



THE POWER OF SYNERGY

2011 Annual Report

SAMART CORPORATION PUBLIC COMPANY LIMITED





Contents

Message from the Board of Directors	002
Board of Directors	004
Vision & Mission	008
Social Contribution Activities	010
Report of the Audit Committee	014
Report of the Executive Board	016
Report of the Risk Management Committee	017
Report of the Corporate Governance Committee	018
Report of the Nominating and Compensation Committee	020
Financial Highlights	021
Nature of Business	022
Business Structure 2011	023
Revenue Structure	024
Changes during the year	025
Industry and Competitive Analysis	027
Risk Factors	029
Shareholders	033
Shareholdings of Samart Corporation Pcl. in Subsidiaries and Affiliated Companies	034
Management	039
Corporate Governance	050
Connected Transactions	075
Financial Analysis	080
Report of the Board of Directors' Responsibility on the Company's Financial Statements	084
Report of Independent Auditor	085
Financial Statements	087
Remuneration of the Auditors	166
Directors and Management	167
Other References	176

Message from the Board of Directors



A handwritten signature in black ink, which appears to read 'To Hongladaromp'.

(Dr. Tongchat Hongladaromp)
Chairman
Samart Corporation Public Company Limited

In the year of 2011, Thailand has confronted increasing challenges from both external and internal conditions. The global economic crisis was giving a headwind across all countries, which stemmed mainly from an economic slowdown in the United States and sovereign debt problems in many euro-area countries. Such adversely affected foreign investment around the world. Domestically, several major events took place in the territory. Significant political changes came after the election in July 2011 and the nation's worst floods in decades swept a number of houses and industrial facilities tremendously damaging the Thai economy.

2011 was another challenging, yet, record year of performance for SAMART Group. Through our commitment for business operations and adjustment for uncertainties, SAMART Group delivered superior financial performance in 2011. Total revenues was Baht 19,964 million in 2011, up 23 percent from the prior year and net profit was Baht 836 million, up 34 percent.

Major Events and Outstanding Results in 2011

Robust Growth in Income and Profit

The Group's revenue growth was driven mainly by the ICT Solutions & Services, which stood to be beneficiary of the government and public agencies' focus on development of the country's telecommunications infrastructure. In the previous year, our Group subsidiary, Samart Communication Services Co., Ltd. was granted a more-than-15,000-million-baht project, installing 3G Network Phase I, from TOT Public Company Limited. The Group's Technology-Related business in the country and oversea continued to expand in terms of revenue and profit. However, its Mobile Multimedia operation has confronted a number of challenges in the mobile phone industry while drawing out a new strategy for business sustainability paving the way for full services of MVNO within 2012.

Stay Focused to Build On Business Sustainability and Expand New Business

Having a certain goal to pursue its business expansion with sustainability, SAMART Group concentrates on growing its recurring revenue continuously. It is planning further for expansion of its new business in Utilities and Transportations (U-TRANS) to become a new driver for the Group in the future.

Message from the Board of Directors



(Mr. Charoenrath Vilailuck)
Executive Chairman
Samar Corporation Public Company Limited



Respond to the Government Policy

SAMART Group willingly responds to the government policy on the minimum wage increase in 2012. It is well-prepared for the wage rise and lays out its business plan to cope with such policy without any impacts on the Group's performance.

Participate in Strengthening the Thai Society

Through our creativity and commitment on development of products and services, a small electrical equipment repair shop in 50 years ago grew continuously to be SAMART Group today. The company, thus, places promotion of creative ideas and opportunities in education and professional training from SAMART Group's experts as priorities. Such attempts aims to building up quality people through a number of projects, including the 9th consecutive Samart Innovation Awards, Samart Technician School Project and Scholarships for underprivileged people with excellent academic performance. From this moment onward, the Company will not only focus on building up quality people, but also construct the moral society with projects like a project on planting ideas and creating mind following the Buddhism's principles. This project is open for interested persons to participate in the training and practice Dhamma at no cost. We strongly believe that "Quality People and Moral Society" will constitute major foundations for prosperity and sustainability for communities, the society and the nation.

We, on behalf of Samar Corporation Public Company Limited's Board of Directors, would like to thank all shareholders, business partners, traders, customers, financial institutions, relevant public agencies, executives, staff and other relevant parties for their continuous supports. SAMART Group will continue to emphasize on operating businesses with carefulness and stability, stay balanced to cope with changing environment, create benefits to the Thai society and adhere to the good governance.



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. Prinya Waiwatana

- Independent Director
- Corporate Governance 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

Concept

The Power of Synergy

“We Make Every Opportunity Possible
with The Power of Synergy”



Business Achievement

- **ICT Solutions won more than 15 projects ;** TOT's 3G Network Installation, TOT's SchoolNet Extension, PEA's Automatic Meter Reading, MOD's Backbone System.
- **Mobile-Multimedia**
 - **Mobile Business** : Launched 55 Models and New Services.
 - **Content Business** : EDTGuide.com No.1 Travel Website, Launch New Mobile Applications, 24-Hour Sport TV Channels.
 - **MVNO** : Expand point of Sales and Services with 285,000 Subscribers.
- **Related Technology** Revenues recorded all time high and expected to grow further in the following year.



SYNERGY

to best serve our customers
with innovative and well-rounded communication technology

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.



SYNERGY

to generate greater business returns
and sustainable growth by synergizing our resources
and expertise

"Power of Goodness" for Sustainable Happiness in Thai Society

"Power of Goodness"
Comes from our
"Sincerity"



In 2011, big flood ravaged so many areas in Thailand and affected so many people. Aware of flood victims' grievances, **"Samart Group"** has offered help via various channels. Not only that its teams have directly delivered relief items to the affected people, but Samart Group has also made donations in the form of cash and necessities via several government agencies.

The above delivery of assistance has testified to **"Samart Group"** commitment to, **"Good Governance, Responsibility toward Employees, Customers and Shareholders, and Support for the Society"**. Operating in Thailand for more than 55 years, Samart Group is a Thai firm with the determination to deliver happiness, more smiles and better quality of life to Thai people. Samart Group, therefore, has conducted the following projects:

1) "Power of Development" : We seek to boost Thais' abilities and vocational skills.

Because the empowerment of Thais nourishes the grass roots of Thai society and bolsters its sustainability, **"Samart Group"** has continued to give educational opportunities and empowerment opportunities to Thai youth...

• Samart Scholarships Project

- Bachelor's Degree Level : Since 2008, continuing scholarships have been granted via Thammasat University's Faculty of Commerce and Consultancy, Faculty of Economics, Faculty of Nursing, Faculty of Science and Technology, and Faculty of Engineering (Scholarships are given to newly-selected five recipients each year after which they will continue to receive grants until their graduation). In 2011, a total of 20 scholarships worth Baht 1,496,720 were given at this level.
- Master-Degree Level : Five scholarships have been given to graduate students with good academic performances, good behaviors, good contributions to the society, and a need for financial help via the Mahidol University every year (2007-present). The scholarships at this level are worth Baht 95,000 each year.
- Other types of scholarships : Via the Samart Foundation, Samart Group has granted one Baht 20,000 scholarship to the Boromarajonani College of Nursing and one Baht 100,000 research grant to Faculty of Engineering Foundation, Mahidol University.

• Samart Innovation Awards :

Samart Corporation Pcl. has organized the Samart Innovation Awards program for nine consecutive years (2003-2011) with aim to encourage creativity in software design and development, as well as to support Thai software developers in advancing their creations' commercial potential and pushing their products into Thai and overseas markets.

In 2011, Samart Corporation Pcl. provided Android Workshops for many educational institutes including King Mongkut's Institute of Technology Ladkrabang, Rangsit University and Mahidol University so as to equip their students with software-development skills. Her Royal Highness Princess Chakri Maha Sirindhorn has given trophies to the winners of the Samart Innovation Awards for two consecutive years now.



SYNERGY

to make a difference
and bring a better quality of life to the society
through our constructive social contributions



"Power of Goodness" for Sustainable Happiness in Thai Society (continued)

• Samart Mechanics School :

It has taught its students how to install "antennas and satellite dishes".

• Support for Sports Activities

- "Children's Experiences with Chelsea Asia Tour 2011" : Organized by Samart Corporation Pcl, these activities allowed 300 children from the Foundation for the Better Life of Children, Chaipruek Foundation, and Baannokkamin Foundation to watch the football match between Chelsea and TPL All Stars.
- Samart Group has supported Thailand's football industry by giving fund to Muangthong United Team, Buriram PEA Team, Buriram Football Club, Chonburi Football Club, Phrae United, Ratchaburi Football Club, TOT Team, and the Northern Football Club. Moreover, Samart Group has also been a sponsor of the Challenge Trophy handball tournaments and Thai Youth Rugby Championship.

• Support for Other Skill Development and Creativity

- Samart Telcoms Pcl. has given Baht 500,000 to the "Fund for Development of Teachers, Faculty Staff and Educational Personnel".
- Samart Infonet Co., Ltd. and Samart Ed-Tech Co., Ltd. have provided training on "Internet management for educational institutes" to Pongsawadi Technical College and affiliated schools.
- Samart Group has been a sponsor of the Chiang Mai-based International Royal Flora Ratchaphruek 2011.

2) "Power of Giving and Sharing" : We support charity works.

Samart Group has assisted disaster victims, needy communities and disadvantaged people

• "Samart D Club Project" :

Under this project, staff of Samart Group have joined hands in extending help to the society in various aspects. This project seeks to engage Samart staff in thinking and acting for the public. The staff are thus encouraged to give, to share, and to help out via a number of activities such as :

- "Dhamma Offers a Lot" : Held at the Buddhamonthon Buddhist Park, these activities have encouraged the staff and their children to embrace ethics and moral excellence.
- "Braille books" : Braille books are published and given to the Educational Technology Center for the Blind.



- **"Volunteers"** : The staff have volunteered their services for activities useful to the public such as packing and handing out relief items to flood victims, and joining trips about royal initiatives.

- **Help for Flood Victims :**

- **Samart Corporation Pcl** : It has given Baht 3 million to the Flood Relief Operation Center (FROC). It has also delivered 20 sets of LCD, satellite dishes and receivers, plus 20 boats to flood victims in Nonthaburi's Pak Kret district, Bangkok's Lak Si and Don Mueang districts, and Pathum Thani's Lam Luk Ka district. Moreover, it has handed out 1,000 sets of food and drinking water to affected people in Don Mueang district. On top of this, it has donated Baht 500,000 to flood victims in the South and Baht 100,000 to flood victims in Nakhon Sawan.
- **Samart I-Mobile Pcl** : It has given 20 fiberglass boats to flood victims, and 100 i-mobile cell phones to media crew and officials for the purpose of facilitating their flood-relief operations. Also, it has donated 300 relief-item bags worth Baht 100,000 to flood victims via the Channel 7 television station. Flood victims can get free repair services for their i-mobile cell phones from Samart I-Mobile outlets too.
- **Samart Telcoms Pcl** : In collaboration with Cisco Systems (Thailand), it gave 1,000 T-shirts to soldiers engaging in flood-relief operations via the 1st Division the King's Guard and the 2nd Infantry Division the King's Guard, as well as 1,000 food boxes to flood victims via the Lands Department. Also, it and Motorola (Thailand) jointly provided 100 Motorola cell phones and two Motorola radio-communication devices to the National Police Office for the purpose of facilitating flood-relief operations.
- **Samart Foundation** : It has given medicines for athlete's foot and 600 sets of relief items to flood victims in Ayutthaya's Sena district.

- **Other Types of Charity Works by Samart Group and Samart Foundation :**

- Baht 50,000 donation to **"Maha Jakkrapad Fund-Raising Campaign"** organized by Dollar Wanaram Temple in Sweden.
- Baht 200,000 donation to Japan's tsunami victims via the Thai Red Cross Society
- Baht 500,000 donation to Southern Flood victims via the TV Channel 3
- Donation of 200 blankets, snacks and learning materials to the Foundation of Better Life for Children.
- Baht 10,000 donation for New Year activities at Underprivileged Youth Training Center in Nualjit Community, Vadhana district, Bangkok

3) "Power of Trend Shaping" : We promote environmental protection and energy conservation.

"Samart Group" has campaigned for the environmental protection and the energy conservation so as to inculcate the right attitudes in people, who will then start using resources wisely. For example, the energy-saving Lor Ling project has been conducted every year. In 2011, the project was promoted under the theme **"Super Save : Discounts for all Departments"**.

Report of the Audit Committee

To Shareholders of Samart Corporation Public Company Limited

The Audit Committee of Samart Corporation Public Company Limited consists of three experienced independent directors on finance, accounting, law and management. Mr. Pradang Prichayangkun is a Chairman while Dr. Tongchat Hongladaromp and Mr. Seri Suksathaporn are the Committee's members with Mrs. Vorapin Isaradharm as Secretary. All members have adequate qualification for their post as specified by the Audit Committee Charter and in accordance with regulations and Best Practice guidelines of the Stock Exchange of Thailand.

The Committee performs its duties and responsibilities as assigned by the Board of Directors to supervise and oversee the Company's state of affairs, independently to ensure that the Company's Business operations are carried out without any conflict of interest but in adequacy of internal control systems and the Management have executed their duties with honesty, responsibilities and in accordance with Company's policies.

The Committee held a total of 4 meetings in the fiscal year 2011. At the meetings, the Committee discussed and shared opinions with senior management, internal auditors, and the external auditors on matters related to the Company's business, which can be summarized as follows :

- The Audit Committee reviewed the Company and consolidated quarterly and annual financial statement for 2011 which had already been reviewed and audited by the external auditor and submitted for further approval of the Board of directors.

Prior to consider the financial statement, meetings with management and the external auditors had been held for accuracy and completeness of the financial statement as well as the adequacy of the financial disclosures. The Audit Committee also considered the readiness for compliance of the International Financial Reporting Standard (IFRS) of the Company.

The Committee concluded that the internal control systems of the financial reporting process were adequate to ensure that the financial statements accurately depicted the Company's financial status and operating results in all material respects. Furthermore, the Committee determined that the financial statements were in accordance with all legally defined accounting principles and were adequately and promptly disclosed for the benefit of shareholders, investors, and users of such statements for the purposes of making informed investment decisions. In addition, the Company is ready to comply with the IFRS.

- The Audit Committee reviewed the connected or conflicts of interest transactions to ensure the compliance with laws, rules and regulations prescribed by the Capital Market Supervisory Board and other regulatory bodies, and the highest benefit of the Company. The Committee concluded that the aforementioned transactions conducted by Management were fair and without conflict of interest and maximized benefit to the Company and shareholders on an arm's length basis under normal commercial terms.
- The Audit Committee, in conjunction with the Company's Internal Legal Counsel and Compliance Department, reviewed adherence to the Securities and Exchange Act, and to the respective regulations of The Securities and Exchange Commission, The Stock Exchange of Thailand, The Capital Market Supervisory Board, and other relevant laws as well as business commitments with third party agreements.

- The Audit Committee was responsible for overseeing the Internal Audit Department to ensure that all internal audit activities are performed effectively, efficiently and carried out in a manner most beneficial to the Company and its stakeholders. In doing so, the Committee reviewed its mission statement, scope of work, and those responsibilities, including annual budget and sufficiency of manpower and audit tools, which enhance quality of internal audit to conform to international standards.

The Committee concluded that the internal audit processes and systems were being performed independently, sufficiently and effectively, and the annual audit plan of the Internal Audit was in accordance with Company's goals and key risk areas. The internal audit process also demonstrated continuous improvement in respect of personal and conformity with international standards.

- The Audit Committee submitted its quarterly reports to the Board of Directors with valuable recommendations that were subsequently adopted by the management.
- The Audit Committee took into consideration the nomination and appointment of the external auditor and the annual audit fee. This process entailed assessment of the current external auditor for its independence, performance in the past year, knowledge, competency, experience in the telecommunications industry, supporting unit of the audit firm, and also the competitiveness of the audit fee as one of the key consideration.
- The Audit Committee conducted its performance self assessment, which consisted of reviewing its composition, authority, independence, meetings, auditing performance, and the expressing opinions, all of which should benefit the Company on internal control and risk management systems, financial reporting, external audit process of the external auditor, the internal audit system and compliance with applicable regulatory requirements. This self-assessment was benchmarked against the Best Practice guidelines from the Stock Exchange of Thailand and the Audit Committee Charter.

The Committee came to the conclusion that its scope of work and performance were independent and consistent with Best Practice guidelines and the Audit Committee Charter, effectively aiding in the fulfillment of Good Corporate Governance.

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

In summary, the Audit Committee determined that the Board of Director, Management, and Executive Directors all performed ethically with the intent to conduct their job functions professionally in pursuit of the Company's performance goals. Furthermore, it concluded that the Company is fully committed to and sees effective Corporate Governance as vital to its business and has established concise and appropriate risk management and internal control systems.



(Mr. Pradang Prichayangkun)
Chairman of the Audit Committee
Samart Corporation Public Company Limited

Report of 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 2011, the Executive Board held 16 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 subsidiaries**

The Executive Board shall regularly review and monitor business operations of the subsidiaries and provide advise for any problems may have to achieve business target.

- **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, etc.

- **Establish Remuneration Policies and Employee Salary Guidelines**

The Executive Board analyzed and assessed the increase of salary payment for 2012 and criteria for bonus calculation for 2011. 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 the good corporate governance principle in order to fulfill the targets on enhancement of stability and growth on continued basis which can further lead to the sustainable growth of business.



(Mr. 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 that risk management can significantly impact to the business operations, therefore, the Company has set up the policy that the Company and its subsidiaries must assess risks which might impact business operations and the management of each unit shall attend the meeting in order to prepare risk management plan. Business risk assessment of the Company also includes risks prevention and correction, hence, during the 4th quarter when there was massive flood crisis which has caused damages to some subsidiaries, but it did not have any significant impact to the Company because there were extensive and comprehensive risk prevention measures in place.

In 2011, Risk Management Committee has arranged 4 meetings and the essences considered can be summarized as followed :

- **Presentation of 2011 risk management**

The Risk Management Committee has assigned the internal audit unit to be the coordinator for risk management meeting to request the management of the related units to propose risk management plan for 2011 to the Risk Management Committee for consideration and approval.

- **Risk assessment and preventive/corrective measures**

The Risk Management Committee has conducted risks assessment which covered the entire organization and which might have impacts to the target achievement on business operations of both the Company and its subsidiaries. Risks have been prioritized from high to low levels. Then the responsible persons shall be assigned to find the preventive, corrective and mitigate measures from such risks to make them be in the acceptable level, so the business operations can achieve the targets and strategies specified.

- **Following-up the operations of risk prevention and management measures**

The Risk Management Committee has followed-up the operations of risk management closely by arranging the meetings with the relevant units every quarter to acknowledge the risk management results. In addition, risks of the Company and its subsidiaries have been reviewed constantly to check that which risks were escalated or changed. The Committee has provided additional recommendations so that such risk management can be truly effectively and efficiently.

Based on the above operations, the Risk Management Committee has considered and deemed that the Company has prepared risk management plans and followed such plans continually and effectively. Such plans were in line with the good corporate governance as well as adequate internal control and were suitable with the business, and they were fully and correctly compliance with the relevant laws, rules and regulations.



(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 principles of corporate governance of SET and OECD (The Organization for Economic Co-operation and Development) 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 2011 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 2011 and disclose in the Annual Report for acknowledgement of the shareholders as well as to review and revise the charter of each committee.

- **CEO and Board Self-Assessment.**

To comply with the principles of Corporate Governance of SET, the Committee encouraged and supported the Board of Directors on having an annual Board Self-Assessment as well as assessment on CEO Appraisal Results and recommendation of the evaluation will be considered for further improvement.

- **Agenda and enquiries for AGM.**

For equitably treatment of shareholders, the Committee encouraged to allow minority shareholders to propose agenda and submit any enquiries for consideration in the Annual General Meeting of Shareholders.

- **Meeting among Independent Director**

To comply with the principles of Corporate Governance of SET, the Committee arranged the separate meeting for the independent directors without participate of the Management of the Company for consideration any matters may have.

As the corporate governance operation has been developed on continued basis, hence, corporate governance of the Company has been ranked in good level from the assessment of the independent organizations, arranged by Thai Institute of Directors in corporation with the Office of Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand. Furthermore, in 2011 the Company and two listed subsidiaries, Samart I-Mobile Pcl. and Samart Telcoms Pcl., were classified as **Excellence** on the quality assessment of Shareholders arrangement with score 96 percent from the Thai Investors Association.

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. In addition, the Company adheres to conduct business in parallel with paying attention and preserving the society and environment under good corporate governance and business ethics, as well as having good and auditable management. These practices shall strengthen the growth of the Company's business in the long run, which shall be beneficial to all stakeholders including the society and the country as a whole.



(Mr. Seri Suksathaporn)

Chairman of the Corporate Governance Committee
Samart Corporation Public Company Limited

Report of 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 three occasions in 2011 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 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.
- **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 2012 and the calculation of 2011 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 2011, 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	2011	2010
Total Asset	18,352	13,529
Total Liabilities	12,356	8,004
Total Shareholders' Equity	5,996	5,526
Sales and Services Income	19,767	15,921
Total Revenue	19,964	16,259
Gross Profit	3,780	3,315
Net Profit (Loss) (Equity holder of the subsidiaries)	836	623

Financial Ratio	2011	2010
Earning Per Share (Baht)	0.86	0.66
Book Value Per Share (Baht)	4.85	4.55
Dividend Per Share (Baht)	0.52 *	0.40
Net Profit (Loss) Margin	4.19	3.83
Return on Equity	18.55	15.16
Return on Total Assets	5.24	4.29

Remark : * Dividend per share comprised of interim dividend for January - June 2011 of Baht 0.22 and Baht 0.30 which will be proposed for consideration of shareholders in the Annual General Meeting 2012.

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 :

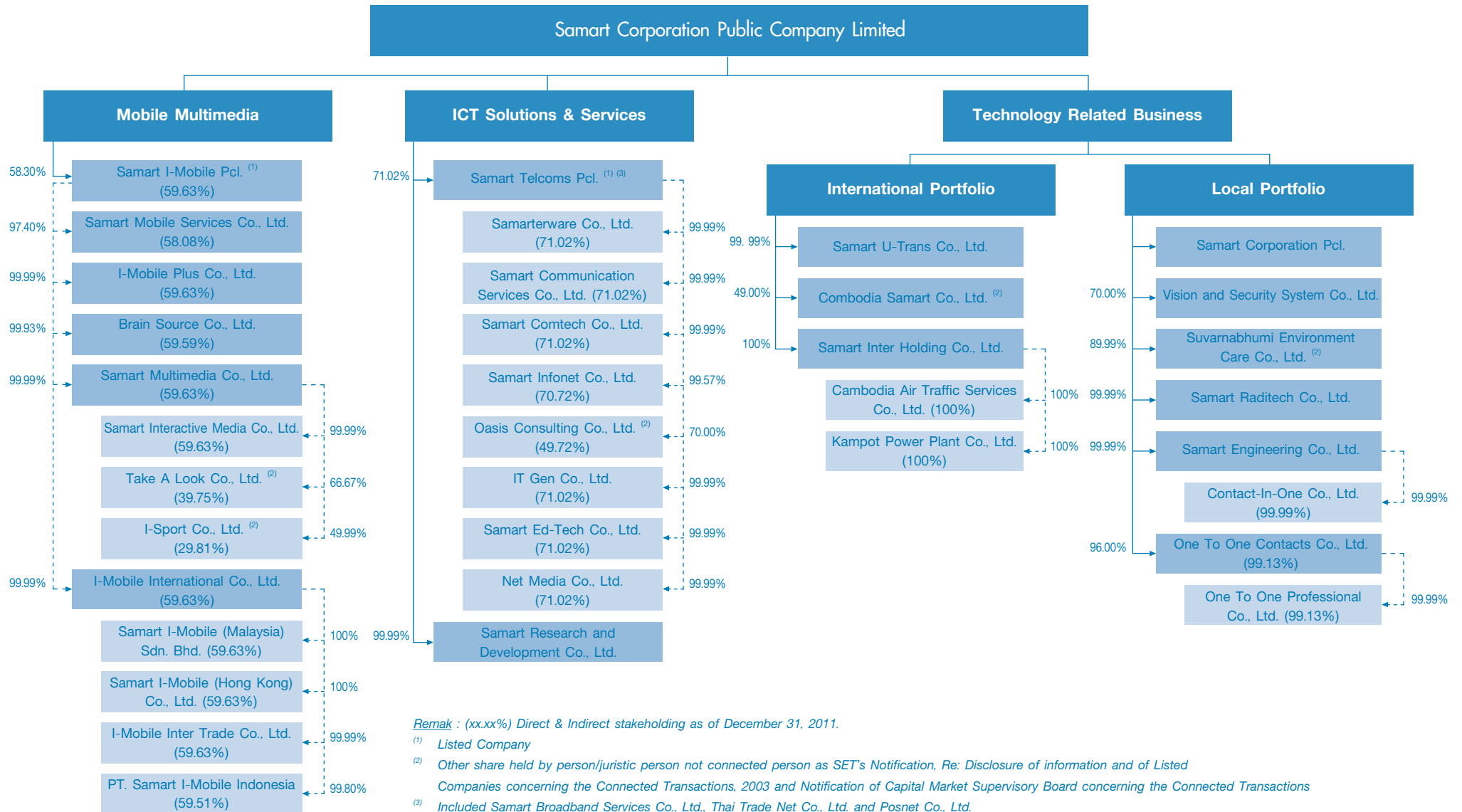
No.	Group of Business	Nature of Business	Percentage of Income* 2011
1	Mobile Multimedia	Integrated mobile and interactive media business including infotainment service provider via advanced media and also provide media and multimedia equipment for local and international.	35%
2	ICT Solutions & Services	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.	51%
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>	14%

*Remark : * Percentage of 2011 consolidated revenue from Sales and Services.*

Sales and Service income in 2011 was Baht 19,767 million with gross profit of Baht 3,780 million equivalent to 19.12% of total sales. Selling & Admin Expenses was Baht 2,132 million or 10.68% of total revenue while finance cost was Baht 391 million and tax of Baht 295 million of which resulted to the net profit of Baht 836 million.

In terms of revenue contribution by lines of business (LOB), Mobile Multimedia generated 35% of the Group revenue in 2011, while ICT Solutions & Services was 51% and Technology Related Business was 14%.

Business Structure 2011



Revenue Structure

(Unit : Million Baht)

Business Group	Operation by Company	% of Holding 2011 ^(*)	2009		2010		2011	
			Revenue	%	Revenue	%	Revenue	%
1) Mobile Multimedia	Samart I-Mobile Pcl.	59.63	6,207.2	36.4	5,913.2	37.2	4,845.4	24.5
	Samart I-Mobile (Malaysia) Sdn.Bhd.	59.63	709.5	4.2	831.3	5.2	775.6	3.9
	Samart Multimedia Co., Ltd.	59.63	739.0	4.3	818.7	5.1	740.3	3.8
	Others	-	1,108.2	6.4	414.8	2.6	551.1	2.8
Sub Total			8,763.9	51.3	7,978.0	50.1	6,912.4	35.0
2) ICT Solutions & Services	Samart Telcoms Pcl.	71.02	3,383.2	19.9	3,039.9	19.1	1,739.3	8.8
	Samart Communication Services Co., Ltd.	71.02	1,723.0	10.1	891.7	5.6	6,430.7	32.5
	Samart Comtech Co., Ltd.	71.02	832.2	4.9	1,156.9	7.3	1,259.3	6.4
	Others	-	254.6	1.5	498.5	3.1	656.5	3.3
Sub Total			6,193.0	36.4	5,587.0	35.1	10,085.8	51.0
3) Technology Related Business - International Portfolio	Cambodia Air Traffic Service Co., Ltd.	100	782.7	4.6	767.1	4.8	854.6	4.3
	Kampot Power Plant Co., Ltd.	100	217.2	1.3	193.6	1.2	200.8	1.0
	Others	-	3.4	-	1.0	-	0.9	-
Sub Total			1,003.3	5.9	961.7	6.0	1,056.3	5.3
- Local Portfolio	Samart Engineering Co., Ltd.	99.99	319.1	1.9	234.7	1.5	614.0	3.1
	One To One Contacts Co., Ltd.	99.13	541.3	3.2	830.0	5.2	846.0	4.3
	Vision and Security System Co., Ltd.	70.00	181.1	1.1	284.4	1.8	200.0	1.0
	Others	-	37.2	0.2	44.8	0.3	52.4	0.3
Sub Total			1,078.7	6.4	1,393.9	8.8	1,712.4	8.7
Total Sales and Service income			17,038.9	100.0	15,920.6	100.0	19,766.9	100.00
Share of profit from investments in subsidiaries and associated companies accounted			-	-	-	-	-	-
Total			17,038.9	100.0	15,920.6	100.0	19,766.9	100.0

Remark : ^(*) Direct & Indirect stake holding on December 31, 2011.

