 2007	A meeting of Board of Directors on 10 August 2007	(175,770,704)	(0.18)	7 September 2007
Dividends from 2007 earnings paid in 2008		175,729,934	0.18	20 May 2008
Interim dividend on earnings for the period as from January to June 2008	A meeting of Board of Directors on 16 October 2008	97,632,641	0.10	11 November 2008
Total for 2008		273,362,575	0.28	
2009				
Dividends declared on 2008 operating result	Annual General Meeting of the shareholders on 27 April 2009	191,448,702	0.20	
Less: Interim dividend on earnings for the period as from January to June 2008	A meeting of Board of Directors on 16 October 2008	(97,632,641)	(0.10)	11 November 2008
Dividends from 2008 earnings paid in 2009		93,816,061	0.10	22 May 2009
Interim dividend on earnings for the period as from January to September 2009	A meeting of Board of Directors on 13 November 2009	75,092,353	0.08	11 December 2009
Total for 2009		168,908,414	0.18	

32. Provident fund

The Company, subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, subsidiary companies and their employees contributed to the fund monthly at the rate of 3 - 10 percent of basic salary. The fund, which is managed by Bangkok Bank Public Company Limited, will be paid to the employees upon termination in accordance with the fund rules.

During the year 2009 and 2008, the Company and its subsidiary companies contributed amounted to approximately Baht 27.7 million and Baht 29.5 million (The Company only: Baht 4.1 million and Baht 4.3 million), respectively.

33. Other income/other expenses

33.1 Details of other income are as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Management fee income	-	-	246,696,689	243,440,324
Selling support income	81,497,270	140,837,568	-	-
Interest income	8,507,221	12,619,385	34,176,492	55,880,552
Gain on sale of property, plant and equipment	-	139,485,715	2,207,919	33,545
Gain on change in value of short-term investment in trading securities	34,718,841	-	4,334,785	-
Gain on sales of investments	50,629,345	10,105,246	5,626,490	13,687,844
Income from reversal of provision for doubtful accounts and bad debt received	5,119,818	12,066,364	-	8,131
Dividend income	2,306,406	5,258,628	89,397,443	240,749,854
IT service fee from subsidiary companies	-	-	116,256,462	122,223,462
Others	83,727,529	102,822,841	84,838,057	83,661,797
Total	266,506,430	423,195,747	583,534,337	759,685,509

33.2 Details of other expenses are as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Loss on exchange	6,599,394	15,547,088	3,533,634	-
Loss on disposal of short-term investments in trading securities (Note 6)	2,500,433	9,342,528	640,693	1,604,885
Loss on change in value of short-term investments in trading securities	-	78,367,772	-	29,566,683
Provision for obsolete stock	2,690,636	61,649,159	-	-
Loss on investment impairment in subsidiary companies	-	-	35,610,172	15,850,117
Allowance for doubtful debt	19,300,479	9,272,557	-	-
Loss on disposal of property, building and equipment	6,394,402	-	-	-
Other expenses	16,515,030	7,519,234	5,616,727	5,271,152
Total	54,000,374	181,698,338	45,401,226	52,292,837

34. Expenses by nature

Significant expenses by nature are as follow:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Salary, wages and other employee benefits	1,263,763,126	1,341,225,019	98,433,485	101,183,140
Promotion and advertising expenses	848,311,887	1,050,564,836	667,599	2,207,330
Changes in inventories of finished goods and work in progress	471,239,729	(552,874,668)	-	-
Depreciation	843,464,261	832,255,717	89,230,027	88,073,638
Rental expenses	149,627,057	174,851,274	27,814,663	25,898,742
Raw materials and consumables used	82,188,303	101,794,676	-	-
Loss on change in value of short-term investment in trading securities	-	78,367,772	-	29,566,683
Amortisation expenses	55,722,370	41,623,269	12,522,300	12,522,300

35. Finance cost

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Interest expense on:				
Bank, loans, overdrafts and trust receipts	324,716,819	350,791,389	64,818,742	75,549,507
Loans from related parties	-	-	3,779,684	1,520,207
Liabilities under finance leases	4,127,657	5,230,056	53,205	106,414
Total interest expenses	328,844,476	356,021,445	68,651,631	77,176,128
Bank charges	18,895,995	26,898,862	193,358	198,894
Total finance cost	347,740,471	382,920,307	68,844,989	77,375,022

36. Corporate income tax

Income tax is calculated based on the taxable profits determined in accordance with tax legislation at the rate of 25% (The Company and listed subsidiary companies in Thailand has been granted tax benefits, which authorizes the reduction of the corporate income tax rate from regular rate of 30 percent to 25 percent of net profit not exceeding Baht 300 million under Administrative Decree No. 475 B.E.2551, for a period of 3 consecutive accounting years, starting from 2008 to 2010.), whereby the Company had added back disallowable expenses and provisions and has deducted the portion of dividend income which is exempted from income tax. The taxable income of the subsidiaries are subject to corporate income tax at the rate of 30% of net profit after adjusting certain expenses which are disallowed for tax computation purposes.

Overseas subsidiary companies calculate corporate income tax in accordance with tax rate regulated in tax law of those countries.

37. Promotional privileges

37.1 Brain Sources Co., Ltd., a subsidiary company, has been granted promotional privileges approved by the Board of Investment under the Thai Investment Promotion Act B.E. 2520, for research and development of software, under certificate No. 1690(7)/2550 dated 20 July 2007. Subject to certain imposed conditions, the main privileges include the following:

- a) Exemption from corporate income tax on net income from promoted operations for a period of 8 years commencing as from the date of first earning operating income (1 August 2007 until 31 July 2015). Furthermore, accumulated losses incurred during the corporate income tax exemption period, the subsidiary is allowed to utilise the losses as a deduction against net income for a period of 5 years after the expiry of the tax exemption period, whether from any one year or from several years.
- b) Exemption from income tax on dividends paid from the income of the promoted operations for which corporate income tax is exempted, throughout the corporate income tax exemption.
- c) Exemption from import duty on imported machinery for use in production as approved by the Board until 20 January 2010.

The subsidiary has to comply with certain conditions and restrictions specified under the promotion certificate.

Services income of the subsidiary amounting to approximately Baht 119 million for the year ended 31 December 2009 (2008: Baht 173 million) were revenues from BOI promoted activities.

37.2 Smarterware Co., Ltd., a subsidiary company, has been granted promotional privileges approved by the Board of Investment under the Thai Investment Promotion Act B.E. 2520, for research and development of software, under certificate No. 1152(7)/2551 dated 19 February 2008. Subject to certain imposed conditions, the main privileges include the following:

- a) Exemption from corporate income tax on net income from promoted operations for a period of 8 years commencing as from the date of first earning operating income (commencing from 24 June 2009 until 23 June 2017). Furthermore, accumulated losses incurred during the corporate income tax exemption period, the subsidiary is allowed to utilise the losses as a deduction against net income for a period of 5 years after the expiry of the tax exemption period, whether from any one year or from several years.
- b) Exemption from income tax on dividends paid from the income of the promoted operations for which corporate income tax is exempted, throughout the corporate income tax exemption.
- c) Exemption from import duty on imported machinery for use in production as approved by the Board until 19 August 2010.

The subsidiary has to comply with certain conditions and restrictions specified under the promotion certificate.

Service income of the subsidiary amounting to approximately Baht 82.9 million for the year ended 31 December 2009 (2008: nil) was revenues from BOI promoted activities.