Changes during the year

The company's line of businesses comprise of Mobile Multimedia, ICT Solutions & Services and Technology Related.

Mobile Multimedia

2011 was the transition year for the Mobile Multimedia business. The Company was on the way to reshape the business model from trading to the service activity. By using Content and MVNO businesses as the spearhead along with the supported by Handset unit will definitely enhance the performance to Samart I-Mobile ("SIM") in the coming year. Revenue from sales and services for 2011 decreased by 13.4% over 2010 mainly due to the Handset business caused by the Thailand flood in the last quarter of the year. The flood was ruined the country's logistics system and effected to the temporality stop in the operation of many dealers in the flooding areas. A total of 4,279,966 handsets were sold on 2011 which increased by 11.1% compare to 2010. The average selling price per unit ("ASP") was decreased into the range of 1,500 - 1,800 Baht. Over 96% of the number of handsets sale was contributed by i-Mobile brand, our own handset brand which was 2nd ranked in term of the market shares. In 2011, the Company had introduced a total of 55 I-Mobile models to the market, of which 47 models were feature phone and 8 models were smartphone. In order to catch with the new trends and stay competitive in the dynamic market, the Company always develop the mobile handset that suit with the lifestyles and needs of the consumer. Handset business will also play the important role to support and create the new strong fundamental to the Mobile Multimedia business.

The second business line for Mobile Multimedia is the rising star Content business. Revenue for 2011 was Baht 973 million increased by 8.2% over the 2010 as the Company could capture the trends and able to develop the products and services that match with Thai consumer lifestyle, especially horoscope, sport and leisure. The company Content business line is one of the leading content developers in the market by offering a wide range of products and services through a variety of medias; for example, mobile content (BUG1900, BUG1113), online media (EDTguide.com, Horoworld.com), publishing (EDT Year Book) and mobile application.

The future growth business for Mobile Multimedia group is Mobile Virtual Network Operator ("MVNO") business where the Company has signed the MOU with the Telephone of Thailand ("TOT"). TOT's 3G service runs under 2.1 GHz spectrum and expected to reach over 5,000 base stations by 2012, which will cater to 7 million users throughout the country. The contract allows SIM to lease bandwidth from TOT and act as the nationwide MVNO for TOT's 3G service to offer a cellular service under our own brand, i-Mobile 3GX. As of December 31, i-Mobile 3GX had subscribers of over 200,000 and average rate per user (ARPU) of Baht 160 per month.

Gross Profit Margin were 19.2%, a slice decrease over 2010 of 20.3%. With the new business model, the Company believes that it can enhance the competitiveness in the market as well as create the solid company performance in the long term.

ICT Solutions & Services

Samart Telcoms ("SAMTEL") is one of the leading ICT solutions & services providers in the country. The Company has been served a variety of services to many organizations both public and private. The Company showed the outstanding performance in 2011 as the revenue from sales and services increased by 80.5% over 2010 where the profit surged by 96.7% year-on-year. The Company won more than 15 projects in 2011 which value over Baht 16,000 million, included the mega TOT's 3G Network Installation Phase I project (Baht 10,400 million), TOT's School Net Extension project (Baht 2,292 million), Provincial Electricity Authority's Automatic Meter Reader project (Baht 1,450 million), Ministry of Defense's Backbone project (Baht 479 million) etc. By the end of the year, SAMTEL had a healthy backlog of Baht 11,052 million and a number of potential projects.

The Company aims to enhance the firm's sustainability by focusing on generate the recurring revenue. In 2011, the recurring revenue of SAMTEL was over Baht 1,900 million and the Company intends to increase this figure further in the following year.

Technology Related Business

International Portfolio

Cambodia Air Traffic Services Co., Ltd. ("CATS")

The total of 58,555 flights handled by the Company in 2011, which were up by 13.7% compare to 2010. Over the half of the air traffic movements were from the over flight while the remaining were from the domestic and international flights. Revenue of Baht 855 million in 2011, raised by 11.5% over 2010 mainly due to the busier in the air traffic route and the increased in air traffic fee for over flight by 5.5% effective on November 2011 onwards.

Kampot Power Plant Co., Ltd. ("KPP")

KPP is the electricity generating company which supplies 60 Gwh of electricity to Kampot Cement Company, a subsidiary of Siam Cement Group. The Company has been started its full scale operation since January 14, 2008.

Domestic Portfolio

One To One Contacts Co., Ltd. ("OTO")

OTO is one of the leading independent call center companies. The Company provides a full range of call center services to both corporate and government agencies. 2011 revenues was Baht 907 million increased by 1.8% over 2010 and the Company recorded the highest revenues since its inception in 2000.

Vision and Security System Co., Ltd. ("VSS")

Although 2011 was a tough year for the Company due to the transition in the government on the third quarter caused the delay in many projects bidding process, but the Company able to deliver the solid performance by generated a revenue of Baht 430 million, increased by 30.7% over the year before.

Samart Engineering Co., Ltd. ("SE")

SE is the origin of the group enterprise; it has been operated for over a half of the century. SE has been involved in the trading of antenna, satellite dish, receiver and engaged in the satellite rental and channel broadcasting. In 2011, the Company had reshaped the business model to cope with the fast moving trends and the competition in the market. In addition, the Company has been partnered with GMM Grammy, Thailand's top entertainment firm, in supply the Set-Top-Box (STP) to support GMM Grammy's satellite TV business unit, One-Sky. In 2011 revenues were increased to Baht 664 million increased by 187.4% over 2010.

Industry and Competitive Analysis

Macro Economy

Thailand was expected to grow by 4% to 5% at the beginning of 2011 supported by the country's internal factors. However, the Japan's Tsunami in late of the first quarter had been dramatically impacted to the global supply chain, included Thailand, especially in the electronic and auto parts as Japan was one of the largest manufacturers in these areas. The results of Japan's Tsunami had been directly impacted to Thailand, one of the largest car manufacturers and assemblers. The country's car manufacturing and assembling activities had been stopped for a couple of months. By the second quarter, the yearly country GDP growth was cut to 2% to 3%.

In the early of third quarter, there was the transition of the government from the Democrat Party to the country election winner, Pheu Thai Party. The party won 265 of 500 seats in the House of Representatives and it formed a coalition government with five minor parties. The change in key policies scheme of the new government; for example, minimum wage guarantee for fresh university graduates and workers policy, rice mortgage policy, first car and house tax cut policy, had expected to boost the country's economy in the second half of the year by 4% to 5.6% (source: K-Research).

Unfortunately, Thailand had faced with the massive flood crisis in the last quarter of 2011. The damage of the flood had been impacted to every industry. Based on the estimation by the K-Research, the flood damage cost would value Baht 75 billion to 113 billion, which affected to the agricultural sector of Baht 20 billion to 30 billion, industrial sector of Baht 38 billion to 59 billion and service and other sectors of Baht 17 billion to 24 billion. The damage had also deteriorated the country's annual growth rate to 1.5%. However, the government has implemented a plenty of flood relief policies, included a huge reconstruction package, for winning back the confidence from the foreign investors as well as to protect the future flood problems.

2011 was not only the difficult year for Thailand, but worldwide. United States was on the risks of the occurrence in the double-dip recession. The United States government, under the led by US Federal Reserve (FED), has put the bold attempt to maintain the long-term interest rates and reinvigorate the faltering economy. The "Operation Twist" value USD 400 billion had been launched for buying long-dated treasuries, financed by the sale of an equal amount of bonds with three years or less to run in order to make broader financial conditions more accommodative. The US Federal Reserve also pledged to reinvest of early repayments from mortgage securities back into debt issued for driving back the US economy.

Eurozone was still on the risk in 2011 as many European countries credit rating had been downgraded resulted from the high level of the public debts and the possibility of unable to meet with the debt service condition. The Eurozone has spend over two years in dealing with the crisis which originally from the Greece (current public debt to GDP = 160%) before spread throughout the continent. In order to stabilize the area member states' economic condition, the European Financial Stability Facility (EFSF) with the objective to safeguard financial stability in Europe by providing financial assistance to Euro area member states. The resulted of the Eurozone crisis was not limit only among the member states, but it also impacted to global economy, including Thailand.

The outlook of year 2012, Thailand economy is expected to recover with the expected annual economic growth rate of 5.5% (source: NESDB). It is expected that the consumer and business confidence will be resumed. Moreover, the employment condition and the industrial production will be back on track. The economic expansion in 2012 is supported by the government's business rehabilitation measures include credit support, corporate tax reduction, and other government measures. The expansion of Asian economy in 2012 at satisfactory pace will benefit to country export value. And it is expected that the Thai political situation next year will be more stable and it can enhance the foreign investors' confidence.

Telecommunication Industry : ICT Infrastructure Perspective

The existing ICT Master Plan aims to expand the ICT infrastructure, including the broadband network, throughout the country in order to support the economic growth as well as strengthen the country foundation. The public and private investment in ICT infrastructure; for example, mobile network, broadband network and ERP system etc, continuously expands year by year. It is expected that the ICT industry spending in 2011 grow by 12% or the total spending value of Baht 678 billion (source: NECTEC). It was derived from Baht 100.5 billion of hardware, Baht 84 billion of software, Baht 75.5 billion of IT service and Baht 418 billion from communication equipment. Moreover, with the new government ICT policy “Smart Thailand”, it is expected that the ICT spending in the 2012 will expand further.

Telecommunication Industry : Mobile Service Perspective

The universal 3G license bidding (2.1 GHz) has been postponed for a year due to the preparation of the new ICT master plan by the newly issued National Broadcasting Telecommunications Commission (NBTC). The unavailability of the 2.1 GHz spectrum forced the private mobile operators in the market to provide the 3G services with their existing spectrums. Unlike Telephone of Thailand (TOT), state enterprise which owns the 2.1 GHz license for a decade, is the only operator who can provide the 3G service on the standard spectrum. Currently, TOT provides the service with the maximum speed of 42 megabits with the total of 350,000 subscribers through five MVNO providers, including i-Mobile 3GX by Samart I-Mobile Pcl., our subsidiaries. TOT is on the process of rolling out the new 3G network to more than 5,000 base stations within 2012. Moreover, TOT also has the plan to make the further investment in the next phase of 3G network extension plan in order to life up the network quality, expand the network coverage and compete with the private operators in the market.

Telecommunication Industry : Mobile Handset Perspective

The launch of 3G service by the operators has put more pressure on the headset market. The competition is becoming more intense due to the increase in the popularity of the smart and 3G phone. It is expected that the smart phone and 3G handset will drive the handset market. With the market value of Baht 70 billion a year or equivalent to 11 million of handsets, the portion between feature and smart phone is 60:40. The basic qualifications for the mid range to the premium handset are touch interface and equipped for chat function and applications; for example, I-Phone and BlackBerry. The story is different in the low-end segment where the price ranges below a thousand Baht. The competition in this section remains tough as the market players have put a lot of effort by launching many models to capture the share in the market.

Entertainment and Media Industry Perspective

2011 was the year of evolving in the industry. The shift in technology and the intense competition in the market have forced the entertainment and media firms to change for their competitiveness and long term sustainability. Enter into the new business by leveraging their own strength was one of the key strategies which can be seen a year ago; for example, one of the country leading entertainment companies started the satellite television business.

3G service will be the key driver this year in pushing the content business ahead. The content aggregators will introduce the 3G related products into the market; for example, E-Magazine, E-Book as well as the Software and Application. Also, the new government policy on distributing a million of tablet to the students will be another driver that brings the upside to the content business this year.

Risk Factors

2011 was the year for the slow torture for the world economy as Europe and the United States struggled to cope with their massive debt problems. In addition, the devastating from the natural disaster also had the dramatic impacted on the local economies; for example, the earthquake in New Zealand and the tsunami in Japan. The result was shown in the disappointed 3.3% world economic and 1.7% United States economic growth.

It also had been a difficult time for Thailand in 2011 due to the country faced with the history flood crisis in the last quarter resulted in the quarter negative growth figure and impacted to the overall Thai economy in 2011 which was expanded by 0.1% compare to the beginning of the year forecast of 3.8%.

Even though it was a tough year in 2011, the Company had put the best effort to manage and minimize the effects from the surrounding risks which can be described as follow;

1. Business Risks

1.1 Domestic Business Operation

- **Handset Business**

In addition to the trend of the smart phone in a past couple of years, the availability of the 3G service provided by all operators and the coming trend of mobile tablet has been driven the handset market significantly in 2011. It could be seen by the expanded in the market size as well as the wide range of smart phone models and mobile tablets introduced by many producers to meet with the customer's need and capture the market's attention. The popularity of the smart phone and mobile tablet largely consecutively increased the market share over the feature phone. In order to maintain the position of local mobile handset leader under our own brand, "i-Mobile", and to capture with the business growth, the Company also offered the number of smart phone and mobile tablet models that can support the Android operating system and 3G service to the market. The products have been well-invented and priced under the concept of value to money for competing with the local competitors and international brands. In addition, the Company, a provider of Mobile Virtual Network Operator (MVNO) and the leader of content developers, provided a bundle service of 3G and contents to be a part of differentiating i-Mobile brand handset. From this operation, the Company brand has been in the position to compete with others in the market.

- **Mobile Virtual Network Operator (MVNO) Business**

Mid of 2011, the Telephone of Thailand ("TOT") inked the contracted with SL consortium to expand the TOT's 3G network to more than 5,000 base stations throughout the country by the end of second quarter of the year 2012. The availability of the TOT's 3G network benefits to the MVNO providers include Samart I-Mobile PCL., the Company subsidiaries, as the service coverage expanded and the service quality increased. It also can increase the customer acquisition capacity and customer retention ability which led to recurring revenue that can enhance the sustainability to the Company. Moreover, 3G network expansion of TOT will be the Company's opportunity to bid for setting up and maintenance mobile network with TOT.

- **Content Business**

Content business has been changing from existing technology content market to the coming 3G technology which allows the consumer to access the internet faster. The 2G technology market is entering the saturation which could be seen from the behavior of consumer who uses both voice and non-voice fewer and shorter. These factors were happened by lower demand of the existing content including the alteration from the feature to the 3G supported and smart phones. Therefore, the Company supports the development of new content and application with more attractive functions and features to fulfill the new requirements of a customer as well as suitable for premium handset.

In 2011, the Company has been launched the 3G supported services which developed from the Company contents especially in the area of expertise; for example, sport, news, information and horoscope as well as created various contents and application to meet with the lifestyle of the consumer. It can be seen from the providing services; for example,

- **BUG Live VDO Call Center** - the real-time information providing service which allows face-to-face conversation between the consumer and agents.
- **Sport Arena** - the value added service that allows the mobile user can update the sport results from their mobile handset.
- **EDT Guide Application** - the mobile application that allows the customer track to the lifestyle contents.

- **ICT Solutions and Services Business**

Since the major revenue of the ICT solutions and services business came from the government sectors or state enterprises. Therefore, impacting on business operation were the uncertainty of the policy and the delay in bidding projects as well as the slowing in project budget spending of the government or state enterprise. To prevent the risks, the Company set the policy to increase long-term revenue or recurring revenue; for example, rent, service or maintenance in the project. The examples of the recurring projects are as follows;

- **Airport of Thailand: Common Use Terminal Equipment System or Passenger Check-in System (CUTE)** - the Company provides the installation service and management of check-in system at Suvarnabhumi Airport.
- **Telephone of Thailand: School Net Project** - the Company provides voice and internet access to 10,000 secondary schools nationwide.

Moreover, the Company also mitigated the risk by distributing customer's bases to various departments/ ministries rather than focusing on the only one client.

1.2 International Business Operation

- **Regional Handset Business**

One of the Group subsidiaries, Samart I-Mobile PCL. (SIM) is involving in distribution and trade of handsets in international markets namely Malaysia, Laos and the new entrant market, Myanmar. Given its experience in Thailand, the Company is aware of the dynamic of handset business in each country and has taken appropriate steps to offer, promote and price the handsets. In addition to legal regulations related to retail business in each country, the Company is also exposed to changes in macro economic, social, political environment and the foreign exchange fluctuation. The Company has not witnessed any material risk from its overseas operations.

- **Air Traffic and Power Plant Businesses**

The Company currently operates air traffic and power plant 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.

Air Traffic Business : The Company operates Air Traffic Management business since 2001. 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. The Company has installed state-of-the-art radar system nationwide and it complies strictly with the safety norms issued by international civil aviation organization. The Company has not witnessed any material incident/risk from its operations since 2001.

Power Plant : The 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. The 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 5.3% of Group's consolidated revenues in 2011.

2. Financial Risks

2.1 Foreign Exchange Risks

For year 2011, on a consolidated basis, approximately 10.3% of the Company's sales & service income were dominated in U.S. Dollar, while 37.4% of its total long-term liabilities (net of current portion) as of December 2011 were denominated in foreign currencies, principally U.S. Dollar. The dollar denominated long-term liabilities which were related to long-term fixed assets (net of current portion) represents 27.0% of total revenues denominated in U.S. Dollars. The 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 and antenna manufacturing is denominated in U.S. Dollar. Any depreciation of the Thai Baht against these currencies would increase cost on these products and services and vice versa.

The Company's subsidiary, Samart Telcoms PCL., also faces the foreign exchange risk in Euro and Dollar due to the suppliers of the mega TOT'3G network installation project are from the European countries.

Having aware of currency fluctuations over the past few years, the Company has implemented prudent policy to mitigate risks. As far as Account Payables and Account Receivables are concerned, the Company uses derivative instruments to hedge its exposure. In addition, business expansion in foreign countries as mentioned were also the other way to mitigate foreign currency fluctuation risks.

2.2 Risks 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, the Company does not foresee any major risk in meeting its obligations towards operating liabilities. Current portion of long-term loan, which is 5.2% of total liabilities, is the other significant portion. As repayment terms are tied to the cash generating capacity of individual subsidiary, the Company closely monitors its cash position and repayment schedule in order to meet such obligations.

Bidding for government projects is another area where bid bonds are essential depending on the project value. The Company has established a sound business relationship with various banking and financial institutions to facilitate bid bond without severely affecting the liquidity. The 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 terms.

2.3 Interest Rate Risks

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, the Company is aware of short-term outlook on interest rates. Given any signs of volatility, the 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 receivables on December 31, 2011 were Baht 5,110 million of which Baht 189 million were outstanding more than 12 months. This amount comprises of over due account receivable in group subsidiaries. However, the Company has also provided Baht 143 million towards doubtful accounts. The Company has adopted a prudent policy of evaluating credit risks of its customers in order to mitigate the risks from doubtful debts. In addition, the Company has also initiated efforts to maximize the overdue account receivable collection.

2.5 Risks from Investments in Subsidiaries (Holding Company)

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

To mitigate this risk, the Company has policies with regards to investments in existing and new businesses that has assured income, growth potential and hence lower overall risk. In addition, from time to time, Company approves business plan of subsidiaries and investments through its Board. The 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 2011 year end, the Company has short term investments of Baht 2.9 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, the Company is closely exposed to the risk of performance. In order to mitigate such risks, the Company monitors and updates information on such investment and takes appropriate action as and when necessary.

Shareholders

As of December 30, 2011, the top ten major shareholders of the Company are :

Name of shareholders	No. of shares held	% of Total Shares ³⁾
1. Vilailuck Group	483,686,645	49.89
- Vilailuck International Holding Co., Ltd. ¹⁾	177,155,200	18.27
- Mr. Watchai Vilailuck ²⁾	139,596,035	14.40
- Mr. Charoenrath Vilailuck ²⁾	139,293,360	14.37
- Mr. Thananan Vilailuck ²⁾	15,113,150	1.56
- Ms. Sirirak Vilailuck	6,270,500	0.65
- Mrs. Siripen Vilailuck	5,460,250	0.56
- Mrs. Sukanya Vanichjakvong	798,150	0.08
2. Mr. Thaweechat Jurangkul	56,300,100	5.81
3. Bualuang Long - Term Equity Fund	28,123,800	2.90
4. Bualuang Long - Term Equity Fund 75/25	19,140,400	1.97
5. SMART CORPORATION PCL.	16,065,800	1.66
6. STATE STREET BANK EUROPE LIMITED	15,383,300	1.59
7. Mr. Nutthapon Jurangkul	15,000,000	1.55
8. Mr. Sorut Vanichvarakit	12,235,400	1.26
9. Mr. Kulawut Wiratmalee	9,765,800	1.01
10. THAI NVDR Co., Ltd.	9,612,201	0.99
Total of top ten Major Shareholders	665,313,446	68.62
Total number of voting rights	969,563,610	100.00
Total number of issued shares	985,629,410	-

Source : Major Shareholders' report as of December 30, 2011 prepared by Thailand Securities Depository Co., Ltd.

¹⁾ A holding company with 7 shareholders and stakeholding as follows :

- Mr. Chareonrath Vilailuck and Mr. Watchai Vilailuck have 20.53% each;
- Mrs. Siripen Vilailuck, Ms. Sirirak Vilailuck, Mr. Thananan Vilailuck and Mrs. Sukanya Vanichjakvong have 13.5% each;
- Mr. Cherdchai Vilailuck has 4.93%.

²⁾ Includes holding by spouse and minor child.

³⁾ 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 30, 2011 was 16,065,800 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 Ordinary 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	4,301,300,000	2,507,784,400	58.30
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	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	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	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, and provide sport channels through cable TV system	40	4,000,000	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	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	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	2,000,000 ⁽³⁾	100.00

No.	Company	Type of Business	Registered Capital (Million Baht)	Outstanding Ordinary Share	Samart'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 multimedia services in Indonesia	500,000 (USD)	500,000	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 multimedia services in Hong Kong	5,000,000 (HK\$)	5,000,000	5,000,000 ⁽³⁾	100.00
11.	I-Mobile Plus Co., Ltd. 99/13 Moo 4, Software Park, 23 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	100	10,000,000	9,999,993 ⁽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	1	10,000	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 products of the Company as well as provide entertainment contents	5	500,000	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 Network rental service 3. IT and Communication system distribution and installation service	738	606,039,500	430,423,390	71.02
15.	Samart Communication 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	Communication network, telecommunications and information technology service including procurement, operations, maintenance and repair of telecom equipment	500	5,000,000	4,999,994 ⁽⁴⁾	99.99
16.	Samart Comtech Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6605	Design and Installation of Telecommunication networks	225	2,250,000	2,249,995 ⁽⁴⁾	99.99

No.	Company	Type of Business	Registered Capital (Million Baht)	Outstanding Ordinary Share	Samarat's Holdings	
					Amount	%
17.	Oasis Consulting Co., Ltd. 287 Liberty Square Building, 20 th Fl., Room 2005, 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	70,000 ⁽⁴⁾	70.00
18.	Samarat 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	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. 0-2502-6605	Electronic Data Interchange (EDI) and total value added services	53	5,300,000	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	7,199,993 ⁽⁴⁾	99.99
21.	IT Gen Co., Ltd. 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	15.61	624,375	624,373 ⁽⁴⁾	99.99
22.	Samarat Ed-Tech Co., Ltd. 99/15 Moo 4, Software Park, 21 st 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	199,997 ⁽⁴⁾	99.99
23.	Samarat 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	3,999,994	99.99
24.	Samarat Infonet Co., Ltd. 99/12 Moo 4, Software Park, 24 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-8458 Fax. 0-2505-8465	Internet services	62	6,200,000	6,173,394 ⁽⁴⁾	99.57

No.	Company	Type of Business	Registered Capital (Million Baht)	Outstanding Ordinary 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. 0-2505-6600	Software Developer and provide service and consultation for telecommunication hardware and software	10	100,000	99,993 ⁽⁴⁾	99.99
26.	Net Media Co., Ltd. 24 Soi Suksawat 40, Bangpakok, Ratburana, Bangkok 10140 Tel. 0-2502-6610 Fax. 0-2502-6605	Satellite TV service by providing video compression broadcasting via satellite	41.25	412,500	412,498 ⁽⁴⁾	99.99
27.	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. 855-23-866294 Fax. 855-23-890214	Provide air traffic control services in Cambodia	2,500,000 (USD)	250,000	250,000 ⁽⁷⁾	100.00
28.	Kampot Power Plant Co., Ltd. CATS Building, Opposite Phnom Penh International Airport, Russian Federation Blvd, Sangkat Kakab, Khan Dangkor, Phnom Penh, Kingdom of Cambodia Tel. 855-23-866294 Fax. 855-23-890214	Electric Generating supply to Kampot Cement factory in Cambodia, an affiliate of Siam cement	5,000,000 (USD)	500,000	500,000 ⁽⁷⁾	100.00
29.	Cambodia Samart Co., Ltd. CATS Building, Opposite Phnom Penh International Airport, Russian Federation Blvd., Sangkat Kakab, Khan Dangkor, Phnom Penh, Kingdom of Cambodia Tel. 855-23-866294 Fax. 855-23-890214	Distribute telecommunication equipment in Cambodia	50,000,000 (Riel)	100	49	49.00
30.	Samart U-Trans 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	System Integrator for Transportation, Energy and Utilities System	100	20,000,000	19,999,994	99.99
31.	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	4,499,994	89.99

No.	Company	Type of Business	Registered Capital (Million Baht)	Outstanding Ordinary Share	Samar's Holdings	
					Amount	%
32.	One To One Contacts Co., Ltd. 1 Eastwater Building, 11 th -12 th Fl., Vipavadeerangsit Soi 5, Vipavadeerangsit Rd., Jomphol, Jatujak, Bangkok 10900 Tel. 0-2685-0000 Fax. 0-2685-0050	Total customer management solutions both turnkey implementation as well as outsourced contact center management	100	10,000,000	9,600,000 200,000 ⁽⁵⁾ 100,000 ⁽⁶⁾ 100,000 ⁽⁴⁾	96.00 2.00 1.00 1.00
33.	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	1,400,000	70.00
34.	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	2,499,994	99.99
35.	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	99,993 ⁽⁶⁾	99.99
36.	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
37.	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
38.	One To One Professional Co., Ltd. 126/92-95 C.M. Tower, 24 th Fl., Krunghthonburi Rd., Banglumphulang, Klong San, Bangkok Tel. 0-2685-0059 Fax. 0-2685-0050	Provide consult recruitment and staffing management for customer service business	1	100,000	99,997 ⁽⁶⁾	99.99

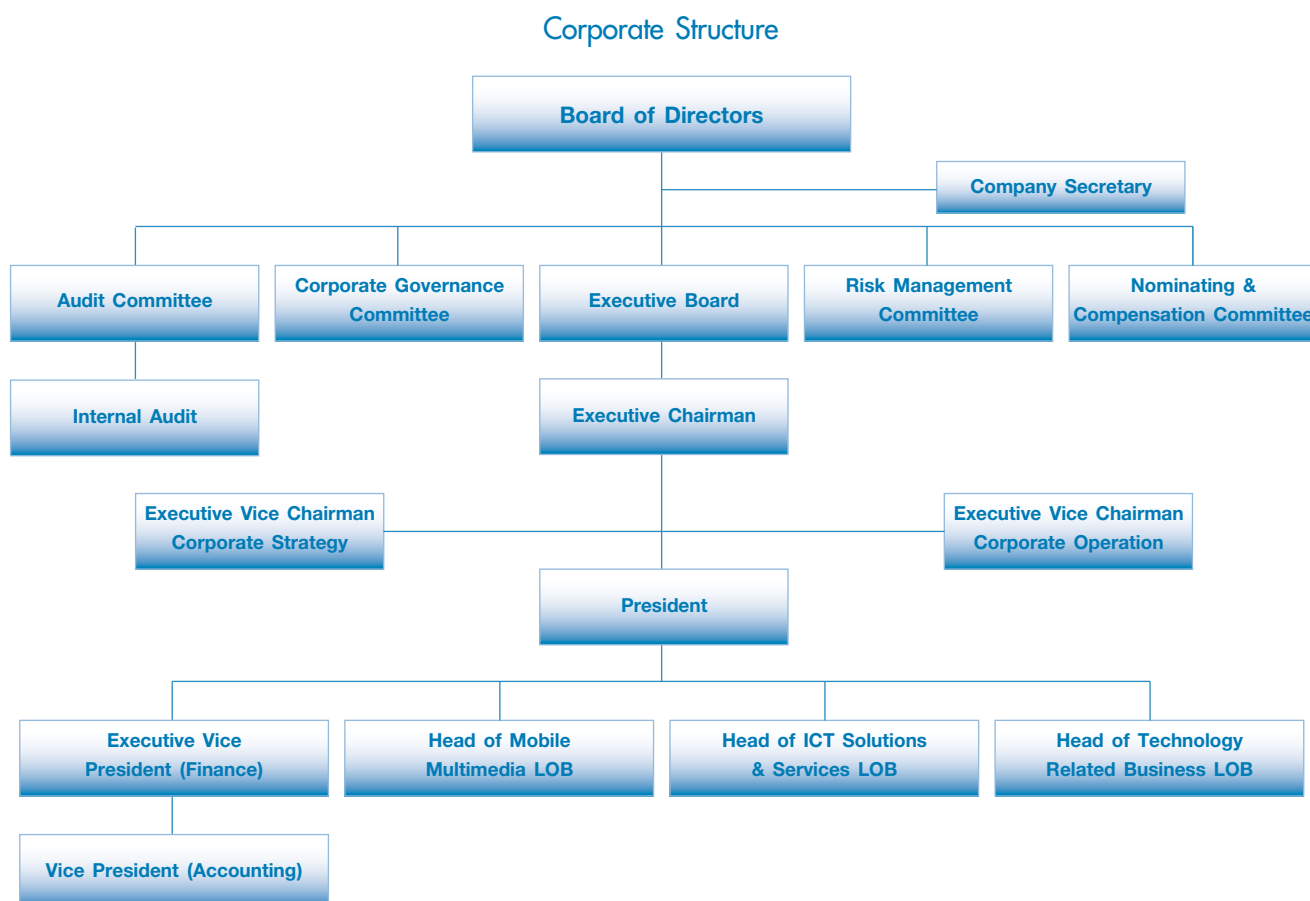
Remark : ⁽¹⁾ Held by Samart I-Mobile Pcl.
⁽²⁾ Held by Samart Multimedia Co., Ltd.
⁽³⁾ Held by I-Mobile International Co., Ltd.
⁽⁴⁾ Held by Samart Telcoms Pcl.
⁽⁵⁾ Held by Samart Comtech Co., Ltd.
⁽⁶⁾ Held by Samart Engineering Co., Ltd.
⁽⁷⁾ Held by Samart Inter Holding Co., Ltd.
⁽⁸⁾ Held by One To One Contacts Co., Ltd.

* Formerly named "Samart International Co., Ltd."

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

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.



1) Board of Directors as of December 31, 2011

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. Mrs. Siripen Vilailuck ^(*)	Director
5. Mr. Charoenrath Vilailuck ^(*)	Director (Executive Director)
6. Mr. Watchai Vilailuck ^(*)	Director (Executive Director)
7. Mr. Sirichai Rasameechan	Director (Executive Director)
8. Mr. Pairote Varophas	Director (Executive Director)
9. Mr. Prinya Waiwatana	Independent Director
Mrs. Vorapin Isaradharm	Company Secretary

Remark : ^(*) Representative director from Vilailuck International Holding Co., Ltd, a major shareholder with 18.27% stake holding from total number of voting rights of the Company (as of December 31, 2011).

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. No 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, parent 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, major shareholder or controlling person of the Company or juristic person who may have conflicts of interest unless the foregoing status has ended no 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 no 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 undertaking any business in the same nature and in significant competition to the business of the Company or subsidiaries or not being a partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding 1 percent of the total number of shares with voting rights of other company which undertakes business in the same nature and in significant competition to the business of the Company or subsidiaries;
7. 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 as well as disclosure sufficient information to the Shareholders;
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. Consider and approve the Company's investment and annual budget;
4. 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;
5. 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;
6. Appoint and consider remuneration package, proposed from the Nominating & Compensation Committee, for top executives of the Company, and Company Secretary;
7. 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;
8. Nominate appropriated persons with remuneration for further consideration and approval of shareholders for the appointment of the Company's auditors;
9. 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;
10. 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;
11. 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 ⁽¹⁾ as of December 31, 2011

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

Remark : ⁽¹⁾ *Audit Committee members comprise of no 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 qualification from the SEC;
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 Company, Subsidiary or affiliated Companies, Same-Level of Subsidiaries as well as any juristic person, major shareholder, or controlling person of the Company;
4. Not being a director in Parent Company Subsidiaries and any same-Level of Subsidiaries which is a listed Company;
5. Having sufficient knowledge, experience, and time to perform duties as the Audit Committee members;
6. 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, internal audit system, 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, 2011

- | | |
|------------------------------|--------------------|
| 1. Mr. Charoenrath Vilailuck | Executive Chairman |
| 2. Mr. Watchai Vilailuck | Member |
| 3. Mr. Sirichai Rasameechan | Member |
| 4. Mr. Pairote Varophas | Member |
| 5. 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 the Company's investment and annual budget prior to 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, 2011

- | | |
|------------------------------|---|
| 1. Mr. Seri Suksathaporn | Chairman of the Corporate Governance Committee (Independent Director) |
| 2. Mr. Pradang Prichayangkun | Member (Independent Director) |
| 3. Mr. Prinya Waiwatana | Member (Independent Director) |
| 4. 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, 2011

- | | |
|------------------------------|--|
| 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) |

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 and Board members proposed to consideration of Board of Directors and/or further approval of the shareholders when those positions are vacant due to termination of terms or other reasons;
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, 2011

- | | |
|--|---|
| 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 |
| 11. Mr. Pracha Phathayakorn ^(*) | Member |

Remark : ^() Has been appointed as a member of the Risk Management Committee since May 12, 2011.*

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 the above standards and 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, 2011

1. Mr. Charoenrath Vilailuck Executive Chairman
2. Mr. Watchai Vilailuck President / Acting Chief Operating Officer of Technology Related Business LOB
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. Thananan Vilailuck President of Mobile Multimedia LOB
6. Mr. Pracha Phathayakorn ^(*) Executive Vice President

Remark : ^() Has been appointed as an Executive Vice President since May 1, 2011.*

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 2011 approved remuneration for directors of the Company and Committees' members at the amount of not exceeding Bath 7.0 million. Details of remuneration are as follows:

Board of Directors and Audit Committee

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

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 2011 : Total remuneration paid to directors and management in 2011 was as follows :

1.1) 2011 Cash & Non-Cash Remuneration for Directors and Committees' Members

- 2011 Remuneration for existing Directors and Committees' members of Samart Corporation Pcl.

Directors	Cash Remuneration						Non-Cash Remuneration
	Meeting Allowance (Baht)				Performance Bonus ⁽²⁾ (Baht)	Total Amount (Baht)	Warrants ⁽³⁾ (Unit)
	Board of Directors ⁽¹⁾	Audit Committee	Corporate Governance Committee	Nominating & Compensation Committee			
1. Dr. Tongchat Hongladaromp Chairman / Independent Director	210,000	60,000	-	60,000	300,000	630,000	500,000
2. Mr. Pradang Prichayangkun Vice Chairman / Independent Director	105,000	110,000	30,000	45,000	250,000	540,000	500,000
3. Mr. Seri Suksathaporn Director / Independent Director	105,000	60,000	40,000	45,000	250,000	500,000	500,000
4. Mr. Aran Promrata ⁽⁴⁾ Director / Independent Director	15,000	15,000	-	15,000	750,000 ⁽⁵⁾	795,000	125,000 ⁽⁶⁾
5. Mrs. Siripen Vilailuck Director	105,000	-	-	-	250,000	355,000	500,000
6. Mr. Charoenrath Vilailuck Director	105,000	-	-	-	250,000	355,000	500,000
7. Mr. Watchai Vilailuck Director	105,000	-	-	-	250,000	355,000	500,000
8. Mr. Sirichai Rasameechan Director	105,000	-	30,000	-	250,000	385,000	500,000
9. Mr. Pairote Varophas Director	90,000	-	-	-	250,000	340,000	500,000
10. Mr. Prinya Waiwatana Director/ Independent Director	90,000	-	30,000	-	250,000	370,000	-
Total	1,035,000	245,000	130,000	165,000	3,050,000	4,625,000	4,125,000

Remark : ⁽¹⁾ The 2011 meeting allowance is for 6 meetings of the Board of Directors and 1 meeting of the Annual General Meeting of Shareholders 2011;

⁽²⁾ 2010 Performance Bonus paid to Directors in 2011;

⁽³⁾ The Company had issued 30,000,000 units of warrant offering to the Company's directors and the employees of the Company and its non-listed subsidiaries on May 29, 2009. The warrants have 5 years maturity period and can be exercised from the 1st - 5th year at 10, 15, 20, 25 and 30 percent respectively. Each director has been allocated 500,000 units of warrants totaling to 6,000,000 units of which equivalent to 20 percent of the total issued warrants. However, some directors who have been allocated the warrants have resigned. Warrants allocated to the current directors are representing to 13.75 percent of total issued warrants;

⁽⁴⁾ Has resigned from Directorship on March 1, 2011;

⁽⁵⁾ The performance bonus for Mr. Aran Promrata has included the special bonus of Baht 500,000 for all the good things he brought and contributed to the Company;

⁽⁶⁾ Since Mr. Aran Promrata, the Company's director, has resigned from the Company, therefore the remaining unexercised warrants of 375,000 units have been cancelled. The Nominating & Compensation Committee shall consider and issue such warrants to the new director who shall be appointed in the future for replacement before further approval from the shareholders.

1.2) 2011 Cash & Non-Cash Remuneration of the Executive Board and Management

Remuneration	Number of Persons	Total Amount
Salary ⁽¹⁾	6	18,686,199 ⁽³⁾ (Baht)
Bonus ⁽¹⁾	6	1,890,000 (Baht)
Provident Fund ⁽¹⁾	6	1,131,000 (Baht)
Warrants ⁽²⁾	6	10,500,000 (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 2011 with payment for 3 executives paid by the Company while other 1 executive 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 Company had issued 30,000,000 units of warrant offering to the Company's directors and the employees of the Company and its non-listed subsidiaries on May 29, 2009. The warrants have 5 years maturity period and can be exercised from the 1st - 5th year at 10, 15, 20, 25 and 30 percent respectively. The executives board and management have been allocated 10,500,000 units of which equivalent to 35 percent of the total issued warrants;

⁽³⁾ This amount included one - month salary of Mr. Lai Ki Tong since he has resigned from the Executive Board on January 31, 2011. At the same, the above amount also included eight months salary of one executive who starts working on May 2011.

2. Total Remuneration of Major subsidiaries in 2011 :

2.1) 2011 Cash & Non-Cash Remuneration for Directors and Committees' Members of Samart I - Mobile Pcl.

- 2011 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 Chairman / Independent Director	210,000	75,000	-	-	300,000	585,000	3,000,000
2. Dr. Chotivid Chayavadhanangkur Director / Independent Director	105,000	130,000	35,000	40,000	250,000	560,000	3,000,000
3. Mr. Kunthit Arunyanonda Director / Independent Director	105,000	75,000	25,000	55,000	250,000	510,000	3,000,000
4. Mr. Charoenrath Vilailuck Director	105,000	-	-	-	250,000	355,000	3,000,000
5. Mr. Watchai Vilailuck Director	105,000	-	-	-	250,000	355,000	3,000,000
6. Mr. Thananan Vilailuck Director	105,000	-	-	-	250,000	355,000	3,000,000
7. Mr. Jong Diloksombat Director	105,000	-	25,000	-	250,000	380,000	3,000,000
8. Mr. Azwan Khan Bin Osman Khan Director	45,000	-	-	-	250,000	295,000	3,000,000
9. Mr. Reza Bin Abdul Rahim ⁽³⁾ Director	15,000	-	-	10,000	250,000	275,000	- ⁽⁵⁾
10. Mr. Donald James Rae ⁽⁴⁾ Director	30,000	-	-	15,000	-	45,000	-
11. Mr. Sirichai Rasameechan Committee member	-	-	-	40,000	250,000	290,000	-
12. Mr. Pairote Varophas Committee member	-	-	25,000	-	250,000	275,000	-
Total	930,000	280,000	110,000	160,000	2,800,000	4,280,000	24,000,000

- Remark :** ⁽¹⁾ 2010 Performance Bonus paid to Directors in 2011;
- ⁽²⁾ The Company had issued 100,250,000 units of warrant offering to the Company's directors and the employees of the Company and its non-listed subsidiaries on May 29, 2009. The warrants have 5 years maturity period and can be exercised from the 1st - 5th year at 10, 15, 20, 25 and 30 percent respectively. Each director has been allocated 3,000,000 units of warrants totaling to 33,000,000 units of which equivalent to 32.92 percent of the total issued warrants. However, some directors who have been allocated the warrants have resigned. Warrants allocated to the current directors are representing to 23.94 percent of total issued warrants;
- ⁽³⁾ Has resigned from directorship and a member of the Nominating & Compensation Committee on April 7, 2011;
- ⁽⁴⁾ Has been appointed as a Company's Director and the member of the Nominating & Compensation Committee May 11, 2011;
- ⁽⁵⁾ Since Mr. Reza Bin Abdul Rahim, the Company's director, has resigned from the Company, therefore the remaining unexercised warrants of 3,000,000 units have been cancelled. The Nominating & Compensation Committee shall consider and issue such warrants to the new director who shall be appointed in the future for replacement before further approval from the shareholders.

2.2) 2011 Cash & Non-Cash Remuneration of the Management of Samart I-Mobile Pcl.

Remuneration	Number of Persons	Total Amount
Salary	5	15,901,787 (Baht)
Bonus	5	1,161,208 (Baht)
Provident Fund	5	1,273,200 (Baht)
Warrants ⁽¹⁾	5	19,800,000 (Unit)

- Remark :** ⁽¹⁾ The Company had issued 100,250,000 units of warrant offering to the Company's directors and the employees of the Company and its non-listed subsidiaries on May 29, 2009. The warrants have 5 years maturity period and can be exercised from the 1st - 5th year at 10, 15, 20, 25 and 30 percent respectively. The executives board and management have been allocated 19,800,000 units of which equivalent to 19.75 percent of the total issued warrants.

2.3) 2011 Cash & Non-Cash Remuneration for Directors and Committees' Members of Samart Telcoms Pcl.

- 2011 Remuneration for existing Directors and Committees' members of Samart Telcoms Pcl.

Directors	Cash Remuneration						Non-Cash Remuneration
	Meeting Allowance (Baht)				Performance Bonus ⁽²⁾ (Baht)	Total Amount (Baht)	Warrants ⁽³⁾ (Unit)
	Board of Directors ⁽¹⁾	Audit Committee	Corporate Governance Committee	Nominating & Compensation Committee			
1. Mr. Sombut Uthaisang Chairman / Independent Director	210,000	-	35,000	-	300,000	545,000	500,000
2. General Sumpun Boonyanun Director / Independent Director	105,000	180,000	25,000	55,000	250,000	615,000	500,000
3. Mr. Vichai Pokasamrit ⁽⁴⁾ Director / Independent Director	60,000	60,000	-	15,000	-	135,000	-
4. Ms. Rapeepan Luangaramrut Director / Independent Director	60,000	45,000	15,000	-	250,000	370,000	500,000
5. Mr. Kajornvut Tayanukorn Director	90,000	-	-	40,000	250,000	380,000	500,000
6. Mr. Charoenrath Vilailuck Director	105,000	-	-	-	250,000	355,000	500,000
7. Mr. Watchai Vilailuck Director	105,000	-	-	-	250,000	355,000	500,000
8. Mr. Sirichai Rasameechan Director	105,000	-	-	-	250,000	355,000	500,000

Directors	Cash Remuneration						Non-Cash Remuneration
	Meeting Allowance (Baht)				Performance Bonus ⁽²⁾ (Baht)	Total Amount (Baht)	Warrants (Unit) ⁽³⁾
	Board of Directors ⁽¹⁾	Audit Committee	Corporate Governance Committee	Nominating & Compensation Committee			
9. Mr. Pairote Varophas Director	90,000	-	10,000	-	250,000	350,000	500,000
10. Mr. Narongchai Satanupong ⁽⁵⁾ Director / Independent Director	30,000	30,000	-	10,000	250,000	320,000	125,000 ⁽⁶⁾
Total	960,000	315,000	85,000	120,000	2,300,000	3,780,000	4,125,000

Remark : ⁽¹⁾ The 2011 meeting allowance is for 7 meetings of the Board of Directors;

⁽²⁾ 2010 Performance Bonus paid to Directors in 2011;

⁽³⁾ The Company had issued 18,000,000 units of warrant offering to the Company's directors and the employees of the Company and its non-listed subsidiaries on May 29, 2009. The warrants have 5 years maturity period and can be exercised from the 1st - 5th year at 10, 15, 20, 25 and 30 percent respectively. Each director has been allocated 500,000 units of warrants totaling to 4,500,000 units of which equivalent to 25 percent of the total issued warrants. However, some directors who have been allocated the warrants have resigned. Warrants allocated to the current directors are representing to 22.92 percent of total issued warrants.

⁽⁴⁾ Has been appointed as a Company's Director on April 21, 2011;

⁽⁵⁾ Has resigned from Directorship on April 1, 2011;

⁽⁶⁾ Since Mr. Narongchai Satanupong, the Company's director, has resigned from the Company, therefore the remaining unexercised warrants of 375,000 units have been cancelled. The Nominating & Compensation Committee shall consider and issue such warrants to the new director who shall be appointed in the future for replacement before further approval from the shareholders.

2.4) 2011 Cash & Non-Cash Remuneration of the Management of Samart Telcoms Pcl.

Remuneration	Number of Persons	Total Amount
Salary	5	15,720,000 (Baht)
Bonus	5	2,104,475 (Baht)
Provident Fund	5	1,097,400 (Baht)
Warrants ⁽¹⁾	5	3,700,000 (Unit)

Remark : ⁽¹⁾ The Company had issued 18,000,000 units of warrant offering to the Company's directors and the employees of the Company and its non-listed subsidiaries on May 29, 2009. The warrants have 5 years maturity period and can be exercised from the 1st - 5th year at 10, 15, 20, 25 and 30 percent respectively. The executives board and management have been allocated 3,700,000 units of which equivalent to 20.56 percent of the total issued warrants.

4. Corporate Governance

The Board of Directors of the Company realized on the importance of the good Corporate Governance which will be the fundamental factor for improving standard of business operation to create more transparency, competitiveness and strengthen the confidence of all shareholders, investors and other related parties. 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 2011 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 2011 were as follows:

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

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

- **Rights to propose agenda and enquiries for the Shareholders' Meeting**

The Company is aware of the shareholders' rights and equitable treatment to the shareholders under the good corporate governance and to comply with laws. It's the Company policy to allow the shareholders to propose matter(s) for consideration of the Board of Directors as agenda of the shareholders' meeting starting from 2009 Annual General Meeting of shareholders. For the up coming 2011 Annual General Meeting, the shareholders are allow to submit any enquiries prior to the meeting date . 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 and enquiries via SET on December 16, 2011 and also provided details of the procedures on the Company' website (www.samartcorp.com) since December 19, 2011 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 2011, an Annual General Meeting of Shareholders 2011 which held on April 21, 2011 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 2011, the shareholders have been informed on the date and agenda of the meeting via SET's communication system 43 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) 37 days before meeting date for the shareholders to have sufficient time for consideration. Same documents will be directly delivered to the shareholders by TSD, the Company's registrar, within 21 days before the meeting date of which better than what has been required by law. The invitation letter contained fact, rationale, 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 37 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 2011, there were 9 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 134 shareholders with voting rights attended the meeting for the Annual General Meeting of Shareholders 2011. 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 and 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:

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

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 no 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 no 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 2011 has been proposed for consideration of the shareholders at 0.52 Baht per share. Interim dividend for first six month performance was paid on September 2011 at Baht 0.22 per share. The balance of Baht 0.30 will be paid on May 2012 of which subject to the approval of the shareholders. Total dividend payment will be 60.89% of the consolidated net profit and conformed to the Company's dividend policy that dividend payment will be no 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 2011, there were 17 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 the Company securities within 1 month prior to disclosure of either Company's financial performance or any other information that may affect securities' price is prohibited. Such matter has been disseminated to the Company's employees via e-mail in the means of weekly corporate governance tips and poster has also been posted at the public relations board of the Company. More over 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. Roles of Stakeholders

The Company is aware of the support from each stakeholder should increase the competitiveness and ability to generate more benefit for long-term succession and realized the importance of all stakeholders i.e. shareholders, employees of the Company and its subsidiaries, customers, competitors, lenders, societies and environment. 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:

1. Treatment of Main Stakeholders

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. In addition, the Company has provided educational support by awarding scholarship to employees with aims to enhance their knowledge and skills and has implemented all kinds of safety operations for the sake of safety of life and health of the employees. Furthermore, in 2011, the Company has awarded 5 scholarships at master degree levels to the employees, i.e. on Business Administrations, Political Science and General Logistics fields etc. In addition, the policy has been issued to control and prevent loss due to accident, fire and occupational illness. Security equipments and fire drill have been provided and governed by Risks Management team to strictly conform to the Company's Security Policy. The Company has also assisted its employees who have been impacted from flood disaster in 2011 in various programs, for instance provision of financial assistance, emergency loan, disaster relief package as well as accommodation including meals, and etc. to the Company's employees. At the same time, the Company has prescribed a policy on receiving and giving gift, asset, gratuity and other benefits as a guideline to be observed by the employees in order to avoid the image of patronage or mutual obligations which might have an impact on business decision making and might eventually make the Company lose its benefits.

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 and also having control the quality prior release for satisfaction in goods and services of customers as ISO 9001 standard. 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. 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 2011, 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 9 years from 2003 - 2011 etc;
- 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;
- Samart Telecommunications Technician School transfers knowledge about the installation of antennas and satellite dishes;
- Support Sports Activities, i.e. The project for Children's Experiences with Chelsea Asia Tour 2011, Sponsor for Thailand's football league, Muangthong United, Buriram PEA, Buriram Football Club, Chonburi Football Club, Phrae United, Ratchaburi Football Club, TOT, and the Northern Football Club, A sponsor for the Challenge Trophy handball tournaments and Thai Youth Rugby Championship;
- Support for Other Skill Development and Creativity, i.e. "Fund for Development of Teachers, Faculty Staff and Educational Personnel", Training on "Internet management for educational institutes", A sponsor for the Chiang Mai-based International Royal Flora Ratchaphruek 2011 etc;
- The "Samart D Club", Club' project mobilises employees to do public services and participate in social contribution activities;
- Help for Flood Victims, i.e. Gave Baht 3 million to the Flood Relief Operation Center (FROC), Delivered 20 sets of LCD, satellite dishes and receivers plus 20 boats to flood victims in Pak-kret District and Donmuang Distric etc., i-mobile cell phones to media crew and officials for the purpose of facilitating their flood-relief operations, Donated 300 relief-item bags worth Baht 100,000 to flood victims via the Channel 7 television station. Flood victims can get free repair services for their i-mobile cell phones from Samart I-Mobile outlets, Gave 1,000 T-shirts to soldiers engaging in flood-relief operations via the 1st Division the King's Guard and the 2nd Infantry Division the King's Guard etc;

- Other social responsibility activities through Samart Foundation Baht 50,000 donation to “Maha Jakkrapad Fund-Raising Campaign” organized by Dollar Wanaram Temple in Sweden, Baht 200,000 donation to Japan’s tsunami victims via the Thai Red Cross Society, Donation of 200 blankets, snacks and learning materials to the Foundation of Better Life for Children, Baht 10,000 donation for New Year activities at Underprivileged Youth Training Center in Nualjit Community, Vadhana district, Bangkok, 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. The Company has a policy to strengthen and provide knowledge and training on environment to the employees in the organization, in order to be aware of environmental responsibility when they perform their work by arranging campaign to cultivate conscious mind on environment and natural resources through employee participation activities as well as disseminating news and information on environment in order to build up good understanding on environmental management of the Company. For motivation of the employees to continually conform to the Company’s policy, announcement via Company’s PR boards, e-mail and internal radio are provided. In 2011, the Company has arranged environmental and energy conservation campaigns continually to promote smart usage of natural resources for instance Lor. Ling Project (Lod (Reduce), La (Refrain) and Lerk (Cease)) on energy saving. “Super Save” Discounts for all Departments was promoted in 2011. In addition, the Company’s subsidiary which performs business on waste management has conducted trainings to the employees in various levels, i.e. high level environmental management system for the management and primary level for the operation level employees. Such subsidiary has been certified for Environmental Management Systems (ISO 14001:2004) on June 2011.

2. Non-violation of human rights

The Company adheres to human rights principle as a mutual operating principle. All employees shall not undertake any action or shall by no means support any action to violate any human rights. All employees shall be treated equally and there shall not be any discrimination against nationality, race, language, religion, gender, age and education. The employees shall value and respect each other and shall behave oneself appropriated with his/her duty pursuant to the regulations of the Company and the tradition and shall not damage the Company’s image. The Company allows the employees to express their potentials fully and shall fix appropriated remuneration pursuant to the Company’s regulations and also provide opportunity to the employees to further their education both in university level as well as short term and long term training course.

3. Operating policy on non-infringement of intellectual property or copyright

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

4. Filling of Complains

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 Company Limited
99/10 Moo 4, Software Park, 26th 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. The Company has a disclosure policy to disclose information of any significant and future business operation directions, so that the shareholders and the stakeholders to access information conveniently and speedily for

- To submit the financial report to the Stock Exchange of Thailand ("SET") and the Securities and Exchange Commission Thailand ("SEC") within the specified timeframe. The financial report did not have any transactions where the auditor opined with qualified, the financial statement has also never been revised under the order of the SET and SEC.
- Criteria on provision of remuneration to the directors and the executives have been clearly disclosed.
- Shareholding information of the directors and the executives has been disclosed in the Annual Report and the Annual Disclosure information. In addition, the Company has a policy requiring the directors and the executives to report a change in their securities holding within 3 business days from the date the securities have been purchased, sold, transferred or accepted transfer. The Company Secretary's unit shall coordinate on submission of such report to SET and SEC. Moreover, it is also specified that any change of such securities holding of the directors and the executives shall be reported to the Board of Directors' meeting every time.
- Details on connected transactions have been clearly disclosed to prevent a conflict of interest (see more details in "Section 2. The Equitable Treatment of Shareholders" and "Item 5.6 Conflict of Interest").

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

- 1) The director and the executive shall submit the first report on transaction with interest within 30 days from the date he/she is appointed to be the director or the executive pursuant to the specified report form.
- 2) The Director and the executive shall report a change of transaction with interest within 30 days from the date of such change pursuant to the specified report form.
- 3) Report on transaction with interest shall be kept at the Company Secretary and the Company secretary shall arrange to submit a copy of such report to the Chairman of the Board and the Chairman of Audit Committee within 7 business days from the date the Company received such report.

The Company were disclosed to shareholders, investors and any related parties via SET's Communication system, Company's website (www.samartcorp.com), press release and Company's Annual Report and Form 56-1 as well as participated in the "Opportunity Day" which arranged by SET.

The Board of Directors has 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.

Investor Relations

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 Pongthep.V@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 2011 were summarized as follows:

- | | | |
|---|----|-------|
| - One on One Meeting with Analyst & Investors | 38 | Times |
| - Announcement of Company's Performance | 4 | Times |
| - Road Show | 2 | 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 9 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.

- **Balance of Power**

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

- 4 Independent directors (one-third of the Board of Directors)
- 4 Executive Directors
- 1 Non-Executive Directors (Representatives from major shareholders)

However, there was 1 director who was retired from the management on January 1, 2012, but such director still holds the position of the Company's director. Consequently in 2012, there are 3 executive directors and 2 non-executive directors.

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 3 companies. However, there is not any of the existing directors of the Company is being the director in listed companies over than 3 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 2011

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 March 19, 2012.

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 March 19, 2012 for compliance with the revised Corporate Governance Policy.

In addition, the Company has publicized vision, mission and policy on good corporate governance including business ethics on website of the Company (www.samartcorp.com). Corporate governance policy and business ethics has been delivered to the management and the employees via e-mail and in the form of weekly corporate governance tips as well as in a poster posted at the public relations board of the Company. Moreover, the Company also assigns the Corporate Governance Committee to oversee the directors, the management and the employees to ensure that they strictly adhere to this principle.