38. Financial information by segment

The Company and its subsidiaries operate in four principal segments which are (1) International (whereby such segment in Cambodia and Hong Kong) (2) Local-Portfolio, (3) I-Mobile Multimedia and (4) Samart Solution and two geographical areas which are domestic and overseas. The results of operations separated by type of business of the Company and its subsidiaries for the year ended 31 December 2009 and 2008 is as follows:

(Unit : Million Baht)

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38.2 Assets and liabilities separated by business segment are as follows:

(Unit : Million Baht)

	For the years ended 31 December																	
	Hong Kong				Thailand													
	International				Cambodia													
	Holding		Mobile Phone Services		International		Local -Portfolio		I-Mobile Multimedia		Samart Solution		Eliminated		Consolidated			
2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008			
Assets																		
Trade accounts receivable – net	106	122	-	-	1	1			225	201	3,079	2,466	923	621	(24)	(54)	4,310	3,357
Inventories – net	6	6	-	-	-	-			139	221	777	1,653	787	325	-	-	1,709	2,205
Property, plant and equipment – net	982	1,073	3	3	-	-			973	1,026	429	483	1,152	839	-	1	3,539	3,425
Deferred right to the use of communication equipment – net	-	-	-	-	-	-			-	-	1	-	215	245	-	-	216	245
Others	476	298	8	34	3	3			5,484	4,980	1,764	1,568	2,842	1,451	(4,832)	(4,311)	5,745	4,023
Total assets	1,570	1,499	11	37	4	4			6,821	6,428	6,050	6,170	5,919	3,481	(4,856)	(4,364)	15,519	13,255
Liabilities																		
Current liabilities	293	254	-	26	1	2			1,974	1,544	3,766	3,913	4,358	2,141	(695)	(768)	9,697	7,112
Non-current liabilities	562	622	-	-	-	-			318	829	9	29	58	59	(93)	(73)	854	1,466
Total liabilities	855	876	-	26	1	2			2,292	2,373	3,775	3,942	4,416	2,200	(788)	(841)	10,551	8,578

Transfer prices between business segments are as set out in Note 9 to the financial statements.

39. Bank guarantees

As at 31 December 2009, there were outstanding bank guarantees issued by the banks on behalf of the Company and its subsidiaries of approximately Baht 1,958.5 million (2008: Baht 922.8 million). Separate financial statements: Baht 1.5 million (2008: Baht 1 million), in respect of certain performance bonds as required in the normal course of business. The details of bank guarantees are as follows:

(Unit : Million Baht)

	Consolidated financial statements	Separate financial statements
Performance guarantees	1,530.72	0.53
Guarantee electricity use, and others	427.75	0.98
	<u>1,958.47</u>	<u>1.51</u>

40. Related parties guarantees

40.1 As at 31 December 2009, the Company has contingent liabilities in respect of the guarantees of subsidiaries' loans and credit facilities provided to banks and financial institutions, as follows:

(Unit : Million Baht)

Guaranteed facilities

Subsidiary companies

The Samart Engineering Co., Ltd.	607
Kampot Power Plant Co., Ltd.	447
Cambodia Air Traffic Services Co., Ltd.	389
Vision and Security System Co., Ltd.	383
One to One Contacts Co., Ltd.	205
Suvarnabhumi Environment Care Co., Ltd.	132
Samart Mobile Services Co., Ltd.	30
	<u>2,193</u>

In addition, as at 31 December 2009, the Company and two subsidiary companies, One to One Contacts Co., Ltd. and The Samart Engineering Co., Ltd., have cross-guaranteed credit facilities of Baht 30 million granted by a commercial bank to the Company and these two subsidiaries. In addition, the Company and another subsidiary, Vision and Security System Co., Ltd. also have cross-guaranteed credit facilities of Baht 20 million.

As at 31 December 2009, the Company and The Samart Engineering Co., Ltd., have cross-guaranteed the credit facility of Baht 65 million granted by a commercial bank to the Company and such subsidiary.

These guarantees are effective for as long as the underlying obligations have not been discharged by those subsidiaries.

40.2 As at 31 December 2009, Samart Telcoms Public Co., Ltd., and its subsidiaries have contingent liabilities in respect of the guarantees of loans and credit facilities as detailed below.

(Unit : Million Baht)

	Guarantor	Guaranteed facilities
Loans from banks and leasing company of subsidiary of Samart Telcoms Public Co., Ltd.	Samart Telcoms Public Co., Ltd.	6,585.7
Loans and certain credit facilities from banks of Samart Telcoms Public Co., Ltd.	Samart Communication Services Co., Ltd. Postnet Co., Ltd. Thai Trade Net Co., Ltd. Samart Broadband Services Co., Ltd.	160
Loans and credit facilities from bank of Samart Telcoms Public Co., Ltd.	Samart Communication Services Co., Ltd.	400
Loans and certain credit facilities from bank of Oasis Consulting Co., Ltd.	Samart Telcoms Public Co., Ltd.	7

These guarantees are effective for above guarantees as long as the underlying obligations have not been discharged by those subsidiaries.

40.3 As at 31 December 2009, Samart I-Mobile Public Co., Ltd., a subsidiary company, has contingent liabilities in respect of the guarantees of subsidiaries' credit facilities provided to banks as follows:

(Unit : Million Baht)

	Guaranteed facilities
Samart I-Mobile (Malaysia) Sdn. Bhd.	149.1
Samart Mobile Services Co., Ltd.	45.0
Samart Multimedia Co., Ltd.	137.7
I-Mobile Inter trade Co., Ltd.	20.0
Pt. Samart I-Mobile Indonesia	167.6
Samart Multimedia Co., Ltd. and Samart Interactive Media Co., Ltd. (joint use the same facilities with Samart I-Mobile Public Co., Ltd.)	10.0
Samart Mobile Services Co., Ltd., I-Mobile International Co., Ltd., I-Mobile Inter trade Co., Ltd. and Samart I-Mobile (Hong Kong) Ltd. (joint use the same facilities with Samart I-Mobile Public Co., Ltd.)	1,807.9
Samart I-Mobile (Malaysia) Sdn. Bhd., PT. Samart I-Mobile Indonesia and Samart I-Mobile (Hong Kong) Ltd. (joint use the same facilities with Samart I-Mobile Public Co., Ltd.)	2,985.0
Samart I-Mobile (Hong Kong) Ltd., Samart Mobile Services Co., Ltd. and I-Mobile International Co., Ltd. (joint use the same facilities with Samart I-Mobile Public Co., Ltd.)	495.0
Brain Source Co., Ltd. (joint use the same facilities with Samart I-Mobile Public Co., Ltd.)	150.0
Samart Multimedia Co., Ltd. (joint use the same facilities with Samart I-Mobile Public Co., Ltd.)	140.0

These guarantees are effective for Samart I-Mobile Public Co., Ltd. as long as the underlying obligations have not been discharged by those subsidiaries.

40.4 As at 31 December 2009, Samart I-Mobile Public Co., Ltd., and its subsidiaries have cross-guaranteed credit facilities granted by the commercial banks to Samart I-Mobile Public Co., Ltd., and its subsidiaries as follows:

(Unit : Million Baht)

Cross-guaranteed by	Cross - guaranteed credit facilities	Facilities used
Samart I-Mobile Public Co., Ltd., I-Mobile International Co., Ltd. and Samart Mobile Services Co., Ltd.	2,985.0	2,010.6
Samart I-Mobile Public Co., Ltd. and I-Mobile Inter trade Co., Ltd. (This is part of the credit facilities of Baht 2,985 million)	2,000.0	125.3
I-Mobile International Co., Ltd., Samart Mobile Services Co., Ltd., Samart I-Mobile (Hong Kong) Ltd., Samart I-Mobile (Malaysia) Sdn. Bhd. and PT. Samart I-Mobile Indonesia	1,000.0	505.8

The credit facility of Baht 2,985 million as mentioned above in Note 40.3, which Samart I-Mobile Public Co., Ltd., has guaranteed for its subsidiaries, is part of the credit facilities of Baht 2,985 million jointly used by Samart I-Mobile Public Co., Ltd. and its subsidiaries.

41. Commitments and contingent liabilities

41.1 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of land, office building space, motor vehicles and services. The terms of agreements are generally between 1 and 5 years.