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 2 hours. Details of directors' attendance for 2011 with total 6 meetings, were as follow:

Directors	Term of Directorship (Year-month)	Number of Attendance/ Total Number of Meeting	Summary of consideration
1. Dr. Tongchat Hongladaromp	3-8	6/6	<ul style="list-style-type: none"> - Considered the Company Operating Performance and Financial Statements for 2010 as well as quarterly performance of 2011; - Considered the sufficiency of the Company's Internal Control System; - Acknowledged the 2010 Committees' activities; - Acknowledged the 2010 Board Self-Assessment Result as well as consider the criteria of the Board Self-Assessment and CEO Assessment Form for 2011; - Considered the interim payment for six months of 2011; - Considered the dividend payment for year 2010; - Considered matters concerning to 2011 AGM agenda and provide opinions to shareholders for consideration; - Considered the appointment of Committees' members; - Considered the salary increase for 2012 and 2011 bonus; - Considered the Directors & Officer Liabilities and Corporate Reimbursement Insurance; - Reviewed and revised the Company's Corporate Governance Policy and Business Ethics; - Considered the Company's 2012 business plan; - Considered to allow the minority shareholders to propose matter in the agenda and enquiries prior to the meeting date of AGM 2012; - Considered and approved the Audit Committee Charter; - Considered the amendment and increase of objectives of the Company, so that they shall cover the future's business; - Considered the investment in new business.
2. Mr. Pradang Prichayangkun	3-8	6/6	
3. Mr. Seri Suksathaporn	12-11	6/6	
4. Mrs. Siripen Vilailuck	18-10	6/6	
5. Mr. Charoenrath Vilailuck	18-10	6/6	
6. Mr. Watchai Vilailuck	18-10	6/6	
7. Mr. Sirichai Rasameechan	15-10	6/6	
8. Mr. Pairote Varophas	8-8	5/6 ^(*)	
9. Mr. Prinya Waiwatana	1-8	5/6	

Remark : () Went abroad for business trip.*

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 2011, the committee conducted 4 meetings, were as follow:

Directors	Number of Attendance/ Total Number of Meeting	Summary of consideration
1. Mr. Pradang Prichayangkun 2. Dr. Tongchat Hongladaromp 3. Mr. Seri Suksathaporn	4/4 4/4 4/4	<ul style="list-style-type: none"> - Reviewed the financial report and the consolidated financial report of the Company and its subsidiaries on quarterly and annual basis; - Considered the connected transactions or the transaction which may have conflicts of interest by complying with the laws and regulations specified by the Capital Market Supervisory Board and other related agencies; - Reviewed the operations to ensure that they are in line with the laws on securities and stock exchange, regulations of the Stock Exchange of Thailand, Capital Market Supervisory Board or the laws concerning business operations of the Company; - Supervised the internal audit works to ensure that the internal audit activities are efficiently and effectively and for maximum benefits of the Company and the shareholders; - Prepared the operational report of the Audit Committee for the Company's Board of Directors' acknowledgement every quarter; - Considered the selection, proposal for appointment and fixing of remuneration of the auditor to the committee members and the shareholders for further consideration; - Conducted self-assessment report concerning components of the Audit Committee, power, responsibilities, independency, meetings, operations concerning with the reviewing work and to provide comments and recommendations which shall be beneficial to the Company.

3) Executive Board

In 2011, the committee conducted 16 meetings, were as follow:

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. Thananan Vilailuck	16/16 16/16 16/16 12/16 ^(*) 15/16 ^(*)	<ul style="list-style-type: none"> - Quarterly consider business and contingency plans of each LOB ; - Monthly review and monitor business operations to be in line with the plan; - Considered the followings prior to submit for further approval from the Board of Directors: <ul style="list-style-type: none"> • Investments/Dispose of investments • The Company's 2012 Strategic Implementation Plan; - Considered The Annual Salary Increase of 2012 and 2011 Bonus proposed for further consideration of the Nominating & Compensation Committee; - Considered new hire and promotion of manpower; - Considered the restructuring of legal department of Samart Group; - Considered corporate culture of the Company; - Considered payment guidelines of commission and incentives to the employees; - Considered policy and procedure on signing of the agreements.

Remark : ^() Went abroad for business trip.*

4) Corporate Governance Committee

In 2011, the committee conducted 2 meetings, were as follow:

Directors	Number of Attendance/ Total Number of Meeting	Summary of consideration
1. Mr. Seri Suksathaporn 2. Mr. Pradang Prichayangkun 3. Mr. Sirichai Rasameechan 4. Mr. Prinya Waiwattana	2/2 2/2 2/2 2/2	<ul style="list-style-type: none"> - Acknowledged to allow the minority shareholders to propose matter in the agenda and enquiries prior to the meeting date of AGM 2011; - Acknowledge the Board Self-Assessment and the CEO Assessment Evaluation for 2010; - Review and consider the amendment of Company's Corporate Governance Policy Business Ethics and Committee Charter; - Considered the Board Self-Assessment and the CEO Assessment form for 2011; - Considered the minority shareholders to propose matter in the agenda and enquiries prior to the meeting date of AGM 2012; - Considered and approved the Audit Committee Charter; - Considered and approved the report of Corporate Governance Committee disclosed in the 2010 Annual Report to present to the Company's Board of Directors.

5) Nominating & Compensation Committee

In 2011, the committee conducted 3 meetings, were as follow:

Directors	Number of Attendance/ Total Number of Meeting	Summary of consideration
1. Dr. Tongchat Hongladaromp 2. Mr. Pradang Prichayangkun 3. Mr. Seri Suksathaporn	3/3 3/3 3/3	<ul style="list-style-type: none"> - Selected, and nominated appropriate candidates to be the Directors for replacement; - Selected, and nominated appropriate candidates to be the Committee Member; - Considered remuneration of Board members and Committees members; - Considered Salary increase for 2012 and 2011 Bonus for the employees and the management; - Considered the exercise of warrants of the resigned Directors.

6) Risk Management Committee

In 2011, the committee conducted 4 meetings, were as follow:

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 ⁽¹⁾ 5. Mr. Lai Ki Tong 6. Mr. Sommai Damneonkiat 7. Mrs. Sukanya Vanichjakvong 8. Mr. Thananan Vilailuck ⁽¹⁾ 9. Mr. Jong Diloksombat 10. Mr. Prasitchai Veerayuttwilai 11. Mr. Pracha Pattayakorn ⁽²⁾	4/4 4/4 4/4 3/4 4/4 4/4 4/4 3/4 4/4 4/4 3/4	<ul style="list-style-type: none"> - Evaluated the Risk Management of 2010; - Considered and approved Risk Management Plans for 2011; - Monitored and ensured that the Risk Management Plans have been implemented; - Reviewed and revised the Risk Management for Improvement.

Remark : ⁽¹⁾ Went abroad for business trip;

⁽²⁾ Has been appointed as a member of the Risk Management Committee since May 12, 2011.

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

Meeting among members of the Independent Directors In 2011, the Company has arranged the meeting among only members of the Independent Directors of the Company prior to the Board of Directors' Meeting every time without any participation of the management team, in order to have discussion on management issues of the Company freely.

5.6) Conflict of Interest

To prevent conflicts of interest, the Company has drawn out guidelines for directors and employees to 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 System and Internal Audit

The Company has the policies to conduct business which aims towards the sustainable growth and to add values to the stakeholders. Hence, the Company placed importance on internal control system and risk management and it has clearly specified the power of authority of the management and operation levels in writing. Such power of authority covered financial control, operations, management and operation supervision to make sure that they were compliance with the related laws and regulations, both internally and externally and also were able to respond to the changes and risks promptly including to create reasonable confidence that the work results can achieve the Company's objectives which are as follows:

1. Strategies and targets must have been clearly specified and they must be practical, consistent with and can support the Company's missions.
2. Performance results must be efficiently achieved as per the specified targets. Resources of the Company must be worthily managed.
3. The reports must contain important information on finances, management and operation and they must be accurate, reliable and can be used for making well-informed decision on time.
4. The operations and performances must be as per the policies, rules and regulations which are compliance with the applicable laws related to the business operations of the Company, both inside and outside of the Company.
5. There must be suitable systems to protect and control assets, personnel including information in the information technology system.
6. There must be close supervising system at all times including the qualified and efficient management system.

7. Operational quality of the personnel, assets, equipment and operating system must be improved on continued basis.

The Company has the appropriated and efficient internal control system and risks management by complying with the internal control and risk management framework which are referred to the international standards of The Committee of Sponsoring Organizations of the Treadway Commission - Enterprise Risk Management (COSO - ERM). These systems are related to 8 components of business operations and management processes of the Company as follows:

1. Organization and its environmental conditions

The Company prepares the operation plan and the commercial strategy every year and the employees of all departments are encouraged to participate in consideration and specify the plan including its operation period. The performance of the management has been followed-up to ensure that it is as per the targets set.

In order to increase clarity and efficiency on management, the Company's business structure has been divided into 3 business lines as follows:

1) Mobile Multimedia 2) ICT Solutions & Services 3) Technology Related Business

Moreover, the Company also specified a policy on business ethics (code of conduct) and operating regulations and this policy has been communicated to the management and the employees for their compliance as well as published in the Company's website (www.samartcorp.com).

2. Objective Setting

The objectives of the Company have been correspondingly set with the mission and strategy by specifying in the annual plan and they are also publicized and explained to the management during the Management Meeting which shall be arranged twice a year, so that the executives can relay and communicate to all levels of their subordinates.

3. Identify Causes

The Company identifies risks which might impact the achievement of objectives and goals by classifying from high risks to low risks. The quantitative and qualitative analysis has been employed by taking into consideration risks from internal and external factors.

4. Risk Management

The Company's Risk Management Committee shall be responsible for prescribing the policy or guideline on managing risks of the main mission and overseeing to ensure that the risk has been effectively managed. Progress of risk management operations has been followed-up through the Risk Management Committee's meeting which shall be held once a quarter, so that the Company can achieve the objective and the plan established.

5. Risk Response

The Company manages risk by dealing with high level risk first. Options shall be provided and considered, so that risks can be controlled with maximum effectiveness. Risk Management Committee shall monitor and follow-up by assigning the management to prepare the report on risk management result, so that the operation shall be as per the specified plan. In addition, the internal audit unit shall have duty to audit, monitor the operating risks in various units to make sure that such operations are free from risks and the effective internal control system is in place.

6. Control operations of the Management

The Company prepares delegation of authority by clearly specifying scope, duties & responsibility and credit line approval of the management in each level, including the operating methodology by putting emphasis on the segregating of duties & responsibilities on approval of accounting transaction recording and asset keeping. The Company also specifies the related transaction measures between the Company and the related person or the person who might have a conflict of interest pursuant to the announcement of the Capital market Supervisory Board, the Office of Securities and Exchange Commission including the regulations of the Stock Exchange of Thailand.

7. Information technology system and information communications

The Company has a Data Center for processing and storage of various departments in the organization. The Company has applied and implemented the international standards, i.e. Information Security Management System or ISO 27001 and CMMI for software development which has been certified for more than 5 years and 3 years respectively. The Company also adopted the Information Technology Infrastructure Library (ITIL) standard which is the standard on IT service management for the operations and brought in Enterprise Resource Planning (ERP) such as SAP (System Application Product) to process financial and accounting data on real time to support the management's decision. Moreover, the disaster recovery site was established to prevent business interruption. The Company not only has intranet web portal for communication with all staffs pertaining rules®ulations or various policies but also implemented Human Resource Information System (HRIS) for human resource management.

8. Monitoring System

The Company shall arrange the meeting to consider performance results by comparing with the Strategic & Implementation Plan (SIP) by incorporating into the meeting agenda of the Board of Directors' meeting every month to ensure that the management is suitable with the business situation. This plan shall be developed/improved to be consistent with the changing nature of today's business. The internal audit unit shall monitor and report the audit results to the administration and the management for consideration and rectification in accordance with the time specified, as well as report to the Audit Committee.

Internal Audit

Internal audit unit has independence for operations. This unit shall report the internal audit results directly to the Audit Committee and shall report the administrative results to the Chairman of the Executive Committee. The internal audit unit must audit and assess the efficiency of the internal control system in accordance with the annual audit plan to ensure that the Company has complied with the internal control system implemented and on continued basis.

With regard to the assessment of efficiency of the internal control system, the internal audit unit has prepared the assessment form on adequacy of internal control system of each work system based on COSO - ERM's framework and such form has conformed to the assessment form of the Office of the Securities and Exchange Commission (SEC). This unit also reviewed the operational results to make sure that the Company has achieved the targets set efficiently and effectively, by strictly complying with the rules and regulations. Financial reports are accurate and credible.

Besides, the head of internal audit unit also acts as the secretary of the Audit Committee and his/her duties are to support workloads and shall be responsible for all duties of the Audit Committee which have been assigned from the Company's Board of Directors. He/she shall arrange the Audit Committee meeting every quarter.

From the above evaluation, the Board of Directors Meeting No. 1/2012 on February 24, 2012 concluded that the Company had a sufficient internal control system. Moreover, the Company's auditor, Mrs. Siriwan Suratepin, an auditor license no. 4604 audited the Company's financial statements for period ending December 31, 2011 without any comment on the Company's internal control system as significant error.

5.8) Risk Management

In 2011, The Company has setup risk management policy to respond to the risks which have tendency to change as per the economic, social and political conditions. Such risk management policy has covered risk prevention and correction. The Risk Management Committee has monitored and followed-up risk management operations as per the plans by cooperating with the following units:

1. To prepare risk management plan of each units which covered all business risks, so that the business can achieve the targets set in the master plan;
2. To manage risks as per the above plans. Each responsible unit shall prioritize risks based on their analysis and opportunity that such risk may take place as well as impact which might incur to the organization. After that, risk management has been planned as appropriated, on case by case. Moreover, the internal audit unit has coordinated and also participated in reviewing of such risk management plans as well;
3. The operations of the above risk management have been monitored and reviewed regularly by the Risk Management Committee which comprised of the management from the relevant units. The meeting has been arranged every quarterly in accordance with the risk management plan. The internal audit unit has followed-up and reviewed the risk management operations of each company with objectives to fulfill the targets set by the Company.

Besides from the above measures, the Company also arranged the trainings and seminars on risk management in each business. Such trainings focused on concept and practices on risk management throughout the organization.

5.9) Board and CEO Assessment

5.9.1 Board Self-Assessment

The Corporate Governance Committee has initiated the Self Assessment form for Board members to review and evaluate their performance for 2011 as a whole. The assessment form, which has been approved by the Board of Directors in its meeting No. 6/2011 on December 16, 2011, 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 (9) agreed that for the above area, the Company has an **excellent** evaluation by obtaining average score **95.56%**.

5.9.2 CEO Assessment

The Corporate Governance Committee has initiated the Assessment for CEO. The form has been approved by the Board of Directors in its meeting No. 6/2011 on December 16, 2011 and sent to all directors for assessment. Assessment result will be considered for remuneration adjustment. The questionnaire covers the following area:

- Leadership
- Board Relations
- Risk Management and Internal Control
- Human Resources Management
- Good Corporate Governance and Business Ethics

From the assessment which been completed by 8 directors, the directors agreed that the CEO has an **excellent** evaluation by obtaining average score **95.08%**.

5.10) Development of Directors and Management

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

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

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 had joined DCP program and 2 directors joined DAP program. There are two directors, Mr. Watchai Vilailuck and Mr. Pradang Prichayangkun, which were Justice Administration for Executives from Nation Justice Academy and Financial reporting to comply with new accounting standard from The Stock Exchange of Thailand respectively.

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

5. Inside Information

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 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 business 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 past 3 years are as follow:

Line of business	Number of Employees (persons)		
	2009	2010	2011
1. Mobile Multimedia	1,127	1,082	971
2. ICT Solutions & Services	1,083	1,096	1,139
3. Technology Related Business	2,388	2,484	3,617 ⁽¹⁾
Total	4,598	4,662	5,727

Remark : ⁽¹⁾ Number of employees has increased from 2010, due to One To One Contacts Co., Ltd., a subsidiary has expanded its call center business, and the employees have been increased in 2011 to support such project.

The remuneration of employees of the Company and the subsidiaries which comprises of salary, bonus, contribution to provident fund and other compensation during the past 3 years are as follows:

Remuneration	Total Amount		
	2009	2010	2011
Salary (Million Baht)	921.98	917.89	1,087.34
Bonus (Million Baht)	53.21	70.38	89.03
Provident Fund (Million Baht)	27.67	30.5	32.62
Warrants ⁽¹⁾ (Million Unit)			
- Mobile Multimedia	39.35	-	-
- ICT Solutions & Services	9.80	-	-
- Technology Related Business	12.50	-	-
Other remuneration (over time, special subsidy and commission) (Million Baht)	115.16	90.52	100.2

Remark : ^(*) The shareholders of Samart Corporation Pcl., Samart I-mobile Pcl. and Samart Telcoms Pcl. on April 24, 2008 had approved the issuance of warrant offering to directors and the employees of such Companies and their listed subsidiaries. The Company had issued on May 29, 2009. The warrants have a 5 years maturity period and can be exercised from the 1st - 5th year at 10, 15, 20, 25 and 30 percent respectively.

Human Resource Management and Development

SAMART group believes in maintaining a sustainable competitive advantage in order to satisfy customers' need and develop higher competitive as well as respond to both external and internal business environmental changes. The Company also recognizes the importance of the core competencies and employee potential in the Company not only being the most significant factor to support Company to create competitive advantage infinitely but increasing the efficiency and effectiveness of the Company as well. Therefore, the Company practically focuses on Human Resources Management and Development throughout the Company.

1. Human Resources Management

The main policy of Human Resources focuses on improving human resources management processes (deployment of organization strategies to individual goals) including of manpower planning, strategic recruitment and hiring, development of performance management, executive and employee development program compare to future business specification and requirement to maximize corporate benefit from resource management and improve the efficiency of human resources in the Company. Furthermore, Corporate Human Resources Policy supporting employee engagement must be attained through neutral and competitive compensation management system. All these enhance the Company's business competitive advantage being one of the mechanisms whereby policies are put into practice. The system consists of the following components:

- **Recruitment and Selection policy:** Confidentially, for acquiring new executive and employee at best qualification on time and optimum quantity, Company advanced deploys more progressive and modern recruitment processes for searching and attracting qualified candidate to apply or join to Company. In the other hand, Company significantly applies standardized Human Resources process and mechanism in selection process for choosing candidate to be new employee to perform as Company plan and comply with Company's strategy and vision efficiently.
- **Performance Development Policy:** Affecting all levels of employee to be more clarified and appropriate working direction responding to all SAMART lines of business, Corporate Human Resources policy therefore emphasizes at business performance management by applying Key Performance Indicators (KPIs) methodology and effective monitoring all levels of employees supporting to their performance improvement and appropriate development for not only team group level but also individual level. The KPIs approach applied to Performance Management would assure that business objectives and targets entirely cascading to SAMART Group by applying goal alignment throughout Company.
- **Compensation & Benefit:** Regarding to internal impartiality and legal regulation, Company essentially determines corporate compensation, benefit and welfare compatible with position accountability, knowledge, competence and manage them on employee diversification and industrial competition. By the way, Corporate Human Resources would certainly ensure employee gaining appropriate compensation benefit and welfare responding to all employees needs and satisfactions at all levels.

Beside, the Company has prepared an employee handbook of Samart Group for distribution to all employees, in order to learn about their welfares and benefits as well as working regulations. Website (www.samarthre.com) has been established via intranet to disseminate such information to the employees as well.

- **Employee Relation & Engagement Policy:** Since Company believes that the more working happiness, the employee engagement to Company and more intention perform for Company's progress and achievement. Corporate Human Resources consequently concentrates on building employee engagement and relationship in the organization among employees, executives and organization as well as team working (Synergy) by implanting into corporate value and culture. This way could efficiently enhance employee more collaboration and organization more synergy through treating employee at the best attention as one of family in Employee Assistance Program (EAP) such as flood disaster relief and medical service.

2. Human Resources Development

Company focally recognizes employee potential and competence being corporate valuable asset which could be more developed and value added. Consequently, Corporate Human Resource significantly focused on Human Resources Development for more employee excellence, higher competence good attitude and human relationship, as well as more potential to earn Return of Investment (ROI) sustainably at all. By the way, Company has applied advanced and standardized Human Resources methodologies and tools to enhance employee behavior, potential development, and corporate competence by continuous learning in both internal and external development. Individually, Corporate Human Resources Development also arranges Individual Development Plan following to corporate competency approaches which develop employees at all in individual proper knowledge, skill, and potential by their position accountability. Moreover, these would correspond to employee and career diversification such as Managerial Readiness Program, Talent Management Program, Career Development Program, and corporate scholarship Program. In 2011, Corporate Human Resources Development subsequently implemented a variety of development programs including of:

- **Training and Development Policy:** Company concentrates on performance development necessary including of knowledge, skill, operational potential and experience, and employee attitude development throughout preparing position promotion readiness and capability enhancement programs for all employee levels. According to Human Resources Development, Company continuously set development direction among Core competency, Managerial competency, and functional competency. Corporate Human Resources Development designedly diversifies a variety of development program including of on the job learning, coaching, knowledge sharing throughout learning organization to prepare corporate business growth and external environmental changes.
- **Career Development Policy:** Individual career path development plan for both managerial and operational level has been established for employees who could perceive their own career development by competencies assessment between actual and expected competency analysis. SAMART Corporate Human Resources have conducted individual annual learning and development roadmap for all levels of employee. These prospectively influence employees growing their own career steadily and providing more value to the organization in the long run.
- **Talent Management Policy:** SAMART believes that human capital is the most valuable asset leading to corporate achievement. Hence high performing and high potential employee should be developed by providing special training courses and career path planning for talent employee. This program aimed to retain our talented employees by serving fast-track and job rotation career progress and enhance their knowledge and competencies to fully apply to their work and challenge to them. SAMART Corporate Human Resources strongly believe that this program should reinforce us retain employee and build up their sense of engagement toward work and the Company.
- **Executive Development Policy:** SAMART has developed managerial management training courses for senior management level specifically to strengthen their leadership and management skills providing new and useful knowledge to apply in their routine work such as Executive Development Program, Young Executive Development Program, Modern Manager etc. This would elaborately lead management executives to improve their skills to prepare their own career advancement and promotion supporting to organization's business growth at present and in the future.

In 2011, SAMART intended to harmonize Human Resources Management and Development process as well as technology applied corporate performance the most effectiveness and efficiency toward advanced and standardized management, once comparing to abroad. In addition, Company mainly concentrated in enhancing and innovating Human Resources Management and Development Projects for all Human Resources aspects and all employees' level. These Human Resources Projects purpose were to prepare for Human Resources risk and change management in the future by Human Resources Management and Development plan policy such as the power of synergy project to reinforce employees collaboration in all Lines of Business of SAMART group and new Human Resources policy focusing on complying to Legal Regulation and Government Policy changes (i.e, AEC:Asian Economic Community, Human Resources Risk and Change Management etc.) with more modernized and standardized Human Resources Management and Development with impartial and competitive Human Resources processes. Purposefully, these empower SAMART to retain sustainable Human Resources competitive advantage in all involved industries, especially for any crisis in the future.

Summary of Training to management and employees of the Company and its subsidiaries in 2011

Training	Frequency	Number of Participants
In-House Training		
Managements	13	1,177
Employees	35	1,077
Sub-Total	48	2,254
External Training		
Managements	109	173
Employees	144	287
Sub-Total	253	460

Training Expenses in 2011

Total training expenses in 2011 for the Company and its subsidiaries were Baht 7.38 million of which comprised internal, external and international training.

Internal Training Courses

- Strategic @ Work
- Leader Training
- The Power Personality Success for Business
- Continuous Improvement
- The Power of Positive Thinking
- Strategic Problem Solving & Decision Making
- The Effective Coordination
- Provide Photocopier training to used in practice
- Conflict Resolution Strategy
- Effective E-mail Writing for Business English
- SPEED = Saving Paper with Efficient Electronic Document System
- The Power of SAMART HR. TOP TEAM
- Provide legal training to use in practice
- PR Workflow
- Project Modern Supervisory Skill
- Technology 3G
- CMMI in Practices
- Standard CMMI Appraisal Method for Process Improvement
- Open Office
- STAR = Sale Tasks / Activities Report
- Systems Applications Products (SAP)
- Job on film for Competency

External and international Courses

- Deploying Cisco Unified Intelligence Center in Singapore
- Legal and Tax Strategies for Successful Joint Venture
- Financial Reporting with for Internal Audit
- Internal Audit Certificate Program (IACP)
- The Issue of Change in Accounting Standards
- Broadband Service for the Better Life
- The Interview for Selection to Work
- Executive Leadership Program
- Preparatory Work for the Purchase of Foreign Products
- Workshop CRM for Business in Social Media
- The Written Response and Negotiate Contract Terms in English
- ASEAN Economic Community
- Approach to build Thai Personnel Telecommunications and ICT
- Analyze Financial Statements on the use of IFRS for the first time test takers and users
- Implementing Cisco Switched Network
- Computer Art & Graphic Design
- The Higher Level Sales Manager
- 300, 1,500 Preparedness Policy Baht
- Management Occupational Safety, Health and Environment ACT
- Success for Sales Required to Make a Good Profit
- Grammar : Application Level
- Methods of Risk Assessment for Planning Internal Audit
- Logistic : Strategy & Management
- The Assessment within the ISO
- The Radiation Protection
- Powerful Personality for Professionals
- The Customer Satisfaction Survey Insight

7. Internal Control System

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

8. Dividend Policy

On dividend payment, the Company has policy to pay dividend to the shareholders of no 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.

Connected Transactions

1. Related transactions which might have conflicts of interest in 2011

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 PCL. (SC) with 18.27% stake owner.</p> <p><u>Director of VIH</u> (related person)</p> <p>1. Mrs. Siriphen Vilailuck 2. Mr. Charoenrath Vilailuck 3. Mr. Watchai Vilailuck</p>	<p>SC rented office space at Software Park Building via 30 - year lease agreement from VIH : The building owner.</p> <p>- Rental, Services charge for public utilities and property tax. (Monthly rental and service charge of Baht 2,518,811 and Yearly property tax of Baht 782,643.75)</p> <p>Remarks : The rate of Service Fee will be increased 5% annually in accordance with the service conditions in the Services Agreement</p>	31.008	Such transaction was complied with the Rental and 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 Audit Committee had opinion that such Service charge was in line with condition of services agreement) (No. 1/2012 on February 24, 2012)
	- Rental, Service charge and Property Tax for SC (for the period during August 1, 2009 - July 31, 2012 with monthly rental and service charge of Baht 834,248.36)	10.011	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 (rent area was 1,614 sq. meters). The Audit Committee in its meeting No. 1/2012 on February 24, 2012, resolved that such rental has the same rate charged to other customers.
	- Rental, Service charge and Property tax : (mezzanine floor) for SC (for the period during June 1, 2010 - July 31, 2012 with monthly rental and service charge of Baht 238,970.22)	2.868	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 462.33 sq. meter). The Audit Committee in its meeting No. 1/2012 on February 24, 2012, resolved that such rental has the same rate charged to other customers.
	- Telephone preventive-maintenance (Total outstanding as of December 31, 2011 was Baht 460.10)	0.006	It was a normal business transaction, which been charged in proportion of actual usage. The Audit Committee in its meeting No.1/2012 on February 24, 2012, resolved that it was the same rate charged to other customers.
	- Advanced payment by SC for Telephone expenses and Property tax to VIH (Total outstanding as of December 31, 2011 was Baht 71,726.65)	0.122	Advanced payment for normal business of which repayment will be settled from time to time (monthly/quarterly basis). The Audit Committee in its meeting No.1/2012 on February 24, 2012, resolved that it was the real advanced expense.
	- Miscellaneous expenses paid for entertain to Vilailuck International Holding Co., Ltd. (VIH) by SC, during Jan. - Dec. 2011	0.229	The Audit Committee in its meeting No.1/2012 on February 24, 2012, resolved that it was a normal business transaction, which been charged in proportion of actual usage.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	<p>Miscellaneous transactions of SC and its subsidiaries paid to VIH during Jan. - Dec. 2011. Actual miscellaneous payments i.e. service charge for public utilities, overtime air condition and parking lots were as follows:</p> <ul style="list-style-type: none"> - Samart Corporation PCL. (SC) 0.372 - Samart Engineering Co., Ltd. (Subsidiary of SC) 0.013 - One To One Contacts Co., Ltd. (Subsidiary of SC) 7.887 - Vision and Security System Co., Ltd. (Subsidiary of SC) 0.015 - Samart Telcoms PCL. (STC) (SC is a major shareholder) 4.726 - Samart Communication Services Co., Ltd. (Subsidiary of STC) 3.505 - Thai Trade Net Co., Ltd. (Subsidiary of STC) 0.046 - Samart Infonet Co., Ltd. (Subsidiary of STC) 2.523 - Samart Comtech Co., Ltd. (Subsidiary of STC) 8.824 - Smarterware Co., Ltd. (Subsidiary of STC) 0.058 - IT Gen Co., Ltd. (Subsidiary of STC) 0.018 - Samart Ed-Tech Co., Ltd. (Subsidiary of STC) 1.348 - Samart I-Mobile PCL. (SIM) (SC is a Major shareholder) 2.580 - I-Mobile International Co., Ltd. (Subsidiary of SIM) 0.049 - Samart Multimedia Co., Ltd. (Subsidiary of SIM) 5.526 - Samart Interactive Media Co., Ltd. (Subsidiary of SIM) 0.161 - I-Mobile Plus Co., Ltd. (Subsidiary of SIM) 3.524 - I-Sport Co., Ltd. (Subsidiary of SIM) 0.011 - Brain Source Co., Ltd. (Subsidiary of SIM) 0.008 <p>(Total outstanding as of December 31, 2011 was Baht 11,355,284)</p> <p>Samart I-Mobile PCL. (SIM) (SC is a Major shareholder) sold the mobile telephone to VIH (Total outstanding as of December 31, 2011 was Baht 4,900)</p>	<p>0.372</p> <p>0.013</p> <p>7.887</p> <p>0.015</p> <p>4.726</p> <p>3.505</p> <p>0.046</p> <p>2.523</p> <p>8.824</p> <p>0.058</p> <p>0.018</p> <p>1.348</p> <p>2.580</p> <p>0.049</p> <p>5.526</p> <p>0.161</p> <p>3.524</p> <p>0.011</p> <p>0.008</p> <p>0.108</p>	<p>The Audit Committee in its meeting No.1/2012 on February 24, 2012, resolved that such service charge was the actual payment, which was the same rate charged to other customers.</p> <p>The Audit Committee in its meeting No.1/2012 on February 24, 2012, resolved that it was a normal business transaction, for sale and purchase of goods, according to the general trade conditions.</p>

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
<p>2. Vilailuck Property Co., Ltd. (VPP) whose major shareholder of 12.50% is Vilailuck International Holdings Co., Ltd. (VIH), VIH the major shareholder of SC</p> <p>Director of VPP (related person)</p> <p>1. Mrs. Siriphen Vilailuck</p>	<p>Payments of Vilailuck Property Co., Ltd. paid in advance by SC were as follows:</p> <ul style="list-style-type: none"> - Miscellaneous expenses for example; telephone, copy and training. (Total outstanding as of December 31, 2011 was Baht 127,745.94) 	0.018	Advanced payment for normal business of which repayment. The Audit Committee in its meeting No.1/2012 on February 24, 2012, and resolved that it was the real advanced.
	<ul style="list-style-type: none"> - Samart Corporation PCL. (SC) Telephone preventive - maintenance (Total outstanding as of December 31, 2011 was Baht 2,247) 	0.001	The Audit Committee in its meeting No.1/2012 on February 24, 2012, resolved that it was a normal business transaction, which charged in proportion of actual usage and prices.
	<ul style="list-style-type: none"> - Vision and Security System Co., Ltd. (VSS) (Subsidiary of SC) sold CCTV to VPP (Total outstanding as of December 31, 2011 was Baht 41,570) 	-	The Audit Committee in its meeting No.1/2012 on February 24, 2012, resolved that it was a normal business transaction, for sale and purchase of goods, according to the general trade conditions.
	<ul style="list-style-type: none"> - Samart Engineering Co., Ltd. (SE) (Subsidiary of SC) sold DTH satellite dish to VPP (Total outstanding as of December 31, 2011 was Baht 24,663) 	0.009	The Audit Committee in its meeting No.1/2012 on February 24, 2012, resolved that it was a normal business transaction, for sale and purchase of goods, according to the general trade conditions.
	<ul style="list-style-type: none"> - Samart Engineering Co., Ltd. (SE) (Subsidiary of SC) Advanced payment by SE for officer's salary working to VPP (Total outstanding as of December 31, 2011 was Baht 470,044) 	-	Advanced payment for normal business of which repayment. The Audit Committee in its meeting No.1/2012 on February 24, 2012, resolved that it was the real advanced expense.
	<ul style="list-style-type: none"> - Samart I-Mobile PCL. (SIM) (SC is the major shareholder of SIM) sold mobile phone to VPP (Total outstanding as of December 31, 2011 was Baht 38,570) 	-	The Audit Committee in its meeting No.1/2012 on February 24, 2012, resolved that it was a normal business transaction, for sale and purchase of goods according to the general trade conditions.
<p>3. Vilailuck Development Co., Ltd. (VLX) whose major shareholder of 42% is VIH and VIH is the major shareholder of SC.</p> <p>Director of VLX (related person)</p> <p>1. Mr. Charoenrath Vilailuck 2. Mr. Watchai Vilailuck</p>	<p>Advance payment of VLX paid by SC as follows:</p> <ul style="list-style-type: none"> - Miscellaneous expense such as telephone and training. (Total outstanding as of December 31, 2011 was Baht 353.10) 	0.019	Advanced payment for normal business of which repayment will be settled from time to time (monthly/quarterly basis). The Audit Committee in its meeting No.1/2012 on February 24, 2012, resolved that it was the real advanced expense.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	<ul style="list-style-type: none"> - Smarterware Co., Ltd. (Subsidiary of STC) provided System Development service to VLX (Total outstanding as of December 31, 2011 was Baht 100,537) - Thai Trade Net Co., Ltd. (Subsidiary of Samart Telcoms PCL.) provided Web Hosting service to VLX - Samart Engineering Co., Ltd. (Subsidiary of SC) sold DTH satellite dish to VLX (Total outstanding as of December 31, 2011 was Baht 12,568) - Samart I-Mobile PCL. (SIM) (SC is the major shareholder of SIM) sold mobile phone to VLX (Total outstanding as of December 31, 2011 was Baht 8,450) 	<ul style="list-style-type: none"> - 0.007 0.035 0.006 	<p>The Audit Committee in its meeting No.1/2012 on February 24, 2012, resolved that it was a normal service business transaction, according to the general trade conditions.</p> <p>The Audit Committee in its meeting No.1/2012 on February 24, 2012, resolved that it was a normal service business transaction, according to the general trade conditions.</p> <p>The Audit Committee in its meeting No.1/2012 on February 24, 2012, resolved that it was a normal business transaction, for sale and purchase of goods, according to the general trade conditions.</p> <p>The Audit Committee in its meeting No.1/2012 on February 24, 2012, resolved that it was a normal business transaction, for sale and purchase of goods, according to the general trade conditions.</p>
<p>4. Phupa Tara Co., Ltd. has Director of SC is a major shareholder</p> <p><u>Director of SC</u> (related person)</p> <p>1. Mrs. Siriphen Vilailuck 2. Mr. Charoenrath Vilailuck 3. Mr. Watchai Vilailuck</p>	<ul style="list-style-type: none"> - Vision and Security System Co., Ltd. (VSS) (Subsidiary of SC) sold CCTV to Phupa Tara Co., Ltd. 	0.372	<p>The Audit Committee in its meeting No.1/2012 on February 24, 2012, resolved that it was a normal business transaction, for sale and purchase of goods, according to the general trade conditions.</p>
<p>5. Ascon Construction PCL. has Director of SC is a major shareholder</p> <p><u>Director of SC</u> (related person)</p> <p>1. Mr. Charoenrath Vilailuck 2. Mr. Watchai Vilailuck 3. Mr. Sirichai Rasameechan</p>	<ul style="list-style-type: none"> - Samart Engineering Co., Ltd. (Subsidiary of SC) sold DTH satellite dish and Antenna to Ascon Construction PCL. (Total outstanding as of December 31, 2011 was Baht 309,111.78) 	-	<p>The Audit Committee in its meeting No.1/2012 on February 24, 2012, resolved that it was a normal business transaction, for sale and purchase of goods, according to the general trade conditions.</p>

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

2.1 Necessity and Rationale of transactions

The Audit Committee had the opinion that the inter-company transactions above were reasonable and necessary for the Company's operations. The conditions were set according to the general trade conditions.

2.2 Measures and Steps of Approval for Connected Transactions

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

2.3 Policy and Trend in Future Connected Transactions

The Company may have any connected transaction as appropriate based on normal business conditions and can be referred the same transaction made with outside parties with the necessity and the maximized benefit to the Company. However, the Company will strictly comply with SET's regulations and notifications. In case of any conflict of interest transaction occurred in the future, opinion from the Audit Committee on its necessity and appropriateness will be required and disclosed in the Company's audited notes of financial statement.

Operation Overview

Total revenues in 2011 were Baht 19,964 million up 23% from Baht 16,259 million in 2010. Revenue from sales and services were Baht 19,767 million compared to Baht 15,921 million in 2010 or increase of 24%. Other income decreased from Baht 339 million to Baht 197 million in 2011. Sales and services income was jump in 2011, thanks to the TOT's 3G network installation project from ICT Solutions and Services Group. Revenue from handset sales on the other hand remained weak. Decrease in other income was due to the drop on sales of investment and handset's selling support income. Selling support income for handset business dropped from Baht 67 million in 2010 to Baht 24 million in 2011. This drop is linked to lower sales of branded handsets and more focus on our own brand, i-Mobile, sales.

Cost of sales and services in 2011 were Baht 15,987 million as compared to Baht 12,606 million in 2010. Gross profit for 2011 was Baht 3,780 million as compared to Baht 3,315 million in 2010, increased by 14%.

Selling and administrative expenses in 2011 were Baht 2,132 million or 11% of total revenues as compared to Baht 2,270 million or 14% of total revenues in 2010. Decrease in selling and administrative expenses was mainly attributed to the better cost management from Mobile Multimedia Group. Other expenses were Baht 48 million as compared to Baht 133 million in 2010. The decline is attributed to allowance for doubtful debts and other expenses.

On a consolidated basis, financing costs increased from Baht 321 million in 2010 to Baht 391 million in 2011. It is mainly from ICT Solutions and Services Group, where financing costs increased from Baht 148 million in 2010 to Baht 190 million, for supporting ongoing projects. On a separate financial statement, financing costs were also higher from Baht 57 million in 2010 to Baht 60 million mainly due to increase in long-term liabilities.

Overall corporate income tax for 2011 was Baht 295 million, increased from Baht 132 million in 2010 due to the Company's business growth and the corporate tax rate was back to 30% normal rate compare to a year earlier of 25%. Tax expenses for ICT Solutions and Services Group were Baht 202 million as against Baht 67 million in 2010. Mobile Multimedia Group's tax expenses were marginally down from Baht 7 million in 2010 to Baht 6 million in 2011 and on a separate financial statements, tax expense were decreased by 19% to Baht 28 million.

On a consolidated basis, the Company reported a net profit of Baht 836 million as compared to Baht 623 million in 2010 or an increase of 34% year on year.

Consolidated Operating Results

Revenue from sales and services were Baht 19,767 million compared to Baht 15,921 million in 2010 or increase of 24%. Increase in revenue is mainly due to higher sales in ICT Solutions and Services Group and Technology Related Business.

Revenue breakdown by line of business:

Line of Business	Revenue from Sales & Services 2011 (Million Baht)	Growth Rate
1. Mobile Multimedia	6,912	(13.4%)
2. ICT Solutions & Services	10,086	80.5%
3. Technology Related Business	2,768	17.6%
Total	19,767	24.2%

Mobile Multimedia:

Sales and services income for 2011 was Baht 6,912 million down from Baht 7,978 million in 2010. The decrease is mainly due to lower average handset price per unit in the market. Service income however increased from Baht 967 million in 2010 to Baht 1,131 million in 2011. Increase in service income is mainly due to increase in content services. Domestic handset sales decreased 17% year on year due to the country's massive flood hit and handset sales by value in the overseas markets were down 13% as compared to year 2010. Overseas handset sales were lower in line with company's policy to scale down the operations in non performing markets. Content sales, on the other hand, were Baht 973 million in 2011 compared to Baht 899 million in 2010 or an increase of 8%.

Gross margin for 2011 was 19% as against 20% in 2010. The slice decrease in gross margin is due to content business' new services expansion and nation's flood hit. Other income dropped from Baht 141 million in 2010 to Baht 82 million in 2011 mainly due to drop in selling support income and the disposal of investment in short term trading securities.

A total of 4,279,966 handsets were sold in 2011, increased from 3,851,866 handsets in 2010 due to the increase in handsets sales in domestic market resulted from the new trend of 3G phone and more affordable handset for end users as average handset price continue to fall in 2011. Handsets sold in international markets were 255,428 units as compared to 465,733 units in 2010. The drop in international handset sales is in line with company's policy to scale down the operations in less attractive markets. Out of total handsets sold in 2011, 4,130,521 units were i-mobile brand or 97% as compared to 3,679,727 or 96% in 2010.

Revenues of infotainment group were up from Baht 899 million in 2010 to Baht 973 million in 2011 or an increase of 8%. The increase is attributed to the larger subscribers in all range of services.

ICT Solutions & Services:

Sales and services income increased from Baht 5,587 million in 2010 to Baht 10,086 million in 2011, or up of 81%. The increase is mainly due to the expansion in sales income resulted from the mega TOT's 3G project. Moreover, service income was also increase in 2011. Gross margin for 2011 was 15% as compared to 18% in 2010. The decrease in gross margin was contributed from the large portion of revenue recognition from sales income which contains a smaller margin.

Technology Related Business:

Technology Related Businesses comprised of international and local business portfolio. Overall revenue increased 18% to Baht 2,768 million. Overall gross profit for Related Businesses was Baht 901 million in 2011 as compared to Baht 688 million in 2010. Gross profit margin for 2011 was 33% as compared to 29% in 2010.

International

International operations comprising of Air Traffic Management Services and Kampot Power Plant Company reported a consolidated revenues of Baht 1,055 million in 2011 as compared to Baht 960 million in 2010. Increase in revenue is mainly due to the increase in air traffic tariff for over flight in Cambodia. Overall gross profit margin was 55% as compared to 53% in 2010.

Domestic

Consolidated revenues in domestic portfolio were Baht 1,712 million up from Baht 1,393 million in 2010. Overall gross profit margin was up from 13% in 2010 to 15% in 2011.

In local portfolio, revenue from Samart Engineering Co., Ltd. increased from Baht 236 million in 2010 to Baht 664 million in 2011. Increase is due to the company supply 600,000 units of set-top-box to One Sky, a subsidiary of GMM Grammy PCL. Gross profit margin however declined from 20% in 2010 to 12% in 2011 due to the nature of turnkey business contains a marginal margin. Call center business, One To One Contacts Co., Ltd., revenue was up from Baht 891 million in 2010 to Baht 907 million in 2011. Increase in call center revenue is due to winning of several private and government call center projects in 2011. Gross profit for 2010 was 10% where as margin in 2011 was 16%. Increase in margin is due to better cost control and management.

Vision and Security System Co., Ltd. revenue was up from Baht 329 million in 2010 to Baht 430 million 2011. Jump in revenue is mainly from several projects of various government agencies that company won. These projects involved installation of security systems at government buildings across different parts of Thailand. Gross profit margin was dropped from 22% in 2010 to 17% in 2011. Decreased on profitability, on the other hand, is due to the high level of competition in the market.

Financial Statement

Assets

Total assets increased 36% to Baht 18,352 million from Baht 13,529 million as of December 2010. Total current assets increased from Baht 8,794 million in 2010 to Baht 13,053 million in 2011. Jump in accrued income to Baht 4,203 million in 2011 was one of the main reasons for increased in current assets. The non-current assets increased from Baht 4,736 million to Baht 5,299 million in 2011. This is mainly related to the investments in ICT Solutions and Services Group. Inventories for 2011 were down by 13% from previous year resulted from the decrease of inventories in all business units. Inventories for ICT Solutions and Services Group decreased from Baht 687 million in 2010 to Baht 622 million in 2011. Inventories under Mobile Multimedia Group decreased from Baht 874 million in 2010 to Baht 722 million in 2011. The consolidated inventories for 2011 was Baht 1,519 million or equivalent to 8% of total assets compare to the year earlier of Baht 1,737 million or 13% of total assets. Cash and cash equivalents increased from Baht 724 million in 2010 to Baht 1,069 million in 2011.

Trade Account Receivable and Inventory

Company's net trade account receivables increased by 27% to Baht 5,146 million from Baht 4,062 million in 2010. Outstanding account receivables at Mobile Multimedia Group are worth Baht 3,439 million or equivalent to 67% of total account receivables. Outstanding account receivables in ICT Solutions and Services Group are worth Baht 1,278 million or equivalent to 25% of total account receivables. Overall provision for doubtful accounts decreased from Baht 154 million to Baht 143 million in 2011. Accounts over twelve months decreased from Baht 364 million to Baht 189 million in 2011.

Net inventories as of December 2011 decreased by 13% to Baht 1,519 million from Baht 1,737 million as of December 2010. The decrease is mainly attributed to inventories under Mobile Multimedia and ICT Solutions and Services Group.

D/E ratio

On a consolidated basis, D/E ratio (total liabilities over total equity) for 2011 was 2.06 times increased from 1.45 times in 2010. The interest bearing D/E ratio (total interest bearing debts to total equity) for 2011 was 1.43 times increased from 1.03 times a year earlier. Jump in the debt ratio is mainly came from the increase in short-term loan from ICT Solutions and Services for supporting the TOT's 3G project value over a ten billion Baht. Therefore, the debt ratio will be dramatically decreased when the installation of the project complete and the Company receive the payment. On the other hand, the long-term D/E is subjected 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 1.21 times for year 2011 as compared to 1.20 times for the year ended 2010. On a company basis, current ratio was 1.02 times for 2011 as compared to 0.51 times for 2010. The ratio shows that the Company contains the good liquidity level.

On a consolidated basis, Baht 773 million cash used in operating activities in 2011 as compared to net of Baht 2,585 million in the previous year. The change attributed from the use of cash for supporting the business growth in the year 2011. For the investing activities, the Company used Baht 1,046 million of cash in 2011 for supporting growth as compared to Baht 403 million used in 2010. For the financing activities, the Company net cash of Baht 2,141 million in 2011 as compared to Baht 2,326 million a year earlier. Cash financing in 2011 was for supporting the investment in many state enterprise projects.

As a result, ending cash and cash equivalents increased from Baht 724 million as of December 2010 to Baht 1,069 million as of December 2011.

Sources of Fund

As of December 2011, consolidated shareholders equity was Baht 5,995 million as compared to Baht 5,526 million as of December 2010. On a Company level, equity attributable to Company's shareholders was down from Baht 3,410 million to Baht 3,322 million. Consolidated unappropriated retained earnings were up from Baht 2,547 million in 2010 to Baht 2,933 million in 2011. As of December 2011, Company has outstanding 16.06 of million treasury shares at an average price of Baht 5.49 per share. Issued and fully paid up capital increased marginally from Baht 980 million to Baht 986 million as a result of exercise of employee stock options (warrants).

Total liabilities in 2011 were Baht 12,356 million increased from Baht 8,004 million as of December 2010. Liabilities increased due to the increase in bank overdrafts and short-term loans from financial institutions which jump from Baht 4,563 million to Baht 6,446 million as of December 2011. Non-current liabilities increased from Baht 582 million in 2010 to Baht 1,491 million in 2011. The increase mainly came from the business growth in 2011. However, the Company monitors closely on the level of debts for limiting any incurred risks.

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 3 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, 2011, 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 statements of financial position of Samart Corporation Public Company Limited and its subsidiaries as at 31 December 2011, the related consolidated statements of income, comprehensive income, statements of change in shareholder's equity and cash flows for the year then ended, and have also audited the separate financial statements of Samart Corporation Public Company Limited for the same period. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audit. I did not audit the financial statements of Samart Inter Holding Company Limited, Cambodia Air Traffic Services Company Limited and Kampot Power Plant Company Limited, the overseas subsidiaries of the Company, whose financial statements were included in the consolidated financial statements. The consolidated statement of financial position as at 31 December 2011 included the financial statements of the three subsidiary companies which presented total assets of Baht 1,129 million, or equivalent to 6.15 percent of total consolidated assets. The consolidated statement of income for the year ended 31 December 2011 included total revenue of the three subsidiary companies of Baht 1,070 million, or equivalent to 5.36 percent of total consolidated revenue. The financial statements of the three 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 in the consolidated financial statements, is based solely on the reports of those auditors.

The consolidated financial statements of Samart Corporation Public Company Limited and its subsidiaries and the separate financial statements of Samart Corporation Public Company Limited for the year ended 31 December 2010, as presented herein for comparative purposes, were audited in accordance with generally accepted auditing standards by another auditor of our firm and based on the reports of other auditors of the overseas subsidiary companies, who expressed an unqualified opinion on those statements but drew attention to the provision for the fine from the project delay of a subsidiary company and the related party transactions, under her report dated 23 February 2011.

I conducted my audit 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 audit provides a reasonable basis for my opinion.

In my opinion, based on my audit and the reports of other auditors, the consolidated and separate 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 2011, and the results of their operations and cash flows for the year then ended, in accordance with generally accepted accounting principles.

Without qualifying my opinion on the financial statements for 2011, I draw attention to the following matters.

- a) As discussed in Note 46.3 g) 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, up to 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. Since the subsidiary could not

accomplish 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 company 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 subsidiary's management believes that the negotiation with the counterparty will be successful therefore as at 31 December 2011 the subsidiary has not set up provision for fine from the project delay.

- b) As discussed in Note 3 and Note 5 to the financial statements, during the current year, the Company and its subsidiaries adopted a number of revised and new accounting standards as issued by the Federation of Accounting Professions, and applied them in the preparation and presentation of the financial statements. For the first-time adoption of TAS 19 Employee Benefits and changed in the accounting policy related to the recording of forward exchange contracts. The Company and its subsidiaries have restated the financial statements as at 31 December 2010 and for the year then ended to reflect the changes in accounting policies resulting from the adoption of these new accounting standards and change in the above accounting standards.
- c) As discussed in Note 12 to the financial statements, Samart Corporation Public Company Limited and its subsidiaries had significant business transactions with related individual and parties, 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 mutually agreed by Samart Corporation Public Company Limited and those related parties.



Siriwan Suratepin

Certified Public Accountant (Thailand) No. 4604

Ernst & Young Office Limited
Bangkok: 23 February 2012

Statements of financial position

Samart Corporation Public Company Limited and its subsidiaries

As at 31 December 2011 and 2010

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
			(Restated)		(Restated)
Assets					
Current assets					
Cash and cash equivalents	8	1,069,103,744	724,378,420	31,148,515	160,043,204
Short-term investments					
Trading securities	9	2,927,698	106,955,710	614,882	809,882
Fixed deposit at financial institutions		-	100,742,500	-	-
Trade and other receivables	10	5,146,170,049	4,062,133,556	95,101,451	42,146,407
Accrued income		4,202,920,896	1,316,539,422	1,399,010	699,504
Short-term loans	11, 12	18,951,117	9,000,000	181,170,533	315,651,333
Inventories - net	13	1,519,036,229	1,736,803,635	-	-
Current portion of long-term finance leases receivable	14	47,879,487	42,406,758	-	-
Other current assets	15	1,046,014,937	694,748,600	29,561,153	21,984,333
Total current assets		13,053,004,157	8,793,708,601	338,995,544	541,334,663
Non-current assets					
Restricted bank deposits	8.1	128,792,599	127,671,910	-	-
Investments in subsidiaries	16	-	-	3,653,430,862	3,448,307,683
Other long-term investments	17	88,456,496	-	-	-
Long-term finance leases receivable - net of current portion	14	9,460,583	50,278,070	-	-
Property, plant and equipment	18	4,164,133,037	3,641,693,557	378,461,232	447,787,094
Deferred right for the use of communication equipment	20	-	264,627,622	-	-
Prepaid rental to a related company	19	217,053,200	229,575,500	217,053,200	229,575,500
Goodwill		217,907,888	217,907,888	-	-
Intangible assets	21	311,457,218	36,419,255	-	-
Assets held for future projects	22	62,459,541	72,945,703	43,759,541	45,257,682
Other non-current assets					
Withholding tax deducted at source		3,689,271	6,384,843	3,140,316	4,850,803
Deposits		60,733,949	51,178,939	3,610,223	3,652,983
Others		34,432,395	36,918,386	6,311,189	4,502,718
Total other non-current assets		98,855,615	94,482,168	13,061,728	13,006,504
Total non-current assets		5,298,576,177	4,735,601,673	4,305,766,563	4,183,934,463
Total assets		18,351,580,334	13,529,310,274	4,644,762,107	4,725,269,126

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

Statements of financial position (continued)

Samart Corporation Public Company Limited and its subsidiaries

As at 31 December 2011 and 2010

(Unit : Baht)

Note	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Liabilities and shareholders' equity				
Current liabilities				
Bank overdrafts and short-term loans from financial institutions	23	6,445,834,218	4,563,056,664	165,000,000
Trade and other payables	24	2,994,161,011	1,600,535,252	62,468,995
Short-term loans	12, 25	495,000	495,000	99,376,852
Corporate income tax payable		91,846,483	14,713,513	-
Current portion of long-term loans from financial institutions	26	629,259,111	496,581,182	1,148,855
Current portion of liabilities under finance lease agreements	27	7,665,722	26,357,835	1,374,118
Accrued project cost		332,318,103	385,265,245	-
Other current liabilities	28	269,377,817	244,483,241	3,985,645
Total current liabilities		10,770,957,465	7,331,487,932	333,354,465
Non-current liabilities				
Long-term loans from subsidiary company	12	-	-	534,775,920
Long-term loans from financial institutions - net of current portion	26	1,464,002,965	578,736,896	412,061,873
Long-term liabilities under finance lease agreements - net of current portion	27	26,910,471	3,337,664	8,374,261
Provision for long-term employee benefits	29	89,819,208	81,716,161	20,216,889
Other non-current liabilities				
Deposits		3,673,866	3,228,008	14,185,517
Advance received IT service fees from subsidiary companies	12, 30	-	-	-
Others		843,755	5,138,261	2,300
Total other non-current liabilities		4,517,621	8,366,269	14,187,817
Total non-current liabilities		1,585,250,265	672,156,990	989,616,760
Total liabilities		12,356,207,730	8,003,644,922	1,322,971,225

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

Statements of financial position (continued)

Samart Corporation Public Company Limited and its subsidiaries

As at 31 December 2011 and 2010

(Unit : Baht)

Note	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital 31				
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				
985,629,410 ordinary shares of Baht 1 each (2010: 980,306,410 ordinary shares of Baht 1 each)	985,629,410	980,306,410	985,629,410	980,306,410
Share premium	90,427,113	66,739,763	90,427,113	66,739,763
Share premium of subsidiary companies	1,204,123,948	1,195,251,930	-	-
Retained earnings				
Appropriated - statutory reserve 35	100,660,183	100,660,183	100,660,183	100,660,183
- treasury shares reserve 33	88,260,052	88,260,052	88,260,052	88,260,052
Unappropriated	2,932,654,327	2,546,722,057	1,976,419,883	2,089,117,086
Other components of shareholders' equity	(619,806,969)	(570,283,307)	168,654,293	173,431,235
Total shareholders' equity	4,781,948,064	4,407,657,088	3,410,050,934	3,498,514,729
Less: Treasury shares 33	(88,260,052)	(88,260,052)	(88,260,052)	(88,260,052)
Equity attributable to owners of the Company	4,693,688,012	4,319,397,036	3,321,790,882	3,410,254,677
Non-controlling interests of the subsidiaries	1,301,684,592	1,206,268,316	-	-
Total shareholders' equity	5,995,372,604	5,525,665,352	3,321,790,882	3,410,254,677
Total liabilities and shareholders' equity	18,351,580,334	13,529,310,274	4,644,762,107	4,725,269,126

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 2011 and 2010

(Unit : Baht)

Note	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Revenues				
Sales income	14,395,186,684	11,056,421,853	-	-
Service income	5,371,689,779	4,864,132,761	15,845,103	14,621,506
Other income 37.1	197,399,086	338,669,051	815,213,123	700,781,741
Total revenues	19,964,275,549	16,259,223,665	831,058,226	715,403,247
Expenses				
Cost of sales 38	12,188,690,634	9,323,444,329	-	-
Cost of services	3,798,182,915	3,282,486,470	15,336,332	14,176,708
Selling expenses	1,018,491,789	1,351,032,953	-	-
Administrative expenses	1,113,586,946	919,065,668	352,107,560	303,567,678
Other expenses 37.2	47,562,939	132,693,260	37,974,449	48,753,484
Total expenses	18,166,515,223	15,008,722,680	405,418,341	366,497,870
Profit before finance cost and corporate income tax	1,797,760,326	1,250,500,985	425,639,885	348,905,377
Finance cost 40	(390,940,662)	(321,378,063)	(60,050,168)	(56,569,474)
Profit before corporate income tax	1,406,819,664	929,122,922	365,589,717	292,335,903
Corporate income tax 41	(294,994,805)	(132,210,716)	(28,434,271)	(34,970,400)
Profit for the year	1,111,824,859	796,912,206	337,155,446	257,365,503
Profit attributable to:				
Equity holders of the Company	835,784,919	623,036,573	337,155,446	257,365,503
Non-controlling interests of the subsidiaries	276,039,940	173,875,633		
	1,111,824,859	796,912,206		
Earnings per share				
Basic earnings per share				
Profit attributable to equity holders of the Company	0.86	0.66	0.35	0.27
Diluted earnings per share				
Profit attributable to equity holders of the Company	0.86	0.65	0.35	0.27