As at 31 December 2009, the Company and its subsidiaries have future minimum lease payments required under these operating leases contracts as follows:

(Unit : Million)

Currency	Consolidated financial statements		Separate financial statements	
	Payable		Payable	
	Within 1 year	Thereafter 1 year	Within 1 year	Thereafter 1 year
Baht	177.03	131.13	34.58	22.93
Malaysian Ringgit	0.22	-	-	-
Hong Kong dollar	0.04	-	-	-
US dollar	1.86	2.90	-	-

41.2 Commitments in uncalled portions of investments

As at 31 December 2009, the Company and its subsidiaries have outstanding commitment totaling in respect of uncalled portions of their investments as follows:

		<u>Amount</u>
The local subsidiary companies	Baht	318 million
The overseas subsidiary companies	Malaysian Ringgit	3 million
	USD	3 million

41.3 Other commitments

- Samart Telcoms Public Co., Ltd., a subsidiary company, entered into transponder lease agreements with a local company. Under the agreements, the subsidiary company had commitment to pay rental fees to its contractual partner in monthly installment, totally amounting to USD 0.1 million each or equivalent to Baht 3.3 million. The agreements are expiring in October 2012.
- Samart Telcoms Public Co., Ltd., a subsidiary company, entered into an agreement with the National Telecommunication Commission to provide local audio and visual data communications via satellite service for a period of 22 years starting on 1 June 1995. This subsidiary company has commitments to comply with the terms under the contract, which included commitments to transfer ownership of telecommunication equipment used in provision of the data communication via satellite service to the National Telecommunication Commission free of charge, and to pay the service fee stipulated under the agreement, based on the minimum annual fee or the percentage of income obtained from provision of such service whichever is higher. However, the subsidiary company requested the National Telecommunication Commission to reconsider such terms and the National Telecommunication Commission presented the subsidiary company's request to the National Radio Frequency Management Board and in the meeting of 1/2545 on 28 June 2002, the Board passed the resolution that in this case the National Telecommunication Commission had the authority to amend the terms of contract. The National Telecommunication Commission later notified the subsidiary company of such amendments including the followings:
 - To reduce the fee that the subsidiary company is to pay to the National Telecommunication Commission from the year 2001 until the end of the contract term to a rate of 9% of revenue before expenses per annum.

- To cancel the minimum fee to be paid to the National Telecommunication Commission from the year 2001 until the end of the contract term.
 - To cancel the ownership transfer of assets, which are to be installed by the subsidiary company in the future for the provision of such service, to the National Telecommunication Commission with effect from the date of amendment.
 - To render the subsidiary company responsible for payments of value-added tax, duties, and fees incurred through the course of setting up radio telecommunications stations and using radio telecommunications equipment, effective from the date of amendment.
- c) Samart Mobile Services Co., Ltd., a subsidiary company, has been granted approval by The Posts and Telegraph Department which is currently transformed to be The Nation Telecommunication Commission to operate and provide paging services to government units and state enterprises for a period of 20 years as from 21 February 1995. This subsidiary company has to pay annual fees at a rate specified in the agreement, or totaling Baht 70 million. In addition, the ownership of the pagers, paging control terminals, and transmitters have to be transferred to The Posts and Telegraph Department as soon as their installation is completed. On 6 September 1996, the subsidiary company received approval to provide its paging services to the public.

On 16 July 2003, the subsidiary company notified The Posts and Telegraph Department of their wish to terminate the agreement to provide paging services to government units and state enterprises. On 1 October 2003, The Posts and Telegraph Department granted approval the termination of such agreement. For the annual fee payable since 2000 until the termination date of the agreement is in the process of consideration by the Cabinet. In addition, the subsidiary company must comply with the terms and conditions stated in the agreement.

- d) Samart Infonet Co., Ltd., a subsidiary company, has entered into a 10-year agreement with TOT Public Co., Ltd. in relation to its rental of internet protocol network. The expiration of the agreement is on 1 October 2011. The subsidiary company is obliged to comply with certain conditions as stated in the agreement and pays rental fee expense of Baht 0.08 million per month.
- e) Samart Broadband Services Co., Ltd., a subsidiary company, has entered into a 15-year agreement with TOT Public Co., Ltd. (TOT) in respect of the provision of network services. The subsidiary company is obliged to comply with certain conditions as stated in the agreement and has to pay an annual interconnection charge of Baht 1 million together with an additional fee, which are determined based on bandwidth usage at rates stipulated in the agreement. Subsequently, on 31 March 2003, the subsidiary company entered into an agreement with TOT Public Co., Ltd. and Samart Communication Services Co., Ltd., an another subsidiary company, to transfer its rights and obligations under this agreement to Samart Communication Services Co., Ltd. In this regard, the recipient of the rights and obligations is responsible for compliance with the provisions of this agreement.
- f) Samart Multimedia Co., Ltd., a subsidiary company, entered into an agreement with the TOT Public Company Limited to provide an Audiotext System for a period of 15 years, commencing 29 September 1999. The subsidiary company is obliged to comply with certain conditions as stated in the agreement and has to pay a network connection fee of Baht 1 million per annum.
- g) The Company has entered into the Contract to build, cooperate and transfer an air traffic control system ("BCT Contract") with the Royal Government of the Kingdom of Cambodia. Under this agreement, the Company has had to establish a limited liability company under the laws of the Kingdom of Cambodia to be responsible for development and sole operation of the civil air traffic control and navigation system of Cambodia for a period of 15 years with an option to extend for another 7 years in consideration of the State Secretariat of Civil Aviation of Cambodia ("SSCA") granting the air traffic license to the Company. The Company initially had to invest approximately USD 17.5 million or equivalent to Baht 583.8 million in this project and is to pay license fees to the Cambodian government on a revenue sharing basis. Under the agreement, the Company is obliged to comply with certain conditions, including that the ownership of the

civil air traffic control and navigation system and all equipment is to be transferred to the Kingdom of Cambodia at the end of concession period, without charge. On 18 May 2001, the Company entered into the assignment of “BCT Contract” with Cambodia Air Traffic Services Co., Ltd., a subsidiary company, to transfer of all the Company’s rights and obligations under the “BCT Contract” to that subsidiary company pursuant to Article 2.2 of “BCT Contract” without charge. On 27 September 2007, the subsidiary requested extension to another 10 years commencing from the year 2024 to expire in the year 2033 whereby the subsidiary has to invest approximately USD 7 million or equivalent to Baht 233.5 million in order to improve the performance of the Air Traffic Control Services.

- h) On 11 May 2006, the Company has entered into SPS Consortium Agreement with Professional Waste Technology (1999) Plc. and Siam Waste Management Consultant Co., Ltd. (“SPS Group”) with percentage of investment at 60 percent, 30 percent and 10 percent, respectively. Total Waste Management Solution in the area of Suvarnabhumi Airport will be managed by SPS Group for the period of 10 years from commencement date on 15 September 2006 as stipulated in contract signing on 11 September 2006 for Total Waste Management Solution in Suvarnabhumi Airport with Airports of Thailand Plc. (“AOT”). The management has been arranged under Suvarnabhumi Environment Care Co., Ltd. Under the agreement, SPS Group is obliged to comply with certain conditions, including that the ownership of building, premise and equipment for waste management process will be transferred to AOT after the expiry date of contract, without charge.
- i) On 26 October 2006, Samart Communication Services Co., Ltd., a subsidiary company, entered into an agreement with a company (formerly a state enterprise), whereby they would provide an information technology network to The Department of Local Administration for a period of 1 year. The subsidiary is obliged to make the network available at not less than 1,000 sites within 120 days from the contract date and guarantee this minimum number of users throughout the contract period. If the subsidiary is unable to do so within the delivery period (22 February 2007), the counterparty will charge a penalty for any delays in the subsidiary’s work. However, as at 22 February 2007 the subsidiary could not make the network available at 1,000 sites because such subsidiary has yet to receive the equipment from the counterparty and Bandwidth received is not adequate for actual usage. As at 31 December 2009, a subsidiary has the service capacity of 575 places but the service has been used at only 79 places with the net outstanding balance of assets and assets under installation under such agreement amounted to Baht 94.4 million (2008: Baht 126.1 million) which is presented as a part of property, plant and equipment in the balance sheets. As a consequence during the year, the subsidiary pulled down from sites the equipment which service request has been terminated and wrote off assets of Baht 3.3 million by taking into account the wage and equipment cost of installation. The subsidiary has set up provision for impairment of such assets amounting to Baht 2.0 million (2008: Baht 0.3 million). In addition, the subsidiary has not recognised the service income from this project since 1 February 2009 and since the subsidiary could not be accomplished the number of guaranteed users. The counterparty therefore could charge a penalty for delay work. However, the subsidiary’s management and legal counsel are of the opinion that the subsidiary is not obligated to pay any fine to the counterparty as the delay of such project is not the subsidiary’s fault. In addition the management believes that the negotiation with the counterparty will be successful and the service fee can be collected from the counterparty. Furthermore, the subsidiary’s management considers that all equipment used in this project is general equipment which can be used in the subsidiary’s other projects therefore as at 31 December 2009 the subsidiary has not set up provision for fine from the project delay and believe that recorded provision for impairment for the asset of such project is adequate.
- j) On 30 August 2004, Samart Infonet Co., Ltd., a subsidiary company, has entered into a three-year agreement for the provision of circuit relating to information exchange via the internet with the Communications Authority of Thailand. The expiration of the agreement is in September 2007. The subsidiary company is to follow the conditions and to pay the monthly service fee as stipulated in the agreement. However, the subsidiary company has continuous requested to extend the expiry period and service fee. Later on 30

September 2009, the subsidiary company reextended the expiry period to be 30 September 2010 with the requirement of service fee of Baht 1.1 million per month. As at 31 December 2009, the subsidiary company has outstanding service payment commitments of Baht 9.8 million.

- k) On 27 November 2009, Samart I-Mobile Public Co., Ltd., a subsidiary company, entered into a memorandum of understanding relating to the project for 3G mobile phone network services testing with TOT Public Co., Ltd., in support of the objective of providing wholesale and retail of 3G mobile phone network services through the Wideband Code-Division Multiple Access (WCDMA) system. Under the agreement, which expires on 31 March 2010, the subsidiary company is obliged to comply with certain conditions and pay fees for the testing project as stated in the memorandum of understanding.

41.4 Litigation

- a) On 23 January 2007, Vision and Security System Company Limited, a subsidiary (defendant), was sued by an individual (plaintiff) for a compensation claim of Baht 28 million on the grounds that the subsidiary violated the use of "I-Vision" trademark. However, the court judged on 29 January 2010 to dismiss the plaintiff's sue for compensation of violation of such trademark.
- b) In the third quarter of 2009, The Samart Engineering Co., Ltd., a subsidiary company, had made an agreement with Super Cheng Co., Ltd. ("the buyer"), to sell satellite receivers with the total contract value of Baht 40.0 million. The subsidiary company already recognised revenue and received payment under such agreement of Baht 26.0 Million. Subsequently, in the fourth quarter of 2009 the buyer had written notice through their lawyer to revoke the agreement and asked for a return of paid amount of Baht 26 million. The subsidiary's lawyer has opinion that the enter into the agreement of the buyer was not from the misunderstanding of any significant matter by the buyer as claimed and the subsidiary company did not breach the agreement that may cause the revocation. The agreement dated 22 July 2009 is still valid and binding the parties and the buyer has no right to terminate such agreement. The management of subsidiary company believes that the subsidiary company has not obliged to return the money Baht 26 million to buyer and no contingent liabilities to be occurred in the future. Therefore, there is no adjustment for revenue recognition in the financial statements of 2009.

41.5 Contingent liabilities

In August 2008, Samart I-Mobile (Hong Kong) Limited, a subsidiary company, received a letter from the Inland Revenue Department of Hong Kong ("IRD") questioning the deductibility of consultancy fees and management fees totaling USD 6.1 million and USD 1.5 million or equivalent to Baht 203.5 million and Baht 53.0 million, respectively, paid to I-Mobile International Co., Ltd., another subsidiary company, in relation to the 2007 and 2008 income tax return. Management of the subsidiary has submitted a reply letter to IRD in June 2009 to provide information in relation to the deductibility of consultancy fees and management fees in income tax return. Response from IRD has not yet been received. However, the subsidiary's management are of the opinion that as the consultancy fees and management fees are related to the business activities and, therefore, should be fully deductible for income tax purposes, no additional income tax provision is required for the years ended 31 December 2009 and 2008.

The maximum tax exposure would be 17.5% on the amount of consultancy fees and management fees. However, as at 31 December 2009, the examination has not yet been finalised and the management of subsidiary believe that there is no significant losses which will be incurred as a result of the above matter. Therefore no provision has been made in the account.

During the year 2009, Samart I-Mobile (Hong Kong) Limited paid consultancy fees and management fees to I-Mobile International Co., Ltd. approximately USD 0.93 million and USD 0.90 million or equivalent Baht 31.0 million and 30.0 million, respectively.

42. Financial instruments

42.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 32 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, loans, investments, short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable, loans and other accounts receivable. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the majority of sales and services of the Company and its subsidiaries are supplied to creditworthy customers such as state enterprises and government agencies and due to the large number of entities comprising the Company and its subsidiaries' customer base, the Company and its subsidiaries do not anticipate material losses from its debt collection. However, the management believes that the Company and its subsidiaries' maximum exposure to credit risk is limited to the carrying amount of receivables, loans and other receivables as stated in the balance sheets.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk related primarily to its cash at banks, bank overdrafts, short-term loans and long-term borrowings. However, since most of their financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2009 classified by type of interest rates are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date or the repricing date if this occurs before the maturity date.

	Consolidated financial statements					
	Fixed interest rates		Floating interest rate (Million Baht)	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	Over 5 years				
Financial Assets						
Cash and cash equivalents	-	-	959.67	-	959.67	0.005-1.350
Short-term investments - trading securities	-	-	-	110.81	110.81	
Trade accounts receivable - net	-	-	-	4,309.75	4,309.75	
Short-term loans to related parties - net	-	-	-	8.07	8.07	
Restricted bank deposits	-	-	126.83	-	126.83	0.100-2.625
Total	-	-	1,086.50	4,428.63	5,515.13	
Financial liabilities						
Bank overdrafts	-	-	204.67	-	204.67	5.70-7.75
Short-term loans from financial institutions	2,793.99	-	3,474.88	-	6,268.87	1.79-6.71
Trade accounts payable	-	-	-	1,579.73	1,579.73	
Amounts due to and short-term loans from related parties	-	-	-	1.56	1.56	
Short-term loans from unrelated company	-	-	12.61	-	12.61	6.85-7.75
Other payable and accounts payable for purchase of equipment	-	-	-	157.81	157.81	
Long-term loan from other company	-	55.00	-	-	55.00	7.25
Long-term loans from financial institutions	19.80	26.89	1,408.50	-	1,455.19	1.3125-6.2500
Liabilities under finance lease agreements	24.50	28.34	-	-	52.84	2.95-6.75
Total	2,838.29	110.23	5,100.66	1,739.10	9,788.28	

	Separate financial statements				
	Fixed interest rates Over 1 - 5	Floating interest rates	Non-interest bearing	Total	Effective interest rates
	Year	(Million Baht)			(% p.a.)
Financial Assets					
Cash and cash equivalents	-	207.18	-	207.18	0.05 - 1.35
Short-term investments - trading securities	-	-	27.78	27.78	
Trade accounts receivable - net	-	-	5.97	5.97	
Short-term loans to related parties - net	-	335.85	88.95	424.80	6.85 - 7.75
Total	-	543.03	122.70	665.73	
Financial liabilities					
Bank overdrafts	-	107.13	-	107.13	6.125 - 7.750
Short-term loans from financial institution	-	400.00	-	400.00	3.10 - 5.00
Trade amounts payable	-	-	4.81	4.81	
Amounts due to and short-term loans from related parties	-	228.49	3.91	232.40	1.75000-6.40938
Short-term loans from other company	55.00	-	-	55.00	7.25
Other payable and accounts payable for purchase of equipment	-	-	19.13	19.13	
Long-term loans from related parties	-	50.28	-	50.28	2.28469
Long-term loans from financial institutions	-	680.81	-	680.81	4.85 - 5.75
Liabilities under finance lease agreements	0.58	-	-	0.58	2.95 - 6.17
Total	55.58	1,466.71	27.85	1,550.14	

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. They seek to reduce this risk by entering into forward exchange contracts when they consider appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2009, the Company and its subsidiaries have significant foreign currency assets and liabilities that were unhedged against foreign exchange risk, as summarised below.