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

Statements of comprehensive income

Samart Corporation Public Company Limited and its subsidiaries

For the years ended 31 December 2011 and 2010

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Profit for the year	1,111,824,859	(Restated) 796,912,206	337,155,446	(Restated) 257,365,503
Other comprehensive income (loss):				
Exchange differences on translation of financial statements in foreign currencies	40,883,265	(72,656,447)	-	-
Gain on changes in value of available-for-sale investments	4,644,227	-	-	-
Other comprehensive income for the year	45,527,492	(72,656,447)	-	-
Total comprehensive income for the year	1,157,352,351	724,255,759	337,155,446	257,365,503
Total comprehensive income attributable to:				
Equity holders of the Company	880,208,801	549,582,728	337,155,446	257,365,503
Non-controlling interests of the subsidiaries	277,143,550	174,673,031		
	1,157,352,351	724,255,759		

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 2011 and 2010

(Unit: Baht)

	Consolidated financial statements															
	Equity attributable to owners of the Company														Equity attributable to non controlling interests of the subsidiaries	Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Share premium of subsidiary companies	Retained earnings			Other components of shareholders' equity					Total equity attributable to owners of the Company	Treasury shares			
							Other comprehensive income		Surplus on property, plant and equipment	Revaluation surplus on 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			Total other components of shareholders' equity		
							Exchange differences on translation of financial statements in foreign currencies	Gain on changes in value of available-for sale investments								
				Statutory reserve	Treasury share reserve	Un-appropriated										
Balance as at 31 December 2009 - as previously reported	977,070,910	21,041,660	1,186,159,106	100,660,183	209,669,951	2,165,227,503	(138,144,008)	-	177,822,024	205,132,840	(796,349,516)	(551,538,660)	4,108,290,653	(209,669,951)	1,068,694,196	4,967,314,898
Cumulative effect of changes in accounting policies (Note 5)	-	-	-	-	-	(63,151,576)	-	-	-	-	-	-	(63,151,576)	-	(13,263,007)	(76,414,583)
Balance as at 31 December 2009 - as restated	977,070,910	21,041,660	1,186,159,106	100,660,183	209,669,951	2,102,075,927	(138,144,008)	-	177,822,024	205,132,840	(796,349,516)	(551,538,660)	4,045,139,077	(209,669,951)	1,055,431,189	4,890,900,315
Increase share capital and share premium from warrant exercised	3,235,500	14,397,975	-	-	-	-	-	-	-	-	-	-	17,633,475	-	-	17,633,475
Decrease in treasury share during the year (Note 33)	-	31,300,128	-	-	(121,409,899)	121,409,899	-	-	-	-	-	-	31,300,128	121,409,899	-	152,710,027
Increase in share premium of subsidiary companies	-	-	9,092,824	-	-	-	-	-	-	-	-	-	9,092,824	-	-	9,092,824
Transferred revaluation surplus on property, plant and equipment of subsidiaries to retained earnings	-	-	-	-	-	-	-	-	-	(1,646,500)	-	(1,646,500)	(1,646,500)	-	6,872	(1,639,628)
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	-	-	-	-	-	-	-	-	-	-	60,746,487	60,746,487	60,746,487	-	-	60,746,487
Dividend paid (Note 36)	-	-	-	-	-	(304,191,131)	-	-	-	-	-	-	(304,191,131)	-	-	(304,191,131)
Total comprehensive income for the year (restated)	-	-	-	-	-	623,036,573	(73,453,845)	-	-	-	-	(73,453,845)	549,582,728	-	174,673,031	724,255,759
Decrease in non-controlling interests from dividend payment in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(82,788,829)	(82,788,829)
Increase in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	58,946,053	58,946,053
Balance as at 31 December 2010 - as restated	980,306,410	66,739,763	1,195,251,930	100,660,183	88,260,052	2,546,722,057	(211,597,853)	-	173,431,235	203,486,340	(735,603,029)	(570,283,307)	4,407,657,088	(88,260,052)	1,206,268,316	5,525,665,352

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 2011 and 2010

(Unit: Baht)

	Consolidated financial statements															
	Equity attributable to owners of the Company														Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Share premium of subsidiary companies	Retained earnings			Other components of shareholders' equity					Treasury shares				
							Other comprehensive income		Surplus on property, plant and equipment	Revaluation surplus on land, building and improvement of subsidiary companies	Surplus on investment 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		Total other components of shareholders' equity	Total equity attributable to owners of the Company		
							Exchange differences on translation of financial statements in foreign currencies	Gain on changes in value of available-for sale investments								
Statutory reserve	Treasury share reserve	Un-appropriated														
Balance as at 31 December 2010 - as previously reported	980,306,410	66,739,763	1,195,251,930	100,660,183	88,260,052	2,614,959,634	(211,597,853)	-	173,431,235	203,486,340	(735,603,029)	(570,283,307)	4,475,894,665	(88,260,052)	1,221,098,503	5,608,733,116
Cumulative effect of changes in accounting policies (Note 5)	-	-	-	-	-	(68,237,577)	-	-	-	-	-	-	(68,237,577)	-	(14,830,187)	(83,067,764)
Balance as at 31 December 2010 - as restated	980,306,410	66,739,763	1,195,251,930	100,660,183	88,260,052	2,546,722,057	(211,597,853)	-	173,431,235	203,486,340	(735,603,029)	(570,283,307)	4,407,657,088	(88,260,052)	1,206,268,316	5,525,665,352
Increase share capital and share premium																
from warrant exercised (Note 31.2)	5,323,000	23,687,350	-	-	-	-	-	-	-	-	-	-	-	29,010,350	-	29,010,350
Increase in share premium of subsidiary companies	-	-	8,872,018	-	-	-	-	-	-	-	-	-	-	8,872,018	-	8,872,018
Transferred revaluation surplus on property, plant and equipment to retained earnings (Note 32)	-	-	-	-	-	4,390,789	-	-	(4,390,789)	-	-	(4,390,789)	-	-	-	-
Amortise surplus on land disposal (Note 32)	-	-	-	-	-	-	-	-	(386,153)	-	-	(386,153)	(386,153)	-	-	(386,153)
Transferred revaluation surplus on property, plant and equipment of subsidiaries to retained earnings (Note 32)	-	-	-	-	-	-	-	-	-	(1,646,501)	-	(1,646,501)	(1,646,501)	-	-	(1,646,501)
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	-	-	-	-	-	-	-	-	-	-	(87,524,101)	(87,524,101)	(87,524,101)	-	-	(87,524,101)
Total comprehensive income for the year	-	-	-	-	-	835,784,919	42,089,229	2,334,653	-	-	-	44,423,882	880,208,801	-	277,143,550	1,157,352,351
Dividend paid (Note 36)	-	-	-	-	-	(454,243,438)	-	-	-	-	-	-	(454,243,438)	-	-	(454,243,438)
Decrease in non-controlling interests from dividend payment in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(150,383,434)	(150,383,434)
Increase in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(31,343,840)	(31,343,840)
Balance as at 31 December 2011	985,629,410	90,427,113	1,204,123,948	100,660,183	88,260,052	2,932,654,327	(169,508,624)	2,334,653	168,654,293	201,839,839	(823,127,130)	(619,806,969)	4,781,948,064	(88,260,052)	1,301,684,592	5,995,372,604

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 2011 and 2010

(Unit: Baht)

	Separate financial statements									
	Issued and paid-up share capital	share premium	Retained earnings			Other components of shareholders' equity	Total other components of shareholders' equity	Total	Treasury share	Total shareholders' equity
			Appropriated		Unappropriated	Revaluation surplus on property, plant and equipment				
			Statutory reserve	Treasury share reserve						
Balance as at 31 December 2009										
- as previously reported	977,070,910	21,041,660	100,660,183	209,669,951	2,029,787,553	177,822,024	177,822,024	3,516,052,281	(209,669,951)	3,306,382,330
Cumulative effect of changes in accounting policies (Note 5)	-	-	-	-	(19,645,527)	-	-	(19,645,527)	-	(19,645,527)
Balance as at 31 December 2009 - as restated	977,070,910	21,041,660	100,660,183	209,669,951	2,010,142,026	177,822,024	177,822,024	3,496,406,754	(209,669,951)	3,286,736,803
Increase share capital and share premium from warrant exercised	3,235,500	14,397,975	-	-	-	-	-	17,633,475	-	17,633,475
Decrease in treasury share during the year (Note 33)	-	31,300,128	-	(121,409,899)	121,409,899	-	-	31,300,128	121,409,899	152,710,027
Transferred revaluation surplus on property, plant and equipment to retained earnings	-	-	-	-	4,390,789	(4,390,789)	(4,390,789)	-	-	-
Total comprehensive income for the year (restated)	-	-	-	-	257,365,503	-	-	257,365,503	-	257,365,503
Dividend paid (Note 36)	-	-	-	-	(304,191,131)	-	-	(304,191,131)	-	(304,191,131)
Balance as at 31 December 2010 - as restated	980,306,410	66,739,763	100,660,183	88,260,052	2,089,117,086	173,431,235	173,431,235	3,498,514,729	(88,260,052)	3,410,254,677

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 2011 and 2010

(Unit: Baht)

	Separate financial statements									
	Issued and paid-up share capital	share premium	Retained earnings			Other components of shareholders' equity	Total other components of shareholders' equity	Total	Treasury share	Total shareholders' equity
			Appropriated		Unappro- priated	Revaluation surplus on property, plant and equipment				
			Statutory reserve	Treasury share reserve						
Balance as at 31 December 2010										
- as previously reported	980,306,410	66,739,763	100,660,183	88,260,052	2,111,242,611	173,431,235	173,431,235	3,520,640,254	(88,260,052)	3,432,380,202
Cumulative effect of changes in accounting policies (Note 5)	-	-	-	-	(22,125,525)	-	-	(22,125,525)	-	(22,125,525)
Balance as at 31 December 2010 - as restated	980,306,410	66,739,763	100,660,183	88,260,052	2,089,117,086	173,431,235	173,431,235	3,498,514,729	(88,260,052)	3,410,254,677
Increase share capital and share premium from warrant exercised (Note 31.2)	5,323,000	23,687,350	-	-	-	-	-	29,010,350	-	29,010,350
Amortise revaluation surplus on property, plant and equipment to retained earnings (Note 32)	-	-	-	-	4,390,789	(4,390,789)	(4,390,789)	-	-	-
Amortise revaluation surplus on land disposal (Note 32)	-	-	-	-	-	(386,153)	(386,153)	(386,153)	-	(386,153)
Total comprehensive income for the year	-	-	-	-	337,155,446	-	-	337,155,446	-	337,155,446
Dividend paid (Note 36)	-	-	-	-	(454,243,438)	-	-	(454,243,438)	-	(454,243,438)
Balance as at 31 December 2011	985,629,410	90,427,113	100,660,183	88,260,052	1,976,419,883	168,654,293	168,654,293	3,410,050,934	(88,260,052)	3,321,790,882

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 2011 and 2010

(Unit : Baht)

Note	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Cash flows from operating activities				
Net income before tax	1,406,819,664	929,122,922	365,589,717	292,335,903
Adjustments to reconcile net income before tax to net cash provided by (paid from) operating activities				
Gain on disposal of investments in related parties	(700,589)	(105,612,395)	-	(54,967,841)
Loss (gain) on disposal of short-term investment in trading securities 9	1,088,084	1,200,573	(10,282)	4,578,239
Amortization of deferred income on sale and lease back	(3,927,318)	(3,911,863)	-	-
Gain on sales and write-offs of property, plant and assets held for future projects - net	(13,867,104)	(3,199,597)	(5,366,073)	(2,044,638)
Gain on sales of equipment under finance lease	-	(28,129,491)	-	-
Loss on change in value of short-term investment in trading securities 9	18,925,494	15,035,053	1,357,659	2,760,930
Unrealised loss (gain) on exchange	(30,183,622)	(6,463,873)	25,777,749	(29,934,877)
Reversal of allowance for impairment of deferred right to the use of communications equipment	-	(78,000,000)	-	-
Bad debts and doubtful accounts (reversal)	(11,632,216)	42,702,083	-	-
Allowance for diminution in value of advance for purchase of inventories (reversal)	(224,536)	1,319,539	-	-
Allowance for diminution in value of sales promotion receivables (reversal)	(6,759,366)	4,527,563	-	-
Allowance for withholding tax deducted at source and refundable value added tax	11,523,790	11,367,878	4,270,465	7,080,173
Provision for employee benefit	25,936,465	10,212,620	7,027,389	2,479,998
Decrease of inventory to net realisable value	27,521,050	27,461,468	-	-
Reversal of allowance for obsolete inventories to cost	(8,576,619)	(4,289,533)	-	-
Loss on inventories shrinkage	1,896,063	-	-	-
Depreciation and amortisation	1,080,710,128	957,540,324	109,818,015	101,338,685
Allowance for impairment loss of investment in subsidiaries	-	-	12,976,493	34,334,142

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 2011 and 2010

(Unit : Baht)

Note	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Cash flows from operating activities (continued)				
Allowance for impairment of assets	15,858,284	17,416,103	-	-
Amortisation of excess of cost of investments over the net book value of the subsidiaries	6,810,928	41,629,041	-	-
Amortisation of advance receive from subsidiaries	-	-	-	(290,000)
Amortisation of advance receive for IT service fee from subsidiaries	-	-	(2,280,289)	(27,363,461)
Transfer equipment to expense	4,140,789	4,097,468	-	-
Gain on compensation receipt from insurance	(369,212)	(31,613)	-	-
Share of loss from joint ventures	700,589	-	-	-
Interest income	(11,173,101)	(9,621,248)	(25,160,098)	(23,452,797)
Interest expense	368,030,794	300,059,531	59,197,536	56,435,114
Income from operating activities before changes in operating assets and liabilities	2,882,548,439	2,124,432,553	553,198,281	363,289,570
Operating assets (increase) decrease				
Trade and other accounts receivable	(1,056,774,048)	285,346,423	(52,374,735)	45,326,169
Inventories	(277,753,308)	(245,871,996)	-	-
Accrued income	(2,879,620,635)	1,073,636,567	(699,506)	27,811
Other current assets	(351,127,684)	237,637,824	(2,514,837)	(11,277,772)
Other non-current assets	(4,019,313)	6,205,715	4,543,705	(1,931,653)
Operating liabilities increase (decrease)				
Trade and other accounts payable	1,525,819,648	(479,648,992)	17,382,949	5,914,377
Other current liabilities	3,615,124	39,414,967	(1,290,594)	(8,540,120)
Other non-current liabilities	78,670	(6,126,905)	1,724,335	(4,086,720)
Cash flows from operating activities	(157,233,107)	3,035,026,156	519,969,598	388,721,662

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 2011 and 2010

(Unit : Baht)

Note	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Cash flows from operating activities (continued)				
Proceed from sale of short-term investment				
in trading securities	9	19,143,101	40,588,618	8,343,152
Cash paid for purchase of short-term investments				
in trading securities	9	(18,940,936)	(52,971,932)	(9,495,529)
Cash paid for employee retirement benefit	29	(12,574,126)	-	(8,263,297)
Cash paid to provide short-term loans to employees	11	(4,951,117)	-	(519,200)
Cash paid for interest expenses		(349,278,710)	(299,264,865)	(54,321,360)
Cash paid for corporate income tax		(299,920,007)	(317,087,014)	(41,670,891)
Cash received from refund corporate income tax		51,064,509	178,314,948	-
Net cash flows from (used in) operating activities		(772,690,393)	2,584,605,911	414,042,473
Cash flows from investing activities				
Decrease in short-term investments in debt securities		-	299,557,905	-
Cash received for interest income		7,656,303	5,636,564	24,671,983
Decrease (increase) in fixed deposit		100,742,500	(742,500)	-
Increase in restricted bank deposits		(1,120,689)	(839,280)	-
Cash paid to provide short-term loans to unrelated parties	11	(5,000,000)	-	-
Cash paid to provide short-term loans				
to related parties	12	-	-	(39,200,000)
Cash received from repayment from short-term loans				
to related parties	12	-	-	174,200,000
Cash received from insurance claims for equipment		373,962	32,660	-
Cash received from finance lease receivables		38,841,000	29,307,300	-
Proceeds from sales of investments in related parties		-	244,415,017	-
Cash paid for purchase of investments in related parties		(133,988,180)	(26,687,451)	(220,053,083)
Proceeds from sales of investments in joint ventures		49,999,800	-	49,999,800
Cash paid for acquisition of investments in joint ventures		(49,999,800)	-	(49,999,800)
Net cash inflows from purchase of investment				
in related parties		7,594,604	-	-
Proceeds from sales of property, plant and				
equipment and assets hold for future projects		17,055,017	17,376,135	6,720,757
				5,460,231

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 2011 and 2010

(Unit : Baht)

Note	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Cash flows from investing activities (continued)				
Cash paid for property, plant and equipment	(1,025,720,129)	(948,452,623)	(18,878,661)	(76,612,462)
Cash paid for intangible assets	(48,849,870)	(22,927,241)	-	-
Increase (decrease) in surplus on investment over book value in subsidiary company	(87,524,102)	60,746,487	-	-
Increase (decrease) in minority interests in subsidiary companies	83,709,471	(59,986,994)	-	-
Net cash flows from (used in) investing activities	(1,046,230,113)	(402,564,021)	(72,539,004)	34,588,524
Cash flows from financing activities				
Increase (decrease) in bank overdrafts	52,549,079	(133,375,066)	(17,213,131)	(89,915,457)
Proceeds from short-term loans from financial institutions	12,392,463,699	8,367,995,375	841,820,000	701,829,361
Cash paid to settle short-term loans from financial institutions	(10,624,644,460)	(9,313,643,891)	(1,166,820,000)	(611,829,361)
Increase (decrease) in trust receipts	118,479,624	(786,362,342)	-	-
Proceeds from long-term loans from financial institutions	1,420,891,406	310,191,562	400,000,000	19,409,565
Cash paid to settle long-term loans from financial institutions	(494,577,758)	(623,531,888)	(221,660,591)	(465,351,878)
Cash paid for repayment of loans from unrelated party	-	(12,111,000)	-	-
Cash paid for repayment of loans from other company	-	(55,000,000)	-	(55,000,000)
Cash received from short-term loans from related party 12	-	-	93,750,000	-
Cash paid to settle short-term loans from related party 12	-	-	(5,000,000)	-
Cash received from long-term loans from related parties 12	-	-	175,477,840	95,952,900
Cash received from sales and lease back of assets	-	2,132,673	-	-
Cash paid to settle liabilities under finance lease agreements	(28,568,328)	(28,910,134)	(911,717)	(382,598)
Cash received from sale treasury share	-	152,710,027	-	152,710,027
Dividend paid 36	(742,919,832)	(242,372,489)	(598,850,909)	(159,583,660)
Cash received from additional ordinary shares from warrants excersied	47,343,350	36,472,100	29,010,350	17,633,475
Net cash flows from (used in) financing activities	2,141,016,780	(2,325,805,073)	(470,398,158)	(394,527,626)
Increase (decrease) in translation adjustments	22,629,050	(91,525,320)	-	-
Net increase (decrease) in cash and cash equivalents	344,725,324	(235,288,503)	(128,894,689)	(47,136,742)
Cash and cash equivalents at beginning of the year	724,378,420	959,666,923	160,043,204	207,179,946
Cash and cash equivalents at end of the year	1,069,103,744	724,378,420	31,148,515	160,043,204

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 2011 and 2010

(Unit : Baht)

Note	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Supplement disclosures of cash flows information				
Non-cash items				
Transfer inventories to equipment	479,206,947	118,566,596	-	-
Transfer equipment to intangible assets	33,054,845	-	-	-
Transfer equipment to other current assets	735,801	-	735,801	-
Acquisitions of equipment under finance leases agreements	31,917,136	3,050,569	10,240,000	-
Transfer assets held for future projects to property, plant and equipment	-	36,229	-	-
(Decrease) increase in fixed asset payable	(38,017,887)	31,233,967	(151,095)	(3,741,995)
Surplus on revaluation of property, plant and equipment	32 6,037,289	6,037,289	4,390,789	4,390,789
Transfer short-term loan from related party to long-term loan from related party	-	-	136,333,350	67,033,600
Transfer short-term investments to other long-term investments	83,812,269	-	-	-
Transfer short-term loan to long-term loan	64,255,000	-	-	-
Transfer from deferred right to the use of communication equipment to intangible asset - license	235,498,666	-	-	-

Notes to consolidated financial statements

Samart Corporation Public Company Limited and its subsidiaries

For the years ended 31 December 2011 and 2010

1. General information

Samart Corporation Public Company Limited (“the Company”) is a public 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. The registered office of the Company 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 Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

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

Company's name	Equity interest of the Company - Direct and Indirect		Country of incorporation	Nature of business
	2011 Percent	2010 Percent		
Subsidiaries directly held by the Company				
1. The Samart Engineering Co., Ltd.	100	100	Thailand	Manufacture and distribution of television and radio antenna and solid satellite dishes
2. Samart U-Trans Co., Ltd. (Formerly known as “Samart International Co., Ltd.”)	100	100	Thailand	Distribution of telecommunications products in international market
3. Samart Research & Development Co., Ltd.	100	100	Thailand	Research and development of telecommunications products
4. Samart Telcoms Public Co., Ltd.	71.02	69.77	Thailand	Provision of data, voice and image communications services via satellite
5. Samart I-Mobile Public Co., Ltd.	60.15	59.97	Thailand	Distribution of communication and electronic equipment
6. One to One Contacts Co., Ltd.	99.13	99.09	Thailand	Call center
7. Vision and Security System Co., Ltd.	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.	90	90	Thailand	Provision of waste management services in vicinity of Suvarnabhumi Airport

Company's name	Equity interest of the Company - Direct and Indirect		Country of incorporation	Nature of business
	2011 Percent	2010 Percent		
9. Suvarnabhumi Environment Care Co., Ltd.	90	90	Thailand	Provision of waste management services in vicinity of Suvarnabhumi Airport
10. Samart RadiTech Co., Ltd.	100	100	Thailand	The development of nuclear technology services and use of radiation for commercial purposes
11. Newly established company	65	65	Thailand	Not yet started operation
12. Cambodia Samart Co., Ltd. (The Company has control over this company's operations)	49	49	Cambodia	Distribution of communication and electronic equipment in Cambodia
13. Samart Inter Holding Co., Ltd.	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 Professional Co., Ltd.	99.13	99.09	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.	100	100	Cambodia	Provision of air traffic control services in Cambodia
2. Kampot Power Plant Co., Ltd.	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.	100	100	Thailand	Institute of telecommunication mechanic
Subsidiaries held by Samart Telcoms Public Co., Ltd.				
1. Samart Communication Services Co., Ltd.	71.02	69.77	Thailand	Design and installation of communication network, public rural telephone project
2. Posnet Co., Ltd.	71.02	69.77	Thailand	Electronic fund transfer
3. Thai Trade Net Co., Ltd.	71.02	69.77	Thailand	Electronic data interchange
4. Samart Broadband Services Co., Ltd.	71.02	69.77	Thailand	Broadband data interchange services
5. Samart Comtech Co., Ltd.	71.02	69.77	Thailand	Design and installation of telecommunications networks
6. Oasis Consulting Co., Ltd.	49.71	48.84	Thailand	Computer systems consultation and installation of SAP
7. Samart Infonet Co., Ltd.	71.02	69.77	Thailand	Provision for internet services
8. Smarterware Co., Ltd.	71.02	69.77	Thailand	Manufacture production of software packages and provision of software development services
9. Samart Telecommunication (Cambodia) Co., Ltd.	71.02	69.77	Cambodia	Provision of VOIP and fully-integrated ICT outsourcing services (In processing of liquidation)

Company's name	Equity interest of the Company - Direct and Indirect		Country of incorporation	Nature of business
	2011 Percent	2010 Percent		
10. IT Gen Co., Ltd.	71.02	69.77	Thailand	Distribution of computer and communications equipment
11. Samart eD Tech Co., Ltd.	71.02	69.77	Thailand	E-learning courseware development consultation
12. Net Media Co., Ltd.	71.02	-	Thailand	Distribution of Information system and communications equipment
Subsidiaries held by Samart I-Mobile Public Co., Ltd.				
1. Samart Multimedia Co., Ltd.	60.15	59.99	Thailand	Provision of audiotext services
2. Samart Mobile Services Co., Ltd.	58.59	58.43	Thailand	Distribution of information technology devices
3. I-Mobile International Co., Ltd.	60.15	59.99	Thailand	General management business including business planning and business coordination
4. Brain Sources Co., Ltd.	60.15	59.99	Thailand	Research and development of mobile phone applications
5. I-Mobile Plus Co., Ltd.	60.15	59.99	Thailand	Provision of wireless telecommunications services (In 2010, not yet operational in its principal activity)
Subsidiaries held by Samart Multimedia Co., Ltd.				
1. Take A Look Co., Ltd.	40.30	40.19	Thailand	Provision of advertising and billboard advertisement services, and preparation
2. Samart Interactive Media Co., Ltd.	60.15	59.99	Thailand	Distribution of goods and provision of services related to horoscopes and astrology
3. I-Sport Co., Ltd.	30.08	30.00	Thailand	Provider of information of sports via full option interactive multimedia
Subsidiaries held by I-Mobile International Co., Ltd.				
1. Samart I-Mobile (Malaysia) Sdn. Bhd.	60.15	59.99	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	60.15	59.99	Indonesia	Distributor of mobile phones and accessories
4. Samart I-Mobile (Hong Kong) Ltd.	60.15	59.99	Hong Kong	Distributor of mobile phones and accessories
5. I-Mobile Inter Trade Co., Ltd.	60.15	59.99	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	-	59.99	United Arab Emirates	Ceased business in 2011
Subsidiary held by Samart I-Mobile (Malaysia) Sdn. Bhd.				
1. Pemata Benar Sdn. Bhd.	60.15	59.99	Malaysia	Not yet started operational

- b) Subsidiaries are fully consolidated being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

- d) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
 - e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
 - f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit and loss and within equity in the consolidated statements of financial position.
 - 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 statement of financial position 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 statement of financial position 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 during the year

During the current year, the Company adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, as listed below.

Accounting standards:

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property

Financial reporting standards:

TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

Financial Reporting Standard Interpretations:

TFRIC 15	Agreements for the Construction of Real Estate
----------	--

Accounting Standard Interpretations:

SIC 31	Revenue-Barter Transactions Involving Advertising Services
--------	--

These accounting standards do not have any significant impact on the financial statements, except for the following accounting standards.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits using actuarial techniques. The Company and subsidiaries accounts for such employee benefits when they are incurred.

The Company and its subsidiaries have changed this accounting policy in the current year and recognise the liability in the transition period retrospectively, as though the Company and its subsidiaries initially recorded these employee benefit expenses. The change has the effect of decreasing the profit of the Company and its subsidiaries for the year 2011 by Baht 20.7 million, (0.021 Baht per share) (Separate financial statements: decreasing profit by Baht 6.4 million, or 0.006 Baht per share). The cumulative effect of the changes in the accounting policy has been presented in Note 5 to the financial statements.

4. New accounting standards issued during the years not yet effective

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Accounting Standard Interpretations:

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Company and subsidiaries' management believe that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standards.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognize deferred tax assets and liabilities under the stipulated guidelines.

At present, the management of the Company and subsidiaries are evaluating the impact on the financial statements in the year when this standard is adopted.

5. Cumulative effect of changes in accounting policies

During the current year, the Company and its subsidiaries made the changes to its significant accounting policies described in Note 3 to the financial statements, as a result of the adoption of revised and new accounting standards and change their accounting policy related to forward exchange contracts in conformity with accounting policy of the group. Instead of recording receivables and payables arising from forward exchange contracts using the rates of exchange ruling at the end of reporting period, they now record them based on the fair value of the forward exchange contracts.

The cumulative effect of the changes in accounting policies due to the adoption of new accounting standard and the change in accounting policy related to forward exchange contracts in conformity with accounting policy of the group; and the restatement of the financial statements, on the beginning balance of retained earnings for 2011 and 2010, comprises:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cumulative effect of changes in accounting policies:				
Employee benefits	67,457	60,487	22,126	19,645
Derivatives	782	2,667	-	-
Total	68,239	63,154	22,126	19,645

The amounts of adjustments affecting the financial statements as at 31 December 2010 and for the year ended 31 December 2010 are summarised below.