Foreign currency	Financial assets (Million)	Financial liabilities (Million)	Exchange rate as at 31 December 2009 (Baht per 1 foreign currency unit)	
			Buying rate	Selling rate
US dollar	37.97	35.74	33.2207	33.5168
Malaysian ringgit	0.02	-	9.5013	-
Euro	-	0.39	-	48.1284

Foreign exchange contracts outstanding at 31 December 2009 of the subsidiaries are summarised below.

Subsidiaries in Thailand

Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate (Baht per 1 foreign currency unit)	
			Bought	Sold
US dollar	30.14	4.12	33.2275-35.9457	33.14-34.12

Subsidiaries in Malaysia

Foreign currency	Consolidated financial statement	Maturity date	Forward contracts rate (Malaysian ringgit per unit of foreign currency)
	(Million)	(Million)	
Amount bought			
US dollar	6.61	February - April 2010	3.3970 - 3.5655

42.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term or in nature or bearing floating interest rates, their fair value is not expected to be materially different from the amount presented in the balance sheets.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

43. Capital management

The primary objectives of the Group company's capital management is to ensure that it has an appropriate financing structure and preserves the ability to continue its business as a going concern.

According to the balance sheet as at 31 December 2009, the Group's debt-to-equity ratio was 2.12:1 (2008: 1.83:1) and the Company's debt-to-equity ratio was 0.49:1 (2008: 0.45:1).

44. Reclassification

Certain amounts in the financial statements for the year ended 31 December 2008 have been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications are as follows:

(Unit : Baht)

	Consolidated financial statements	
	As reclassified	As previously reported
Balance sheets		
Cash and cash equivalents	935,978,078	955,602,449
Amounts due from and short-term loans to related parties	305,678	9,321,984
Other current assets	855,383,719	896,703,000
Other non-current assets	657,670,120	607,334,533
Bank overdrafts and short-term loans from financial institutions	4,709,912,756	4,729,537,127
Trade accounts payable - related parties	19,050	2,159,050
Trade accounts payable - unrelated parties	912,948,421	910,808,421
Amounts due to and short-term loans from related parties	2,673,821	15,627,436
Short-term loan from unrelated parties	12,606,000	-
Other current liabilities	752,612,858	752,265,243

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Income statements				
Other income	423,195,747	431,622,897	-	-
Cost of sales and service	12,878,146,360	12,901,248,010	-	-
Selling expenses	1,309,913,928	1,226,840,948	-	-
Administrative expenses	988,061,396	1,044,471,205	291,398,688	312,559,688
Management benefit expenses	71,161,912	-	21,161,000	-
Other expenses	181,698,338	262,894,268	-	-
Finance cost	382,920,307	382,787,558	-	-
Corporate income tax	103,288,134	101,375,536	-	-

45. Approval of financial statements

These financial statements were authorized for issue by the authorized Directors on 24 February 2010.

Remuneration of the Auditors

1) Audit Fee

Payment from the Company and the subsidiaries to Auditors

- Audit fee for accounting period ended December 31, 2009 of the Company was Baht 2,080,000 of which excluded other miscellaneous payment of Baht 67,809 (i.e. auditors' traveling expenses, photo copy expenses).
- Audit fee for accounting period ended December 31, 2009 of the subsidiaries that has the same auditor as the Company were Baht 4,405,000 of which excluded other miscellaneous payment of Baht 274,730 (i.e. auditors' traveling expenses, photo copy expenses).
- Audit fee for accounting period ended December 31, 2009 of the subsidiaries pay to audit firm or other persons or firms that related to the audit firm were Baht 4,550,000 of which excluded other miscellaneous payment of Baht 150,326 (i.e. auditors' traveling expenses, photo copy expenses).

2) Non-Audit Fee

- In 2009, Brain Source Co.,Ltd., an indirect subsidiary with stakeholding 59.47%, paid professional fee to Ernst & Young Office Limited for the review of compliance conditions stipulated in the investment promotion certificate submitted to BOI for the period ended December 31, 2009 at Baht 120,000.
- In 2009, Smarterware Co.,Ltd., an indirect subsidiary with stakeholding 72.34%, paid professional fee to Ernst & Young Office Limited for the review of compliance conditions stipulated in the investment promotion certificate submitted to BOI for the period ended December 31, 2009 at Baht 50,000.

The Board of Directors of Smart Corporation Public Company Limited

Name-Surname/Position	Age	Education	Shareholding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
1. Dr. Tongchat Hongladaromp - Chairman - Independent Director - Audit Committee Member - Chairman of the Nominating & Compensation Committee	71	- Ph.D (Civil Eng.), Northwestern University, Chicago, U.S.A - M.Eng. (Civil), Asian Institute of Technology Bangkok - B.Eng.(Civil), Chulalongkorn University, Bangkok - National Defence course (Class 32), National Defence College of Thailand - Director Accreditation Program (DAP) and Finance for Non-Finance Director, Thai Institute of Directors Association (IOD)	-	-	Apr 2008-Present May 2008-Present 2007-Present 2005-Present 2004-Present 2002-Present 1994-Present Present Present 2006-2008 2005-2008 2005-2008 1997-2008	Chairman / Audit Committee Member Chairman of the Nominating & Compensation Committee Chairman Director, Assessment Committee Independent Director Chairman Independent Director Advisor Advisor Director Director Director / Audit Committee Member Chairman	Smart Corporation Pcl. Smart Corporation Pcl. Thai Industrial gases Pcl. The Comptroller General's Department, Ministry of Finance Bangkok Polyethylene Pcl. The University Council King Mongkut's University of Technology Thonburi Sahavirity Steel Industries Pcl. PTT Chemical Pcl. PTT Exploration and Production Pcl. PTT Exploration and Production Pcl. PTT Chemical Pcl. Vinythai Pcl. TMB Asset Management Co., Ltd.
2. Mr. Pradang Pichayangkun - Vice Chairman - Independent Director - Chairman of the Audit Committee - Corporate Governance Committee Member - Nominating & Compensation Committee Member	75	- Bachelor Degree of Law, Thammasat University - National Defence course (Class 31), National Defence College of Thailand - Director Certification Program (DCP) and Audit Certification Program (ACP), Thai Institute of Directors Association (IOD)	0.005	-	Apr 2008-Present May 2008-Present May 2008-Present 1997-Apr 2008 2005-Apr 2008 2005-Apr 2008	Vice Chairman / Chairman of Audit Committee Corporate Governance Committee Member Nominating & Compensation Committee Member Chairman / Chairman of the Audit Committee Corporate Governance Committee Nominating & Compensation Committee Member	Smart Corporation Pcl. Smart Corporation Pcl. Smart Corporation Pcl. Smart Telcoms Pcl. Smart Telcoms Pcl. Smart Telcoms Pcl.

Remark : *Includes holdings by spouse and minor children

Name-Surname/Position	Age	Education	Shareholding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
3. Mr. Seri Suksathaporn - Independent Director - Audit Committee Member - Nominating & Compensation Committee Member - Chairman of the Corporate Governance Committee	73	- Master of Public Finance Administration (MPA), University of Southern California, USA - Bachelor Degree in Political Science, Chulalongkorn University - Director Certification Program (DCP), Thai Institute of Directors Association (IOD)	0.05	-	1999-Present 1999-Present May 2008-Present May 2008-Present 2005-May 2008 2005-May 2008	Director Audit Committee Member Nominating & Compensation Committee Member Chairman of the Corporate Governance Committee Chairman of the Nominating & Compensation Committee Chairman of the Nominating & Compensation Committee/ Corporate Governance Committee Member Budget Director Level 11 Budget Director for Security Affairs Budget Analyst Level 7 First Grade Budget Officer Public Service Division	Samart Corporation Pl. Samart Corporation Pl. Samart Corporation Pl. Samart Corporation Pl. Samartelcoms Pl. Samart Corporation Pl.
4. Mr. Aran Promrata - Independent Director - Audit Committee Member - Nominating & Compensation Committee Member	61	- Master of Education Panjab University of India - Director Certification Program (DCP) and Audit Certification Program (ACP), Thai Institute of Directors Association (IOD) - Financial Statements for Directors, Thai Institute of Directors Association (IOD)	0.001	-	Apr 2008-Present May 2008-Present 2000-Apr 2008	Director / Audit Committee Member Nominating & Compensation Committee Member Director / Audit Committee Member	Samart Corporation Pl. Samart Corporation Pl. Samart Telcoms Pl.
5. Mrs. Siripen Vilailuck - Director	70	- Director Certification Program (DCP), Thai Institute of Directors Association (IOD)	0.58	Mr.Charoenrath's Mr.Watchai's and Mr.Thananan's mother	1993-Present 1975-Present 1993-Present Feb 2008-May 2008	Director Director Director Nominating & Compensation Committee Member	Samart Corporation Pl. Samart Engineering Co., Ltd. Vilailuck International Holding Co., Ltd. Samart Corporation Pl.

Remark : childrenIncludes holdings by spouse and minor children

Name-Surname/Position	Age	Education	Shareholding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
6. Mr. Charoenrath Vilailuck - Authorized Director - Executive Chairman & CEO - Chairman of the Risk Management Committee	50	- Bachelor Degree in Engineering (Electrical Engineering), The University of Newcastle, Australia - National Defence course for the joint State-Private Sectors (Class 18), National Defence College of Thailand - Director Certification Program (DCP) and Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD)	4.73	Mrs.Siripen's son and Mr.Watchai's and Mr.Thananan's elder brother	1995-Present 1993-Present May 2008-Present 2005-Present 1995-Present 1993-Present Present 2006-May 2008 2005-2006 2005-2006 2004-2006 2003-2005	Executive Chairman & CEO Director Chairman of the Risk Management Committee Director Director Director Director Vice Chairman of the Risk Management Committee Nominating & Compensation Committee Member Nominating & Compensation Committee Member Chairman of the Risk Management Committee Chairman	Samart Corporation Plc. Samart Corporation Plc. Samart Corporation Plc. Samart I-Mobile Plc. Samart Telcoms Plc. Vilailuck International Holding Co., Ltd. Subsidiaries and Affiliated Companies (as details in Directors and Management in subsidiaries and affiliated companies) Samart Corporation Plc. Samart Corporation Plc. Samart I-Mobile Plc. Samart Corporation Plc. Samart I-Mobile Plc.
7. Mr. Watchai Vilailuck - Authorized Director - President - Chief Operating Member of Risk Management Committee	47	- Bachelor Degree in Accounting, Thammasat University - Certificate of Strategic Planning & Implementation, University of Michigan Business School, USA - Certificate of Management Program, United Kingdom - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) - National Defence course for the joint State-Private Sectors (Class 21), National Defence College of Thailand	4.97	Mrs.Siripen's son and Mr.Charoenrath's younger brother and Mr.Thananan's elder brother	2000-Present 1993-Present 2004-Present 2003-Present 2005-Present 2000-Present 1995-Present 1993-Present Present 2005-2006	President Director Chief Operating Member of Risk Management Committee Director/Executive Chairman & CEO Chairman of the Risk Management Committee Executive Chairman & CEO Director Director Director Nominating & Compensation Committee Member	Samart Corporation Plc. Samart Corporation Plc. Samart Corporation Plc. Samart I-Mobile Plc. Samart I-Mobile Plc. Samart Telcoms Plc. Samart Telcoms Plc. Vilailuck International Holding Co., Ltd. Subsidiaries and Affiliated Companies (as details in Directors and Management in subsidiaries and affiliated companies) Samart I-Mobile Plc.

Remark : *Includes holdings by spouse and minor children

Name-Surname/Position	Age	Education	Shareholding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
8. Mr. Sirichai Rasameechan - Authorized Director - Executive Vice Chairman - Risk Management Committee Member - Corporate Governance Committee Member	59	- Master of Accounting, Thammasat University - Bachelor Degree in Accounting, Thammasat University - Director Certification Program (DCP) and Finance for Non-Finance Directors Program, Thai Institute of Directors Association (IOD)	0.10	-	2000-Present 1996-Present 2005-Present 2004-Present 2005-Present May 2008-Present 1998-Present 2004-Present Present Present 2005-May 2008 2006-2007 2003-2006	Executive Vice Chairman Director Corporate Governance Committee Member Risk Management Committee Member Risk Management Committee Member Nominating & Compensation Committee Member Director Director Director Speaker Corporate Governance Committee Member Nominating & Compensation Committee Member Member Director	Samart Corporation Plc. Samart Corporation Plc. Samart Corporation Plc. Samart Corporation Plc. Samart I-Mobile Plc. Samart I-Mobile Plc. Samart Telcoms Plc. Ascon Construction Plc. Subsidiaries and Affiliated Companies (as details in Directors and Management in subsidiaries and affiliated companies) Thai Institute of Directors Association (IOD) Samart I-Mobile Plc. Samart Corporation Plc. Samart I-Mobile Plc.
9. Mr. Pairote Varophas - Authorized Director - Executive Vice Chairman - Risk Management Committee Member	58	- Master of Management, Northwestern University, USA - BA (Hons.) Accounting, Thammasat University - Certificate of Advanced Management Program : ISMP, Harvard Business School, USA Training courses from Thai Institute of Directors Association (IOD) - Director Certification Program (DCP) - Audit Certification Program (ACP) - Improving the Quality of Financial Reporting - Chartered Director Class - Accounting Amendments that Directors Should Know - Corporate Governance of Thai Listed Companies	0.04	-	2003-Present 2004-Present 2004-Present 2003-Present 2005-Present May 2008-Present May 2008-Present 2002-Present Present 2005-Present 2005-Feb 2008 2003-2006	Director / Executive Vice Chairman Acting Chief Operating Officer-ICT Solutions & Services LOB Risk Management Committee Member Director / Executive Vice Chairman Chairman of the Risk Management Committee Corporate Governance Committee Member Corporate Governance Committee Member Independent Director and Audit Committee Member Director Chairman Nominating & Compensation Committee Member Executive Director	Samart Corporation Plc. Samart Corporation Plc. Samart Corporation Plc. Samart Telcoms Plc. Samart Telcoms Plc. Samart Telcoms Plc. Samart I-Mobile Plc. Trinity Wattana Plc. Subsidiaries and Affiliated Companies (as details in Directors and Management in subsidiaries and affiliated companies) Siam Appraisal and services Co., Ltd. Samart Telcoms Plc. Samart I-Mobile Plc.