(Unit: Thousand Baht)

	31 December 2010	
	Consolidated financial statements	Separate financial statements
Statements of financial position		
Increase in other current liabilities	1,354	-
Increase in provision for long-term employee benefits	81,716	22,126
Decrease in non-controlling interest of subsidiaries	(14,831)	-
Decrease in unappropriated retained earnings	(68,239)	(22,126)

(Unit: Thousand Baht)

	For the year ended 31 December 2010	
	Consolidated financial statements	Separate financial statements
Income statements		
Increase in employee expenses	10,213	2,480
Increase in gain on exchange	(3,092)	-
Decrease in profit attributable to non-controlling interest of the subsidiaries	805	-
Decrease in profit attributable to equity holders of the Company	5,086	2,480
Decrease in basic earnings per share (Baht)	0.0054	0.0026
Decrease in diluted earnings per share (Baht)	0.0053	0.0026

6. Significant accounting policies

6.1 Revenue recognition

a) Sales and services

Sales of goods are recognised 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, in accordance with the payments due under the agreement.

c) Sales of equipment including designation and installation.

Sales of equipment including designation and installation are recognised as income by reference to the stage of completion.

d) Selling support income, commission and interest income

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

Interest income is recognised on an accrual basis based on the effective interest rate.

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 recognised on the term of agreement.

g) Unearned revenue from telephone service of prepaid phone cards

Unearned revenue from telephone service of prepaid system represents the unused portion of the face value of prepaid phone cards. It is deferred and recognised based on the actual usage or upon expiration of the usage as stated on card, depending on which comes first.

h) Revenue from telephone services

Revenue related to domestic calls, international calls and roaming service calls is recognised when the telephone services have been rendered.

i) Revenue from sales of telephone sets and starter kits

Sales of goods are recognised when 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.

In case of revenue arrangements with multiple deliverable, the revenue elements are recognised in proportion to the fair value of delivered items. The subsequent services are recorded at the normal selling price or at a discounted value, depending on the facts and circumstances.

j) Revenue from sales under finance leases agreements

Finance leases receivables have been recorded based on the contractual value. The difference between the contractual value and the value equivalent to the cash price of the asset is recognised as unearned interest income. Interest income on finance leases is recognised over the term of the lease using the annuity method.

- k) Royalty and technical assistance fee

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

- l) Dividends

Dividends are recognised when the right to receive the dividends is established.

6.2 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 three months or less and not subject to withdrawal restrictions.

6.3 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.

6.4 Inventories

Inventories are valued at the lower of average cost and net realisable value.

The net realisable value of inventory is estimated from the estimated selling price in the ordinary course of business, less the costs to complete the sale.

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

6.5 Investments

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

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

- c) Other long-term investments are investments in available-for-sale securities which are stated at fair value. Changes in the fair value of these securities are recorded as gains or losses in the comprehensive income statement and as a separate item in other components of shareholders' equity (surplus (deficit) from changes in the value of investments in available-for-sale securities) and will be recorded in profit or loss when the securities are sold.

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. If the last bid price of the last working day of the year as quoted on the Stock Exchange of Thailand is not available, the basis used by the Company to determine the fair value of marketable securities is the amount for which an asset can be exchanged or liability settled between knowledgeable, willing parties in an arm's length transaction.

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

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss.

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

6.6 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 on the acquisition date, and subsequently revalued by an independent professional appraiser, to their fair values. Revaluations are made with sufficient regularity to ensure that their carrying amount does not differ materially from their fair value at the end of reporting period.

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 of the Company and subsidiaries' assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised equity under the heading of "Surplus on revaluation". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company and subsidiaries' assets, the decrease is recognised as an expense in profit or loss. However, the revaluation decrease is charged directly to the other comprehensive income 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 the revalued amounts, on a straight-line basis over the following estimated useful lives:

Building	-	20 years
Machine and equipment	-	2 - 5 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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

6.7 Intangible assets

Intangible assets are initially recognised at cost. Following the initial recognitions, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

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

	<u>Useful lives</u>
Right under the advertising agreement	2 and 3 years but not exceeding the number of hours granted with such right in each month
Software computer	5, 10 years
Right under the distribution agreement	2 years
License	5 years
Right under license agreement for audio-visual of football match	3 years

6.8 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.

6.9 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in the profit or loss.

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

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company 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 in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

6.10 Long-term leases

a) Finance 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 profit or loss over the lease period. The property, plant or equipment acquired under finance lease is depreciated over the useful life of the asset.

b) Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor or and classified as operating leases. Operation lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

c) Sale and leaseback

In cases where assets are sold and then leased back, whereby the transaction is a kind of finance lease, any excess of sales proceeds over the carrying amount of the assets is recorded as deferred revenue and amortised over the lease term.

6.11 Treasury share

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

6.12 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.

6.13 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 enterprises 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.

6.14 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 at the end of reporting period.

Gains and losses on exchange are included in determining income.

6.15 Impairment of assets

At the end of each reporting period, 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 and its subsidiaries 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 profit or loss. 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.

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

6.16 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Deferred contribution plans

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

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

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

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

For the first-time adoption of TAS 19 Employee Benefits, the Company and its subsidiaries elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, retrospectively as though the Company and its subsidiaries initially recorded these employee benefit expenses.

6.17 Provisions

Provisions are recognised when the Company and its subsidiaries have 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.

6.18 Income tax

Income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation. It has been calculated on the Company's income after adding back provision and expenses which are disallowed for tax computation purposes and less the amount of tax losses brought forward from previous year (if any).

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

6.19 Derivatives

Forward exchange contracts

Forward exchange contracts are stated at fair value, which is calculated by reliable financial institutions. Gains or losses arising from changes in the fair value of the contracts are recognised in profit or loss.

Currency option agreements

Currency option agreements are contracts between two parties whereby the seller grants the buyer a future option to buy (call option) or to sell (put option) foreign currency at an exchange rate stipulated in the agreement. The subsidiary company enters into such agreements in order to manage foreign exchange risk.

The notional amounts of cross currency option agreements utilised by the subsidiary company to manage foreign exchange risk are not recognised as assets or liabilities upon inception of the agreement, but fees paid by the subsidiary company in respect of such agreements (if any) are amortised on a straight line basis over the term of the agreement.

7. 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 from these estimates. 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 judgment 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.

Decreasing in net realisable value of inventories

Determining the decrease in the net realisable value of inventories requires management to exercise judgment in estimating losses on outstanding inventories, based on the selling price expected in the ordinary course of business; less the estimated additional cost to be incurred in preparing the inventory for sale, 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.

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 judgment 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 end of reporting period.

Impairment of equity investments

Its subsidiaries treat available-for-sale investments as impaired when 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 of the management.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Company’s plant and equipment and to review estimate useful lives and residual 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.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Company and subsidiary companies have contingent liabilities as a result of litigation. The management has used judgment to assess the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash	13,851	6,360	20	20
Bank deposits	1,184,045	845,690	31,129	160,023
Restricted bank deposit	(128,792)	(127,672)	-	-
Total	1,069,104	724,378	31,149	160,043

As at 31 December 2011, bank deposits in savings accounts and fixed deposits carried interests at the rate between 0.01 and 2.70 percent per annum (2010: between 0.01 and 1.05 percent per annum).

8.1 Restricted bank deposits

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

9. Short-term investment in trading securities

As at 31 December 2011 and 2010, the Company and its subsidiary companies invested in short-term investment in trading securities as follows:

Common stock	Consolidated financial statement					
	2011			2010		
	Shares	Cost	Fair value	Shares	Cost	Fair value
	(Thousand Shares)	(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Baht)	(Thousand Baht)
Siam Sport Syndicate Plc.	-	-	-	27,213	85,986	85,449
Ascon Construction Plc.	6,478	40,745	-	6,478	40,745	16,196
Rich Asia Steel Plc.	2,000	7,019	1,020	20,000	7,019	1,800
Living Land Capital Plc.	2,010	2,438	483	2,010	2,438	663
Thaicom Plc.	100	771	1,020	100	771	626
S.E.C. Auto Sales and Services Plc.	1,290	4,058	-	1,290	4,058	-
Warrant No. 3 of Siam Sport Syndicate Plc.	372	562	405	2,040	2,466	2,223
Total short-term investment in trading securities		55,593	2,928		143,483	106,956
Less: allowance for change in value		(52,665)	-		(36,527)	-
Total short-term investment in trading securities - net		2,928	2,928		106,956	106,956

Common stock	Separate financial statements					
	2011			2010		
	(Thousand Shares)	(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Baht)	(Thousand Baht)
Rich Asia Steel Plc.	500	902	255	5,000	902	450
Warrant No. 3 of Siam Sport Syndicate Plc.	330	502	360	330	502	360
Total short-term investment in trading securities		1,404	615		1,404	810
Less: allowance for change in value		(789)	-		(594)	-
Total short-term investment in trading securities - net		615	615		810	810

Movement of the short-term investments in trading securities account during the year ended 31 December 2011 are summarised below

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2010	106,956	810
Cash paid for short-term investment in trading securities during the year - at cost	18,941	9,496
Disposal during the year - at cost		
Proceed from sales	(19,143)	(8,343)
Gain(loss) on disposals	(1,088)	10
Total	(20,231)	(8,333)
Loss on change in value	(18,926)	(1,358)
Reclassification of investment (Note 17)	(83,812)	-
Balance as at 31 December 2011	2,928	615

10. Trade and other receivable

The balances of trade accounts receivable as at 31 December 2011 and 2010, aged on the basis of due dates, are summarised below.

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<u>Trade receivable - related parties</u>				
Not yet due	8	15	-	-
Past due				
Up to 3 months	-	100	-	20
3 - 6 months	-	8	-	-
6 - 12 months	10	87	-	-
Over 12 months	517	424	-	-
Total trade accounts receivable - related parties	535	634	-	20

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<u>Trade receivable - unrelated parties</u>				
Not yet due	1,945,371	1,600,469	1,294	2,600
Past due				
Up to 3 months	1,627,604	1,292,496	4,054	2,610
3 - 6 months	1,066,976	795,255	3,938	3,917
6 - 12 months	424,467	84,858	8,504	1,278
Over 12 months	188,936	364,496	8,392	588
Total trade accounts receivable - unrelated parties	5,253,354	4,137,574	26,182	10,993
Less: Allowance for doubtful debts	(143,484)	(154,446)	(588)	(588)
Total trade accounts receivable - unrelated parties - net	5,109,870	3,983,128	25,594	10,405
Trade accounts receivable - net	5,110,405	3,983,762	25,594	10,425
<u>Other receivables</u>				
Amounts due from and advance to subsidiary companies	672	644	66,291	28,374
Accrued interest received from subsidiary companies	-	-	3,118	2,630
Other receivable - unrelated parties	35,093	77,727	98	717
Total other receivables	35,765	78,371	69,507	31,721
Total trade account receivable and other receivable - net	5,146,170	4,062,133	95,101	42,146

- a) 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 transferred their collection rights under certain projects to banks as collateral for loans and credit facilities from banks. As at 31 December 2011, the balance of the above accounts receivable included the receivables that were transferred their collection rights to banks totaling approximately Baht 968 million (2010: Baht 326 million).
- b) As at 31 December 2010, Samart Telcoms Public Co., Ltd., a subsidiary company, has balance an unrelated accounts receivable balance of Baht 17.1 million, Baht 15.3 million of which is more than 1 year past due. However, the subsidiary company had already provided full allowance for doubtful accounts for these amounts. Subsequently, during March 2011 the subsidiary has fully collection of Baht 17.1 million and therefore has already reversed all allowance for doubtful accounts for these amount.
- c) As at 31 December 2011, trade accounts receivable of Samart Telcoms Public Co., Ltd., a subsidiary company included amounts of Baht 4.0 million (2010: Baht 4.0 million) receivable from financial institutions which were ordered to cease their operations by the authorities. The subsidiary company has already provided full allowance for doubtful accounts for these amounts.

11. Short-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Short-term loans to related parties (note 12)	-	-	180,651	315,651
Short-term loans to unrelated party	14,000	9,000	-	-
Short-term loans to employees	4,951	-	519	-
Total short-term loans	18,951	9,000	181,170	315,651

Short-term loans to unrelated party

As at 31 December 2011, I-Sport Co., Ltd., a subsidiary company, had short-term loan of Baht 14 million (2010: Baht 9 million) to Siam Sport Syndicate Public Co., Ltd. which carries interest at fixed deposit rate (3 months) plus 0.25 percent per annum. Those loans are due for repayment at call.

Short-term loans to employees

These represent short-term loans to their employees who were effected by flooding. The loans are interest-free and repayable monthly over one year.

12. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related individual and related parties. Such transactions, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties. The pricing policies for these related party transactions are summarised as follows:

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 plus 0.5 percent to 1 percent per annum.
 - 5.2 The Minimum Loan Rate (MLR) of a local commercial bank minus 1 percent per annum.
 - 5.3 Fixed deposit rate (3 months) of a local commercial bank plus 0.25 percent and 1 percent per annum.
 - 5.4 The London Interbank Offered rate (LIBOR 3 month) plus 2 percent per annum.
 - 5.5 Cost of fund plus 0.25 percent per annum.
6. Fixed assets are sold and purchased at market price or their net book value plus a margin, depending on the condition of the fixed assets.
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 and the right to receive the dividends is established.

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Transactions with subsidiary companies (eliminated in the consolidation)				
Sales and service income	-	-	1	-
IT Service fee income	-	-	96	114
Dividend income	-	-	311	178
Management fee income	-	-	281	237
Guarantee fee income	-	-	4	3
Interest income	-	-	25	23
Other income	-	-	86	65
Purchase of goods and services	-	-	14	14
Other expenses	-	-	4	4
Interest expense	-	-	13	7

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Transactions with related companies				
Sales and service income	1	1	-	-
Other income	-	6	-	6
Purchase of assets	-	38	-	14
Purchase of goods and service	16	3	-	-
Other expenses	70	63	45	47

As at 31 December 2011 and 2010, the outstanding balances of the above transactions have been separately shown in the statements of financial position and consist of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Current assets				
<u>Trade accounts receivable - related parties</u>				
Subsidiary company	-	-	-	20
Related companies	535	634	-	-
Total trade accounts receivable - related parties	535	634	-	20
<u>Other receivable - related parties</u>				
Subsidiary companies	-	-	69,207	30,830
Related companies	672	644	202	174
Total other receivable - related parties	672	644	69,409	31,004
Total trade accounts receivable and other receivable - related parties	1,207	1,278	69,409	31,024
Current liabilities				
<u>Trade accounts payable - related parties</u>				
Subsidiary company	-	-	24,827	8,853
Related company	13	-	-	-
Total trade accounts payable - related parties	13	-	24,827	8,853
<u>Other payable - related parties</u>				
Subsidiary companies	-	-	6,906	3,006
Related companies	11,342	6,168	52	1,257
Total other payable - related parties	11,342	6,168	6,958	4,263
Total trade accounts payable and other payable - related parties	11,355	6,168	31,785	13,116

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Non-current liabilities				
<u>Advance received IT service fee</u>				
Subsidiary companies	-	-	-	2,280
Total advance receive IT service fee	-	-	-	2,280

Short-term loans to subsidiary companies

As at 31 December 2011 and 2010, the balance of short-term loans to subsidiary companies and the movement are as follows:

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 31 December 2010	During the year		Balance as at 31 December 2011
		Increase	Decrease	
Samart Comtech Co., Ltd.	142,000	-	(142,000)	-
Samart Telcoms Public Co., Ltd.	103,000	-	(10,000)	93,000
Suvarnabhumi Environment Care Co., Ltd.	35,151	16,350	-	51,501
The Samart Engineering Co., Ltd.	31,500	2,350	(2,200)	31,650
Samart RadiTech Co., Ltd.	4,000	500	-	4,500
One to One Contacts Co., Ltd.	-	20,000	(20,000)	-
Total short-term loans to subsidiary companies	315,651	39,200	(174,200)	180,651

- 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 242.6 million and interest to the Company (creditor) within November 2008. Interest is to be charged at the Minimum Loan Rate (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. On 22 December 2011, the Company had received repayment in full amount (2010: Baht 142 million).

Short-term loans from subsidiary companies

As at 31 December 2011 and 2010, the balance of short-term loans from subsidiary companies and the movement are as follows:

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 31 December 2010	During the year		Balance as at 31 December 2011
		Increase	Decrease	
Kampot Power Plant Co., Ltd.	136,333	-	(136,333)	-
Samart Research and Development Co., Ltd.	10,627	-	-	10,627
Samart U-Trans Co., Ltd.	-	93,750	(5,000)	88,750
Total short-term loans from subsidiary companies	146,960	93,750	(141,333)	99,377

Long-term loans from subsidiary companies

As at 31 December 2011 and 2010, the balance of long-term loans from subsidiary companies and the movement are as follows:

(Unit: Thousand Baht)

	Separate financial statements				
	Balance as at 31 December 2010	During the year		Unrealized loss from exchange rate	Balance as at 31 December 2011
		Increase	Decrease		
Cambodia Air Traffic Services Co., Ltd.	196,926	160,293	-	18,397	375,616
Kampot Power Plant Co., Ltd.	-	151,518	-	7,642	159,160
Total long-term loans from subsidiary companies	196,926	311,811	-	26,039	534,776

- b) The Company obtained long-term loan facility of USD 6.5 million from Cambodia Air Traffic Services Co., Ltd., a subsidiary company. The loan carries interests at the LIBOR plus 2.00 percent per annum. Their loan will be mature in the fifth year from the date of the first drawdown or the memorandum date as following.

Amount (Million USD)		Date of maturity
1.5	First drawdown on 16 November 2009	16 November 2014
3.0	First drawdown on 5 August 2010	5 August 2015
2.0	Memorandum date 16 September 2010	16 September 2015

In addition, during the year 2011, the Company received additional loan from such company amounting to USD 5.3 million with an interest rate of LIBOR plus 2.00 percent per annum and which will be mature in the fifth year from the date of the first drawdown as following.

Amount (Million USD)	Date of the first drawdown	Date of maturity
4.0	13 January 2011	13 January 2016
1.3	8 June 2011	8 June 2016

Therefore as at 31 December 2011, the Company has the outstanding long-term loans of USD 11.8 million (2010: USD 6.5 million).

- c) During the year 2011, the Company obtained a long term loan facility of USD 0.5 million from Kampot Power Plant Co., Ltd., a subsidiary company, a loan carries interest at the LIBOR plus 2.00 percent per annum. The loan will mature in full in the fifth year from the date of drawdown (dated 11 January 2011). Moreover, the Company and a subsidiary company entered into a debt convertible memorandum, whereby both parties agreed to convert short-term loan to long-term loan of USD 4.5 million. The loan will be mature in the fifth year from the memorandum date (1 May 2011). Therefore as at 31 December 2011, there was outstanding balance of long-term loan amounting to approximately USD 5.0 million (2010: USD 4.5 million).

Directors and management's remuneration

During the year 2011 and 2010, the Company and its subsidiaries had employee benefits expenses of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Short-term employee benefits	77,620	74,873	22,420	22,573
Post-employment benefits	2,325	860	625	460
Total	79,945	75,733	23,045	23,033

Long-term rental agreement and service fee with related party

The Company and its subsidiary companies entered into the 1 - 3 years sub-office rental agreement and facility with Vilailuck International Holding Co., Ltd. a related company for using in their operation. The Company and its subsidiary companies have to pay a monthly rental fee approximately Baht 6 million per month (Separate financial statements: Baht 2.7 million per month).

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 45 to the financial statements.

13. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventory-net	
	2011	2010	2011	2010	2011	2010
Finished goods	754,830	1,146,721	(105,171)	(92,662)	649,659	1,054,059
Work in process	557,113	552,420	(6,534)	(3,392)	550,579	549,028
Raw materials and supplies	267,948	139,549	(9,027)	(10,260)	258,921	129,289
Goods in transit	59,877	4,428	-	-	59,877	4,428
Total	1,639,768	1,843,118	(120,732)	(106,314)	1,519,036	1,736,804

14. Finance leases receivables/Current portion of long-term finance leases receivables

Finance leases receivables as at 31 December 2011 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements
Finance leases receivables (contractual value)	127,116
Less: Receipts	(68,148)
Finance leases receivables	58,968
Less: Unearned interest income	(1,628)
Finance leases receivable net of unearned interest income	57,340
Less: Current portion of finance leases receivables	(47,879)
Long-term finance leases receivables - net of current portion	9,461

Finance leases receivables consists of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		
	Less than 1 year	Thereafter 1 year	Total
Finance leases receivables (contractual value)	49,434	9,534	58,968
Less: Unearned interest income	(1,555)	(73)	(1,628)
Finance leases receivables	47,879	9,461	57,340

During the year 2010, Vision and Security System Co., Ltd., a subsidiary company, entered into the finance leases agreement with Airports of Thailand Public Co., Ltd. (Suvarnabhumi Airport Branch) regarding rental of CCTV system for Baggage Handling System (BHS) operations, whereby it is entitled to receive rental on a monthly basis. The term of the agreement is 3 years. The subsidiary has assigned the right to receive collection from such finance leases to a bank as a loan guarantee, as described in Note 26. As at 31 December 2011, the balance of the above accounts receivable included the receivable that were transferred their collection rights to bank totaling Baht 44 million (2010: Baht 62 million).

15. Other current assets

Other current assets as at 31 December 2011 and 2010 consist of:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Prepaid expenses	92,811	97,888	12,772	14,045
Refundable value added tax	273,905	45,809	-	2,464
Withholding tax and prepaid tax	265,194	242,198	13,237	2,560
Advance for purchase of inventory and equipment	301,059	170,654	-	-
Advance payments	20,631	9,427	55	6
Advance payment for government bonds	-	19,895	-	-
Others	92,415	108,878	3,497	2,909
Total	1,046,015	694,749	29,561	21,984

16. 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	
	2011	2010	2011	2010	2011	2010	2011	2010
	Million Baht	Million Baht	Percent	Percent	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
The Samart Engineering Co., Ltd.	250	250	100	100	287,258	287,258	-	-
Samart U-Trans Co., Ltd. (Formerly known as "Samart International Co., Ltd.")	100	6.25	100	100	100,135	6,385	-	-
Samart Research and Development Co., Ltd.	20	20	100	100	20,936	20,936	-	-
Samart Telcoms Public Co., Ltd.	606	603	71.02	69.77	1,465,380	1,348,030	253,154	127,804
Samart I-Mobile Public Co., Ltd.	430	430	60.15	59.97	1,079,646	1,079,646	50,156	50,119
One to One Contacts Co., Ltd. (The Company holds 96% and held by the three subsidiaries altogether 99.13 %)	100	100	96	96	94,286	94,286	-	-
Samart RadiTech Co., Ltd.	40	40	100	100	40,000	40,000	-	-
Vision and Security System Co., Ltd.	20	10	70	70	14,000	7,000	8,050	-
Cambodia Samart Co., Ltd. (The Company has control over this company's operation)	USD 25,000	USD 25,000	49	49	24,244	24,244	-	-
Suvarnabhumi Environment Care Co., Ltd.	50	50	90	90	44,990	44,990	-	-
Suvarnabhumi Environment Services Co., Ltd.	0.25	0.25	90	90	225	225	-	-
Samart Inter Holding Co., Ltd.	USD 17 million	USD 17 million	100	100	583,829	583,829	-	-
Newly established company	10	10	65	65	6,500	6,500	-	-
Total investments in subsidiaries					3,761,429	3,543,329	311,360	177,923
Less: Allowance for diminution in value of investments					(107,998)	(95,021)		
Total investments in subsidiaries - net					3,653,431	3,448,308		

16.1 Change in investments in subsidiaries held by the Company

16.1.1 Acquisition of additional investments

- a) During the year, the Company and its subsidiaries had purchase transactions of investment in related parties are as follow:

Addition of investment of the Company

Share's name	Number of shares	Purchase price
	(Million shares)	(Million Baht)
Samart Telcoms Public Co., Ltd.	11.3	117.3

Addition of investment of subsidiary

Share's name	Number of shares	Purchase price
	(Million shares)	(Million Baht)
Samart I-Mobile Public Co., Ltd.	7.8	14.7

As a result of such additional purchase of ordinary shares the percentage of shareholding of the Company, both directly and indirectly, in Samart Telcoms Public Co., Ltd., and Samart I-Mobile Public Co., Ltd. as at 31 December 2011 were 71.02 percent and 60.15 percent respectively, and excess of investments in subsidiary companies arising as a result of additional purchase of investments in the subsidiary companies at a price higher than the net book value of the subsidiary companies at the acquisition date has decreased approximately Baht 87.5 million.

16.1.2 Establishment of new companies

- a) 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 with such subsidiary company holding 100 percent interest in new company. As at 31 December 2011, 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 24 December 2010, a meeting of the Board of Directors of the Company passed a resolution approving the joint venture with GMM Grammy Public Co., Ltd. to establish a new company named "One Sky Multimedia Co., Ltd." which will conduct its business as a manufacturer and distributor of satellite receivers with registered capital of Baht 100 million (1 million share of Baht 100 each), with the Company holding 50 percent. The Company and GMM Grammy Public Co., Ltd. agreed to register with the Ministry of Commerce on 19 January 2011.

Subsequently, on 13 July 2011, the Company signed a memorandum of understanding pertaining to the disposal of all shares of One Sky Multimedia Co., Ltd., a joint venture representing 50 percent (registered share of Baht 100 million, 1 million ordinary shares, at Baht 100 per share), that were held by the Company to GMM Media Public Co., Ltd. at a price of Baht 50 million, so that One Sky Multimedia Co., Ltd. will have more flexibility in business management. The Company is still a business partner with One Sky Multimedia Co., Ltd. even though it is not One Sky Multimedia's shareholder.

16.1.3 Change in name of the subsidiary company

On 25 May 2011, the Extraordinary Meeting of Shareholders of Samart International Co., Ltd., a subsidiary company, passed a special resolution approving the change of the company's name to "Samart U-Trans Co., Ltd.". It registered the name change with the Ministry of Commerce on 26 May 2011.

16.1.4 Change in share capital of the subsidiary company

On 22 July 2011, the Extraordinary Meeting of Shareholders of Samart U-Trans Co., Ltd., (formerly known as "Samart International Co., Ltd.") a subsidiary company, passed a special resolution approving the increase in registered capital from Baht 6.25 million (1.25 million ordinary shares, at Baht 5 per share) to Baht 100 million (20 million ordinary shares, at Baht 5 per share). It registered such increase with the Ministry of Commerce on 25 July 2011.

16.1.5 Call-up additional share capital of subsidiary

On 6 October 2011 a meeting of the Board of Directors of Vision and Security Systems Company Limited, a subsidiary, passed a resolution to call up the remaining uncalled portion of its registered capital of 1 million shares of Baht 10 per share, or equivalent to Baht 10 million from its shareholder. The subsidiary already received the payment on 27 October 2011. The subsidiary's total registered and paid up share capital therefore amounts to Baht 20 million, or 100 percent of the registered share capital.

16.2 Change in investments in subsidiaries held by Samart Telcoms Public Co., Ltd. (subsidiary)

16.2.1 Acquisition and disposal of investment

- a) On 18 September 2006, a meeting of the Board of Directors of Samart Telcoms Public Co., Ltd., a subsidiary company, passed resolutions to approve of the purchase of shares of Portalnet Co., Ltd. currently held by a public company, representing 99.99 percent of its registered and issued capital, and also approved the purchase of indebtedness of Portalnet Co., Ltd. through the transfer of rights of claim of such public company under the loan agreement between such public company and Portalnet Co., Ltd.

As at 31 December 2011, the subsidiary company is in the process of considering the details and conditions of its acquisition of Portalnet Co., Ltd.

- b) On 10 March 2011, a meeting of Samart Telcoms Public Co., Ltd., a subsidiary company, Board of Directors passed a resolution to approve the purchase of 412,498 ordinary shares of Net Media Co., Ltd. from existing shareholders, representing 99.99 percent of its issued and paid up share capital, at a price of Baht 2.42 per share or for a total of Baht 1 million (as stipulated in the purchase and sale of share agreement). As a result of the purchase of investment in Net Media Co., Ltd., under the equity method, the subsidiary recorded the excess of the cost of acquisition of the ordinary shares in Net Media Co., Ltd. over the fair value, amounting to approximately Baht 6.8 million in non-current assets in the consolidated financial statements.

Their fair value of purchased assets and liabilities are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements
Net Media Co., Ltd.	
Cash and cash equivalents	8,595
Trade account receivables - net	7,624
Equipment - net	495
Other assets	9,629
Current liabilities	(32,154)
Net acquired assets	(5,811)
Add: Excess of cost of investment over the book value of the subsidiary	6,811
Cash used in purchase of investment in subsidiary company	1,000
Less: Cash and cash equivalents of the subsidiary company	(8,595)
Net cash inflows from purchase of investment in subsidiary company	(7,595)

- c) On 16 December 2011, a meeting of Board of Directors of Samart Telcoms Public Co.,Ltd., subsidiary company, passed a resolution to approve the purchase by Samart Broadband Services Co.,Ltd., another subsidiary company, of approximately 22.5 million ordinary shares of IT Absolute Co., Ltd. from existing shareholders, representing 99.94 percent of the issued and paid up share capital of this company. The purchase price will be Baht 2.65 per share, or a total of approximately Baht 59.6 million (as stipulated in the purchase and sale of share agreement). This company will be a distributor of IT and telecommunication equipment.