Remark : *Includes holdings by spouse and minor children

Name-Surname/Position	Age	Education	Shareholding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
10. Mr. Azwan Khan Bin Osman Khan - Director	40	- Bachelor of Engineering in Electrical Engineering (1 st class Honors) Imperial College of Science & Technology, University of London, United Kingdom.	-	-	Nov 2008-Present	Director	Samart Corporation Pcl.
					Oct 2008-Present	Director	Samart I-Mobile Pcl.
					Apr 2008-Present	Group Chief Strategy Officer	Axiata Group Berhad
					Present	Director	Subsidiaries and Affiliated Companies of Axiata Group Berhad
					2005-Mar 2008	Head of Corporate Strategy & Development	Celcom (Malaysia) Berhad
11. Mr. Reza Bin Abdul Rahim - Director	34	- BSc Accounting and Finance (1 st Class Honors) London School of Economic and Political Science, United Kingdom - MPhil in Finance University of Cambridge, United Kingdom	-	-	2000-2005	Project Leader	The Boston Consulting Group, Malaysia
					Apr 2009-Present	Director	Samart Corporation Pcl.
					Apr 2009-Present	Director	Samart I-Mobile Pcl.
					May 2009-Present	Nominating & Compensation Committee Member	Samart I-Mobile Pcl.
					Feb 2009-Present	Head, Group Corporate Finance	Axiata Group Berhad
					Aug 2008-Apr 2009	Alternate Director	SapuraCrest Petroleum Berhad
					Present	Director	Multinet Pakistan (Private) Limited
					Apr 2004-Feb 2009	Group Financial Controller / Chief Financial Officer	Sapura Technology Berhad / Sapura Holdings Sdn Bhd

Remark : *Includes holdings by spouse and minor children

Executives & Management of Smart Corporation Public Company Limited

Name-Surname/Position	Age	Education	Shareholding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
1. Mr. Charoenrath Vilailuck - Authorized Director - Executive Chairman & CEO - Chairman of the Risk Management Committee	50	- Bachelor Degree in Engineering (Electrical Engineering), The University of Newcastle, Australia - National Defence course for the joint State-Private Sectors (Class 18), National Defence College of Thailand - Director Certification Program (DCP) and Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD)	4.73	Mrs.Siripen's son and Mr.Watchai's and Mr.Thananan's elder brother	1995-Present	Executive Chairman & CEO	Smart Corporation Pcl.
					1993-Present	Director	Smart Corporation Pcl.
					May 2008-Present	Chairman of the Risk Management Committee	Smart Corporation Pcl.
					2005-Present	Director	Smart I-Mobile Pcl.
					1995-Present	Director	Smart Telcoms Pcl.
					1993-Present	Director	Vilailuck International Holding Co., Ltd
					Present	Director	Subsidiaries and Affiliated Companies (as details in Directors and Management in subsidiaries and affiliated companies)
					2006-May 2008	Vice Chairman of the Risk Management Committee	Smart Corporation Pcl.
					2005-2006	Nominating & Compensation Committee Member	Smart Corporation Pcl.
					2005-2006	Nominating & Compensation Committee Member	Smart I-Mobile Pcl.
2. Mr. Watchai Vilailuck - Authorized Director - President - Chief Operating Member of Risk Management Committee	47	- Bachelor Degree in Accounting, Thammasat University - Certificate of Strategic Planning & Implementation, University of Michigan Business School, USA - Certificate of Management Program, United Kingdom - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) - National Defence course for the joint State-Private Sectors (Class 21), National Defence College of Thailand	4.97	Mrs.Siripen's son and Mr.Charoenrath's younger brother and Mr.Thananan's elder brother	2004-2006	Chairman of the Risk Management Committee	Smart Corporation Pcl.
					2003-2005	Chairman	Smart I-Mobile Pcl.
					2000-Present	President	Smart Corporation Pcl.
					1993-Present	Director	Smart Corporation Pcl.
					2004-Present	Chief Operating Member of Risk Management Committee	Smart Corporation Pcl.
					2003-Present	Director / Executive Chairman & CEO	Smart I-Mobile Pcl.
					2005-Present	Chairman of the Risk Management Committee	Smart I-Mobile Pcl.
					2000-Present	Executive Chairman & CEO	Smart Telcoms Pcl.
					1995-Present	Director	Smart Telcoms Pcl.
					1993-Present	Director	Vilailuck International Holding Co., Ltd.
					2005-2006	Nominating & Compensation Committee Member	Subsidiaries and Affiliated Companies (as details in Directors and Management in subsidiaries and affiliated companies)

Remark: *Includes holdings by spouse and minor children

Name-Surname/Position	Age	Education	Shareholding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
3. Mr. Sirichai Rasameechan - Authorized Director - Executive Vice Chairman - Risk Management Committee Member - Corporate Governance Committee Member	59	- Master of Accounting, Thammasat University - Bachelor Degree in Accounting, Thammasat University - Director Certification Program (DCP) and Finance for Non-Finance Directors Program, Thai Institute of Directors Association (IOD)	0.10	-	2000-Present 1996-Present 2005-Present 2004-Present 2005-Present May 2008-Present 1998-Present 2004-Present Present Present 2005-May 2008 2006-2007 2003-2006	Executive Vice Chairman Director Corporate Governance Committee Member Risk Management Committee Member Risk Management Committee Member Nominating & Compensation Committee Member Director Director Director Speaker Corporate Governance Committee Member Nominating & Compensation Committee Member Director	Samart Corporation Plc. Samart Corporation Plc. Samart Corporation Plc. Samart Corporation Plc. Samart I-Mobile Plc. Samart I-Mobile Plc. Samart Telcoms Plc. Ascon Construction Plc. Subsidiaries and Affiliated Companies (as details in Directors and Management in subsidiaries and affiliated companies) Thai Institute of Directors Association (IOD) Samart I-Mobile Plc. Samart Corporation Plc. Samart I-Mobile Plc.
4. Mr. Pairote Varophas - Authorized Director - Executive Vice Chairman - Risk Management Committee Member	58	- Master of Management, Northwestern University, USA - BA (Hons.) Accounting, Thammasat University - Certificate of Advanced Management Program : ISMP, Harvard Business School, USA Training courses from Thai Institute of Directors Association (IOD) - Director Certification Program (DCP) - Audit Certification Program (ACP) - Improving the Quality of Financial Reporting - Chartered Director Class - Accounting Amendments that Directors Should Know - Corporate Governance of Thai Listed Companies	0.04	-	2003-Present 2004-Present 2004-Present 2003-Present 2005-Present May 2008-Present May 2008-Present 2002-Present Present 2005-Present 2005-Feb 2008 2003-2006	Director / Executive Vice Chairman Acting Chief Operating Officer- ICT Solutions & Services LOB Risk Management Committee Member Director / Executive Vice Chairman Chairman of the Risk Management Committee Corporate Governance Committee Member Corporate Governance Committee Member Independent Director and Audit Committee Member Director Chairman Nominating & Compensation Committee Member Director	Samart Corporation Plc. Samart Corporation Plc. Samart Corporation Plc. Samart Telcoms Plc. Samart Telcoms Plc. Samart Telcoms Plc. Samart I-Mobile Plc. Trinity Wattana Plc. Subsidiaries and Affiliated Companies (as details in Directors and Management in subsidiaries and affiliated companies) Siam Appraisal and services Co., Ltd. Samart Telcoms Plc. Samart I-Mobile Plc.

Remark: *Includes holdings by spouse and minor children

Name-Surname/Position	Age	Education	Shareholding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
5. Mr. Lai Ki Tong - Vice President - Risk Management Committee Member	56	- Professional Qualification, Institute of Chartered Secretaries and Administration, United Kingdom - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD)	-	-	2003-Present 2004-Present 2006-June 2008 2006-2007 Apr 2006-Dec 2006	Vice President Risk Management Committee Member Director Nominating & Compensation Committee Member Director	Samart Corporation Pcl. Samart Corporation Pcl. TM International Cambodia Co., Ltd. Samart I-Mobile Pcl. Samart I-Mobile Pcl.
6. Mr. Thananan Vliailuck - Executive Director - President of Mobile Multimedia LOB	43	- Master of Engineering, University of Florida, USA - Bachelor Degree in Engineering, Kasetsart University - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD)	1.70	Mrs.Siripen's son and Mr.Charoenrath's and Mr.Watchai's younger brother	2007-Present 2006-Present 2006-Present 2003-Present 2005-Present 1993-Present Present 2003-2006	Executive Director President of Mobile Multimedia LOB President Director / Executive Director Risk Management Committee Member Director Director Deputy Chief Operating Officer-Mobile Business	Samart Corporation Pcl. Samart Corporation Pcl. Samart I-Mobile Pcl. Samart I-Mobile Pcl. Samart I-Mobile Pcl. Vliailuck International Holding Co., Ltd. Subsidiaries and Affiliated Companies (as details in Directors and Management in subsidiaries and affiliated companies) Samart I-Mobile Pcl.

Remark: *Includes holdings by spouse and minor children

Directors and Managements in Subsidiaries, Affiliated Companies and Related Company as of December 31, 2009

[illegible]

Remark : 1) x = Chairman, / = Director, // = Executive Director, /// = Managements

2) Companies Symbol;

- | | | | | | | | | | | | |
|-----|-------------|--|-------------|------|---|-----|-------------|--|-----|--------|---|
| 1. | SC | = Smart Corporation Pcl. | 2. | SIM | = Samart I-Mobile Pcl. | 3. | SMS | = Samart Mobile Services Co., Ltd. | 4. | BUG | = Samart Multimedia Co., Ltd. |
| 5. | SIAM | = Samart Interactive Media Co., Ltd. | 6. | IMI | = I-Mobile International Co. Ltd. | 7. | SIMM | = Samart I-Mobile (Malaysia) Sdn. Bhd. | 8. | SIMI | = PT Samart I-Mobile Indonesia Co. Ltd. |
| 9. | SIMH | = Samart I-Mobile (Hong Kong) Co., Ltd. | 10. | BS | = Brain Source Co., Ltd. | 11. | IMNP | = I-Mobile NetPlus Co., Ltd. | 12. | IMIT | = I-Mobile Inter trade Co., Ltd. |
| 13. | STC | = Samart Telcoms Pcl. | 14. | SCS | = Samart Communication Services Co., Ltd. | 15. | SCT | = Samart Comtech Co., Ltd | 16. | SR&D | = Samart Research and Development Co.Ltd. |
| 17. | SBS | = Samart Broadband Services Co., Ltd. | 18. | TTN | = Thai Trade Net Co., Ltd. | 19. | PN | = Posnet Co., Ltd. | 20. | SIF | = Samart Infonet Co., Ltd. |
| 21. | STW | = Smartenware Co., Ltd. | 22. | CATS | = Cambodia Air Traffic Services Co., Ltd. | 23. | KPP | = Kampot Power Plant Co., Ltd. | 24. | SI | = Samart International Co., Ltd. |
| 25. | SEC | = Suvamabhumi Environment Care Co., Ltd. | 26. | OTO | = One To One Contacts Co., Ltd. | 27. | VSS | = Vision and Security System Co., Ltd. | 28. | SE | = Samart Engineering Co., Ltd. |
| 29. | CIO | = Contact-In-One Co., Ltd. | 30. | SIH | = Samart Inter Holding Co., Ltd. | 31. | SRT | = Samart Raditech Co., Ltd. | 32. | OTOPRO | = One To One Professional Co., Ltd. |
| 33. | I-SPORT | = I-Sport Co., Ltd. | 34. | TAL | = Take A Look Co., Ltd. | 35. | CS | = Cambodia Samart Co., Ltd. | 36. | OASIS | = OASIS Consulting Co., Ltd. |
| 37. | VIH | = Vlaluck International Holding Co.,Ltd. | | | | | | | | | |
| (1) | Held by SIM | (2) | Held by BUG | (3) | Held by IMI | (4) | Held by STC | | | | |
| (5) | Held by SE | (6) | Held by SIH | (7) | Held by OTO | | | | | | |

(4) Held by STC

(3) Held by IMI

(7) Held by OTO

Board of Directors & Committees

Directors of Sub-Committees	Board of Director	Executive Board	Audit Committee	Risk Management Committee	Corporate Governance Committee	Nominating and Compensation Committee
1. Dr. Tongchat Hongladaromp	x		/			x
2. Mr. Pradang Prichayangkun	/		x		/	/
3. Mr. Seri Suksathaporn	/		/		x	/
4. Mr. Aran Promrata	/		/			/
5. Mrs. Siripen Vilailuck	/					
6. Mr. Charoenrath Vilailuck	/	x		x		
7. Mr. Watchai Vilailuck	/	/		/		
8. Mr. Sirichai Rasameechan	/	/		/	/	
9. Mr. Pairote Varophas	/	/		/		
10. Mr. Azwan Khan Bin Osman Khan	/					
11. Mr. Reza Bin Abdul Rahim	/					
12. Mr. Lai Ki Tong		/		/		
13. Mr. Thananan Vilailuck		/		/		
14. Mr. Sommai Damnoenkiat				/		
15. Mrs. Sukanya Vanichjakvong				/		
16. Mr. Jong Diloksombat				/		
17. Mr. Prasitchai Veerayuttwilai				/		

Remark : x = Chairman, / = Director, Committee Member

Major Subsidiaries' Directors

Name of Directors	Subsidiaries		
	Samart I-Mobile Pcl.	Samart Telcoms Pcl.	Samart Multimedia Co., Ltd.
1. Mr. Charoenrath Vilailuck	/	//	
2. Mr. Watchai Vilailuck	//	//	x
3. Mr. Sirichai Rasameechan		//	/
4. Mr. Pairote Varophas		//	
5. Mr. Reza Bin Abdul Rahim	/		
6. Mr. Azwan Khan Bin Osman Khan	/		
7. Prof. Suphachai Phisitvanich	x		
8. Dr. Chotivid Chayavadhanangkur	/		
9. Mr. Kunthit Arunyanonda	/		
10. Mr. Sombut Uthaisang		x	
11. General Sumpun Boonyanun		/	
12. Ms. Rapeepan Luangaramrut		/	
13. Mr. Narongchai Satanupong		/	
14. Mr. Kajornvut Tayanukorn		/	
15. Mr. Thananan Vilailuck	//		/
16. Mr. Jong Diloksombat	//		/
17. Mr. Thawee Udomkijchot			/

Remark : x = Chairman, / = Director, // = Executive Director

Samart Corporation Public Company Limited

Company	:	Samart Corporation Public Company Limited
Head Office	:	99/1 Moo 4 Software Park, 35 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Thailand
Registration No.	:	0107536000188
Home Page	:	http://www.samartcorp.com
Telephone	:	0-2502-6000, 0-2975-5777
Fax.	:	0-2502-6186
Registered Capital	:	Baht 1,006,601,830
Number of shares sold	:	977,070,910 shares
Par Value	:	Baht 1 per share

Other References

Company registrar	:	Thailand Securities and Depository Co.,Ltd. Capital Market Academy Building, The Stock Exchange of Thailand 2/7 Moo 4, (North Park Project) Vibhavadi-Rangsit Road, Km. 27, Tung Song Hong, Laksi, Bangkok 10210
Telephone	:	0-2596-9000 ext. 9304 Direct Line 0-2596-9304
Fax.	:	0-2832-4994 to 4996
Auditor	:	Mrs. Saifon Inkaew Certified Public Accountant C.P.A. license No. 4434 Ernst & Young Office Limited. 33 rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek road, Klongtoey, Bangkok 10110
Telephone	:	0-2264-0777, 0-2661-9190
Fax.	:	0-2264-078-90, 0-2661-9192



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