Subsequently, on 3 February 2012, the subsidiary company entered into a share purchase agreement of this company.

16.2.2 Establishment of new companies

On 9 March 2006, a meeting of Board of Directors of Samart Telcoms Public Co., Ltd., 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, with the subsidiary company to hold 99.99 percent. The new 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 2011, the subsidiary company had not established such new subsidiary.

16.2.3 Liquidation

On 21 December 2009, a meeting of the Board of Directors of Samart Telecommunication (Cambodia) Co., Ltd., a subsidiary company, passed a resolution to dissolve the company. According to the subsidiary company had been established since 9 August 2007 and has not yet commenced its operation. In addition, the management considered that there would not be business opportunity in the near future. However, as at 31 December 2011, the process of deregistration and liquidation of the company is in progress.

16.3 Change in investments in subsidiaries held by Samart I-Mobile Public Co., Ltd. (subsidiary)

16.3.1 Cancellation the establishment of new companies

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

Subsequently, on 16 December 2011, the subsidiary's Board of Directors passed a resolution approving the cancellation of the establishment of such companies due to changes in key factors affecting the investment.

- b) On 13 November 2008, a meeting of Board of Directors of Samart I-Mobile Public Co., Ltd., 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.

Subsequently, on 16 December 2011, the subsidiary company's Board of Directors passed a resolution approving the cancellation of the establishment of such company due to changes in key factors affecting the investment.

16.3.2 Transfer of 3G mobile phone network services to subsidiary company

On 12 May 2010, a meeting of Board of Directors of Samart I-Mobile Public Co., Ltd., a subsidiary company, passed a resolution approving the transfer of contract to provide 3G mobile phone network under TOT Public Co., Ltd.'s 3G mobile phone network services project, named i-mobile 3GX, to I-Mobile Plus Co., Ltd., another subsidiary company. The transfer will allow the project to be managed as a separate business. On 25 August 2010, another subsidiary company received a license to operate a type one telecommunication business.

On 1 February 2011, Samart I-Mobile Public Co., Ltd. entered into an agreement transferring rights and obligations under a memorandum of understanding relating to the project for a 3G mobile phone network with I-Mobile Plus Co., Ltd. whereby I-Mobile Plus Co., Ltd. agreed to assume all rights and obligations under the memorandum of understanding between TOT Public Co., Ltd. and Samart I-Mobile Public Co., Ltd. dated 27 November 2009, and the amendment to the memorandum of understanding dated 1 December 2010, commencing from 16 February 2011. I-Mobile Plus Co., Ltd. agreed to pay Samart I-Mobile Public Co., Ltd. net value of approximately Baht 74.3 million for the transfer of the rights and obligations, which was the net book value at the transfer date of this project's assets and liabilities which were invested by Samart I-Mobile Public Co., Ltd.

In addition, Samart I-Mobile Public Co., Ltd. and I-Mobile Plus Co., Ltd. entered into an agreement transferring rights and obligations under a memorandum of understanding relating to the project for a 3G mobile phone network with TOT Public Co., Ltd., whereby Samart I-Mobile Public Co., Ltd. agreed to transfer all right and obligations under the memorandum to I-Mobile Plus Co., Ltd. and I-Mobile Plus Co., Ltd. agreed to assume the rights, duties, obligations and responsibilities of Samart I-Mobile Public Co., Ltd. with TOT Public Co., Ltd. under the memorandum. In addition, I-Mobile Plus Co., Ltd. committed to comply with all conditions of the memorandum in place of Samart I-Mobile Public Co., Ltd., commencing from 16 February 2011. TOT Public Co., Ltd. agreed to transfer of all rights and obligations of Samart I-Mobile Public Co., Ltd. under the memorandum to I-Mobile Plus Co., Ltd.

16.3.3 Liquidation

- a) 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.
- b) On 22 February 2011, an extraordinary meeting of the shareholders of I-Mobile International Co., Ltd. and I-Mobile Inter trade Co., Ltd., the subsidiary companies, passed a resolution approving the liquidation of Samart I-Mobile (Middle East) FZCO, another subsidiary company. The subsidiary company registered its dissolution with Jebel Ali Free Zone of United Arab Emirates on 10 March 2011.

16.3.4 Change of the subsidiary company's name; increment of registered share capital and call-up of additional share capital of subsidiary

On 3 June 2010, an extraordinary meeting of the shareholders of I-Mobile Netplus Co., Ltd., a subsidiary company, passed a resolution approving the change its company's name from "I-Mobile Netplus Co., Ltd." to "I-Mobile Plus Co., Ltd." and resolved to increase its registered share capital from Baht 10 million (1 million ordinary shares of Baht 10 each) to Baht 100 million (10 million ordinary shares of Baht 10 each) by issuing 9 million ordinary shares with a par value of Baht 10 each. The subsidiary company registered the change of its name and the increase of its share capital with the Ministry of Commerce on 10 June 2010 and has called up 25 percent of the additional share capital.

Subsequently, on 11 June 2010, a meeting of the Board of Directors of I-Mobile Plus Co., Ltd., a subsidiary company, resolved to call up an additional 25 percent of its former share capital of Baht 10 million, or Baht 2.5 million.

On 9 December 2011, a meeting of the Board of Directors of I-Mobile Plus Co., Ltd., a subsidiary company, resolved to call up an additional 72.5 percent of the uncalled portion of its capital, or Baht 72.5 million. The total called portion therefore amounts to Baht 100 million, or 100 percent of registered share capital.

16.4 The offering of warrants of subsidiary companies

16.4.1 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 and the employee of Samart Telcoms Public Co., Ltd. and its subsidiaries. The exercise ratio is 1:1 and the exercise price is Baht 7.50 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 approve 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.

Movement of warrants for the year ended 31 December 2011 are summarized as below.

(Number of unit: Thousand Units)

Warrants issuance to	Balance as at 1 January 2011	Exercised during the year	Balance as at 31 December 2011
Directors	4,500	(925)	3,575
Employees	10,176	(1,791)	8,385
Total	14,676	(2,716)	11,960

16.4.2 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.

Movement of warrants for the year ended 31 December 2011 are summarised below.

(Number of unit: Thousand units)

Warrants issuance to	Balance as at 1 January 2011	Exercised during the year	Balance as at 31 December 2011
Directors	48,050	-	48,050
Employees	50,900	-	50,900
Total	98,950	-	98,950

17. Other long-term investments

On 9 September 2011, a meeting of the Board of Directors of Samart Multimedia Co., Ltd., a subsidiary company, passed a resolution approving the reclassification of investment in Siam Sport Syndicate Public Co., Ltd. from trading investments to other long-term investments. The reclassification was made because the subsidiary company intends to invest for the long-term as business partnership and for commercial benefit. Therefore, the subsidiary recorded the value of other long-term investments of fair value as at the reclassification date.

Movements of other long-term investments account during the year ended 31 December 2011 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements
Net book value as at 31 December 2010	-
Reclassification of investments (fair value as reclassification date)	83,812
Changes in fair values of available-for-sale investments	4,644
Net book value as at 31 December 2011	88,456

18. Property, plant and equipment

(Unit: Thousand 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 2010	517,960	588,913	1,861,014	5,485,009	192,701	485,111	9,130,708
Additions	-	3,403	72,942	779,664	38,551	125,060	1,019,620
Transfer in/(transfer out)	-	-	232,341	638,548	2,579	(440,741)	432,727
Disposals	-	-	(26,797)	(223)	(40,318)	-	(67,338)
Translation adjustment	149	8,156	6,082	62,599	496	690	78,172
As at 31 December 2011	518,109	600,472	2,145,582	6,965,597	194,009	170,120	10,593,889
Accumulated depreciation:							
As at 31 December 2010	-	293,708	1,427,118	3,473,073	140,408	-	5,334,307
Depreciation for the year	-	31,244	231,194	681,895	24,015	-	968,348
Transfer in/(transfer out)	-	-	(579)	(8,437)	(23)	-	(9,039)
Accumulated depreciation on disposals	-	-	(26,706)	(202)	(38,108)	-	(65,016)
Translation adjustments	-	2,228	4,417	32,534	399	-	39,578
As at 31 December 2011	-	327,180	1,635,444	4,178,863	126,691	-	6,268,178
Allowance for impairment loss:							
As at 31 December 2010	-	7,680	8,717	120,842	-	17,469	154,708
Increase	-	-	-	7,418	-	(548)	6,870
As at 31 December 2011	-	7,680	8,717	128,260	-	16,921	161,578
Net book value:							
As at 31 December 2010	517,960	287,525	425,179	1,891,094	52,293	467,642	3,641,693
As at 31 December 2011	518,109	265,612	501,421	2,658,474	67,318	153,199	4,164,133
Depreciation for the years:							
2010 (Baht 655 million included in cost of sales and services, and the balance in selling and administrative expenses)							872,578
2011 (Baht 711 million included in cost of sales and services, and the balance in selling and administrative expenses)							968,348

(Unit: Thousand 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 2009	509,895	573,018	1,837,807	5,115,557	185,027	71,537	8,292,841
Additions	8,376	32,763	40,406	355,204	26,636	519,352	982,737
Transfer in/(transfer out)	-	172	92,355	117,100	13	(97,759)	111,881
Disposals	-	-	(54,082)	(18,939)	(17,954)	(7,495)	(98,470)
Translation adjustment	(311)	(17,040)	(55,472)	(83,913)	(1,021)	(524)	(158,281)
As at 31 December 2010	517,960	588,913	1,861,014	5,485,009	192,701	485,111	9,130,708
Accumulated depreciation:							
As at 31 December 2009	-	265,614	1,301,243	2,917,998	131,489	-	4,616,344
Depreciation for the year	-	31,316	184,258	634,175	22,829	-	872,578
Transfer in/(transfer out)	-	(98)	3,417	(5,942)	-	-	(2,623)
Accumulated depreciation on disposals	-	-	(52,617)	(16,432)	(13,226)	-	(82,275)
Translation adjustments	-	(3,124)	(9,183)	(56,726)	(684)	-	(69,717)
As at 31 December 2010	-	293,708	1,427,118	3,473,073	140,408	-	5,334,307

(Unit: Thousand Baht)

	Consolidated financial statements						
	Revaluation basis		Cost basis				Total
	Land	Building and improvement	Office equipment	Machinery and equipment	Vehicles	Assets in progress	
Allowance for impairment loss:							
As at 31 December 2009	-	7,680	8,717	118,874	-	2,021	137,292
Increase	-	-	-	1,968	-	15,448	17,416
As at 31 December 2010	-	7,680	8,717	120,842	-	17,469	154,708
Net book value:							
As at 31 December 2009	509,895	299,724	527,847	2,078,685	53,538	69,516	3,539,205
As at 31 December 2010	517,960	287,525	425,179	1,891,094	52,293	467,642	3,641,693
Depreciation for the years:							
2009 (Baht 603 million included in cost of sales and services, and the balance in selling and administrative expenses)							843,211
2010 (Baht 655 million included in cost of sales and services, and the balance in selling and administrative expenses)							872,578

(Unit: Thousand 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 2010	193,983	285,424	439,820	113,707	34,303	47,041	1,114,278
Additions	-	723	1,212	728	11,010	15,294	28,967
Transfer in/(transfer out)	-	-	61,471	128	-	(62,335)	(736)
Disposals	-	-	(2,816)	(10)	(10,366)	-	(13,192)
As at 31 December 2011	193,983	286,147	499,687	114,553	34,947	-	1,129,317
Accumulated depreciation:							
As at 31 December 2010	-	182,476	345,408	111,722	26,885	-	666,491
Depreciation for the year	-	17,703	74,159	1,083	4,104	-	97,049
Depreciation on disposals	-	-	(2,816)	(10)	(9,858)	-	(12,684)
As at 31 December 2011	-	200,179	416,751	112,795	21,131	-	750,856
Net book value:							
As at 31 December 2010	193,983	102,948	94,412	1,985	7,418	47,041	447,787
As at 31 December 2011	193,983	85,968	82,936	1,758	13,816	-	378,461
Depreciation for the years:							
2010 (All depreciation included in administrative expenses)							88,570
2011 (All depreciation included in administrative expenses)							97,049

(Unit: Thousand 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 2009	189,564	275,469	422,300	126,201	31,676	14,156	1,059,366
Additions	4,419	9,955	3,839	762	4,920	48,976	72,871
Transfer in/(transfer out)	-	-	13,819	-	13	(13,832)	-
Disposals	-	-	(138)	(13,256)	(2,306)	(2,259)	(17,959)
As at 31 December 2010	193,983	285,424	439,820	113,707	34,303	47,041	1,114,278

(Unit: Thousand Baht)

	Separate financial statements						
	Revaluation basis		Cost basis				Total
	Land	Building and improvement	Office equipment	Machinery and equipment	Vehicles	Assets in progress	
Accumulated depreciation:							
As at 31 December 2009	-	164,107	280,704	123,477	24,176	-	592,464
Depreciation for the year	-	18,369	64,746	1,501	3,954	-	88,570
Depreciation on disposals	-	-	(42)	(13,256)	(1,245)	-	(14,543)
As at 31 December 2010	-	182,476	345,408	111,722	26,885	-	666,491
Net book value:							
As at 31 December 2009	189,564	111,362	141,596	2,724	7,500	14,156	466,902
As at 31 December 2010	193,983	102,948	94,412	1,985	7,418	47,041	447,787
Depreciation for the years:							
2009 (All depreciation included in administrative expenses)	88,977						
2010 (All depreciation included in administrative expenses)	88,570						

As at 31 December 2011, the Company and its subsidiaries had machinery and vehicles and equipment under finance lease agreements with net book values amounting to Baht 42 million (the Company Only: Baht 9.5 million).

As at 31 December 2011 and 2010, 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 3,415 million and Baht 2,938 million (the Company Only: Baht 258 million and Baht 243 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 2011 (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 2011 and 2010 would have been as follows:

(Unit: Thousand 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 2011	97,738	82,269	62,701	65,906
As at 31 December 2010	97,738	95,495	62,701	78,530

a) 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 46.3 e) to the financial statements.

b) 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, up to 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. Subsequently, on 27 October 2010, the subsidiary shutdown all systems in all places. As at 31 December 2011, the subsidiary has fully set up provision for impairment of asset under installation amounting to Baht 16.8 million (2010: Baht 17.5 million) and the subsidiary has the net outstanding balance of asset and asset under installation under such agreement amounted to approximately Baht 15.5 million (2010: Baht 49.6 million) which is presented as a part of property, plant and equipment in the balance sheet. In addition, the subsidiary has not recognised the service income from this project since 1 February 2009 and the subsidiary has already invoiced the outstanding service balance of this project amounting to Baht 31.7 million and is in the process of negotiating collection for service from such project with the counter party. Since the subsidiary could not accomplish 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 of the subsidiary 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 2011 the subsidiary has not set up provision for fine from the project delay and believes that recorded provision for impairment for the asset of such project is adequate.

- c) The Company and its subsidiary companies have pledged partial of assets as collateral against credit facilities received from financial institutions.

19. Prepaid rental to a related companies

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	2011	2010
Prepaid rental	375,669	375,669
Less: Accumulated amortisation	(158,616)	(146,094)
Prepaid rental - net	217,053	229,575

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 statement of financial position and amortised over the rental period.

20. Deferred right for the use of communications equipment

(Unit: Thousand Baht)

	Consolidated financial statements	
	2011	2010
Deferred right for the use of communication equipment	70,206	1,173,267
Less: Accumulated amortisation	(55,923)	(617,404)
Allowance for impairment of assets	(14,283)	(291,235)
Net	-	264,628

As discussed in Note 21, on 13 September 2011 Samart Telcoms Public Co., Ltd., subsidiary company, has been approved to terminate of the contract of provides local audio and visual data communications via satellite service and changes to a 5-year license to operate a second telecommunications, without its own network from the National Broadcasting and Telecommunications Commission. This resulting affected to the subsidiary company transferred Deferred right to use of communications equipment of Baht 235.5 million to intangible assets under the caption of "License".

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 subsidiary company's management. Based on such information as at 31 December 2011, the subsidiaries already set aside allowance for impairment of Baht 14.3 million (2010: Baht 291.2 million), and the subsidiaries' management believes that this allowance is adequate. However, changes in markets competition and changes of technology in the future could further the diminution in the value of project future cash inflows below the book values as stated in the statements of financial position.

21. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements					
	Right under the advertising agreement	Software computer	Right under the distribution agreement	Right under license agreement for audio-visual of football match	Right under license for provide communications via satellite	Total
Cost						
31 December 2009	27,500	-	-	-	-	27,500
Addition	-	18,396	4,530	-	-	22,926
31 December 2010	27,500	18,396	4,530	-	-	50,426
Addition	-	40,263	-	8,587	-	48,850
Transfer in	-	33,055	-	-	235,499	268,554
31 December 2011	27,500	91,714	4,530	8,587	235,499	367,830
Allowance for impairment						
31 December 2009	-	-	-	-	-	-
Amortisation and depreciation	(11,650)	(2,104)	(229)	-	-	(13,983)
Translation adjustment	-	(24)	-	-	-	(24)
31 December 2010	(11,650)	(2,128)	(229)	-	-	(14,007)
Amortisation and depreciation	(11,650)	(11,470)	(2,266)	(2,862)	(14,448)	(42,696)
Translation adjustment	-	330	-	-	-	330
31 December 2011	(23,300)	(13,268)	(2,495)	(2,862)	(14,448)	(56,373)
Net book value						
31 December 2010	15,850	16,268	4,301	-	-	36,419
31 December 2011	4,200	78,446	2,035	5,725	221,051	311,457

Rights under the advertising agreement

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 had 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 three years.

Subsequently, 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 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 unrelated 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 three 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 in the consolidated financial statements under the caption of intangible assets with the value of Baht 27.5 million.

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.

Right under distribution agreement

During the year 2010, I-Mobile Plus Co., Ltd. a subsidiary company, entered into a distributor agreement with a company. Under the conditions of the agreement, the subsidiary company is to pay a fee to be a distributor for 2 years period and is to pay a fixed fee based on sale volume and comply with conditions stipulated in the agreement. Samart I-Mobile Public Co., Ltd., another subsidiary company, has guaranteed the I-Mobile Plus Co., Ltd.'s compliance with the agreement.

Right under license agreement for audio-visual of football match

On 4 January 2011, I-Sport Co., Ltd., a subsidiary company, entered into an agreement with an overseas company to acquire a football broadcast license for a period of 3 years, commencing on 4 January 2011. The subsidiary company is obliged to comply with conditions as stated in the agreement.

Right under license for provide communications via satellite

On 10 August 2011, the Board of the National Broadcasting and Telecommunications Commission passed a resolution approving the issue to Samart Telcoms Public Co., Ltd., subsidiary company, of a 5-year, Type two telecommunication business license without own telecommunications network (Very Small Aperture Terminal (VSAT) service). The license is effective from the date of termination of the contract to provide local audio and visual data communications via satellite services (13 September 2011). The subsidiary company is obliged to comply with various conditions, which included a commitment to hand over the telecommunications equipment used in provision of the data communication via satellite service to the National Broadcasting and Telecommunications Commission within 11 December 2011, and to pay an annual service fee. As a result of the change, the subsidiary company transferred the balance of deferred right to use of communication equipment, amounting to Baht 235.5 million, to intangible assets - license. Although, as at 31 December 2011, the subsidiary company is still in the process of handing over the telecommunications equipment, the subsidiary company's management believe that no penalty will be charged for late delivery, and so no provision for such a penalty has been recorded in the books of account. In addition, the subsidiary company is negotiating to purchase back equipment after completing of hand over the above equipment.

The subsidiary company assessed the impairment of licenses by determining the present value of projected future cash inflows on the basis of certain assumptions and operations plans prepared by the subsidiary company's management. Based on such information, as at 31 December 2011, such assets have not been impairment. However, future changes in market competition and changing technology in the industry are significant factors that could further reduce the value of projected future cash inflows below the book values as stated in the statements of financial position.

22. Assets held for future projects

Assets held for future projects in the consolidated and the Company's financial statements as at 31 December 2011 and 2010, consists of:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Revaluation basis		Cost basis	Total
	Land	Building and improvement	Machinery and equipment	
Cost/Revalued amount:				
31 December 2009	61,948	4,923	25,587	92,458
Disposal	-	-	(4,072)	(4,072)
Transfer out to properly, plant and equipment	-	-	(36)	(36)
31 December 2010	61,948	4,923	21,479	88,350
Disposal	(1,252)	-	-	(1,252)
31 December 2011	60,696	4,923	21,479	87,098
Accumulated depreciation:				
31 December 2009	-	2,667	16,562	19,229
Depreciation for the year	-	246	-	246
Accumulated depreciation on disposal	-	-	(4,071)	(4,071)
31 December 2010	-	2,913	12,491	15,404
Depreciation for the year	-	246	-	246
31 December 2011	-	3,159	12,491	15,650
Allowance for impairment				
31 December 2010	-	-	-	-
Increase	-	-	8,988	8,988
31 December 2011	-	-	8,988	8,988
Net book value:				
31 December 2010	61,948	2,010	8,988	72,946
31 December 2011	60,696	1,764	-	62,460
Depreciation for the years :				
2010 (All depreciation included in administrative expenses)				246
2011 (All depreciation included in administrative expenses)				246

(Unit: Thousand Baht)

	Separate financial statements			
	Revaluation basis		Cost basis	Total
	Land	Building and improvement	Machinery and equipment	
Cost/Revalued amount:				
31 December 2009	43,248	4,923	16,562	64,733
Disposal	-	-	(4,071)	(4,071)
31 December 2010	43,248	4,923	12,491	60,662
Disposal	(866)	-	-	(866)
Transfer surplus on disposed property, plant and equipment	(386)	-	-	(386)
31 December 2011	41,996	4,923	12,491	59,410
Accumulated depreciation:				
31 December 2009	-	2,667	16,562	19,229
Depreciation for the year	-	246	-	246
Depreciation for disposal of property, plant and equipment	-	-	(4,071)	(4,071)
31 December 2010	-	2,913	12,491	15,404
Depreciation for the year	-	246	-	246
31 December 2011	-	3,159	12,491	15,650
Net book value:				
31 December 2010	43,248	2,010	-	45,258
31 December 2011	41,996	1,764	-	43,760
Depreciation for the years:				
2010 (All depreciation included in administrative expenses)				246
2011 (All depreciation included in administrative expenses)				246

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 (the Company only increase: Baht 0.3 million). The Company and the subsidiaries had presented their assets at cost, the net book value as at 31 December 2011 and 2010 on a cost basis would have been as follows:

(Unit: Thousand 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 2011	73,823	1,503	24,948	1,503
As at 31 December 2010	74,689	1,712	25,814	1,712

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

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

Bank overdrafts and short-term loans from financial institutions as at 31 December 2011 and 2010, consists of:

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Bank overdrafts	6.125 - 7.900	123,844	71,295	-	17,213
Short-term loans from financial institutions	4.150 - 8.250	4,959,745	3,255,034	165,000	490,000
Trust receipts	1.620 - 7.000	1,362,245	1,236,728	-	-
Total		6,445,834	4,563,057	165,000	507,213

Bank overdrafts and short-term loan obtained 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.

In addition, short-term loan agreements with banks contain certain conditions as specified in the agreements that require the Company and its subsidiaries to comply.

24. Trade and other payable

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Trade accounts payable - related parties	13	-	24,827	8,853
Trade accounts payable - unrelated parties	2,433,728	935,303	-	-
Advance received from related parties	11,342	6,168	942	2,604
Accrued interest expenses to related parties	-	-	6,015	1,659
Accrued interest expenses to unrelated parties	22,027	5,128	493	407
Other payable - unrelated parties	345,468	383,124	7,418	15,620
Other payables for purchase of machineries and equipment	246	40,661	29	176
Dividend payable	-	144,607	-	144,607
Accrued expenses	181,337	85,544	22,745	13,430
Total trade accounts payable and other payable	2,994,161	1,600,535	62,469	187,356

25. Short-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Short-term loans from related parties (Note 12)	-	-	99,377	146,960
Short-term loan from unrelated party	495	495	-	-
Total short-term loans	495	495	99,377	146,960

Short-term loan from unrelated party

As at 31 December 2011, Take A Look Co., Ltd., a subsidiary company, had obtained short-term loan of Baht 0.5 million (2010: Baht 0.5 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.

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

The detail of long-term loans from financial institutions as at 31 December 2011 and 2010 are summarised below:

(Unit: Thousand Baht)

No.	Lender	Credit facilities	Significant terms and conditions of loan agreement			Consolidated financial statement		Separate financial statement	
			Repayment term	Collateral	Interest rate	2011	2010	2011	2010
		(Million Baht)			(per annum)				
The Company									
1.	Bank	2,200	Monthly installment within 7 years and 9 months (from November 2006 to June 2011)	Some of subsidiaries' shares hold by the Company	MLR-1	-	219,000	-	219,000
2.	Bank	50	Monthly installment within 7 years and 2 months (from on July 2005 to February 2011)	Some of subsidiaries' shares hold by the Company. Construction of the Company cannot be mortgaged. Acquire insurance policy for the construction	MLR-1	-	1,531	-	1,531
3.	Bank	15	Monthly installment within 10 years (from April 2010 to March 2020)	Mortgage the construction and acquire insurance for it. Assign the beneficiary rights under such insurance policy	MLR-1.25	13,211	14,340	13,211	14,340
4.	Bank	400	Monthly installment within 7 years and 9 months, from June 2014 to September 2018 with a grace period of 3 years and 5 months	Some of subsidiaries' shares hold by the Company	MLR-1	400,000	-	400,000	-

(Unit: Thousand Baht)

No.	Lender	Credit facilities	Significant terms and conditions of loan agreement			Consolidated financial statement		Separate financial statement	
			Repayment term	Collateral	Interest rate	2011	2010	2011	2010
		(Million Baht)			(per annum)				
Subsidiaries									
One to One Contacts Co., Ltd.									
1.	Bank	29	Monthly installment within 2 year and 8 months, from August 2010 to January 2012 with a grace period of 6 months.	The Company	MLR-0.5	1,330	14,130	-	-
2.	Bank	178	Monthly installment within 2 years and 9 months, from June 2011 to June 2013 with a grace period of 8 months	Assign the right over service fee collection from the Social Security Office under service contract regarding call center.	MLR-0.75	136,000	74,807	-	-
Suvarnabhumi Environment Care Co., Ltd.									
3.	Bank	160	Monthly installment within 6 year and 6 months, from April 2011 to June 2013 with a grace period of 15 months.	Assign the right over collection of service fees from provision of waste management services in Suvarnabhumi Air port and it shall be guaranteed by the Company, Professional Waste Technology (1999) Co., Ltd. and Siam Waste Management Consultants Co., Ltd.	MLR-1	38,458	39,958	-	-

(Unit: Thousand Baht)

No.	Lender	Credit facilities	Significant terms and conditions of loan agreement			Consolidated financial statement		Separate financial statement	
			Repayment term	Collateral	Interest rate	2011	2010	2011	2010
		(Million Baht)			(per annum)				
Kampot Power Plant Co., Ltd.									
4.	Bank	USD 17 million	Quarterly installment within 8 years (from on May 2008 to February 2015)	Assign the right to receive the payment for electricity and it should be guaranteed by the Company until the loan outstanding reduces by more than 50 percent of total loan amount	LIBOR+1	285,074	343,586	-	-
Cambodia Air Traffic Services Co., Ltd.									
5.	Bank	USD 14 million	Quarterly installment within 5 years and 3 months, from August 2008 to August 2013	An assignment of right under the Contract to Build Cooperate and Transfer of Air Traffic Control System between the Royal Government of Cambodia and is guaranteed by the Company until the loan outstanding reduces by more than 60 percent of total loan amount. Prepare a letter to confirm that assets of subsidiaries will not be pledged with other financial institutions to secure loans. On 30 November 2011, the Company cancelled the pledge made by the Company.	LIBOR+1.25 for used and LIBOR+1.50 for unused	262,078	256,399	-	-

(Unit: Thousand Baht)

No.	Lender	Credit facilities	Significant terms and conditions of loan agreement			Consolidated financial statement		Separate financial statement	
			Repayment term	Collateral	Interest rate	2011	2010	2011	2010
		(Million Baht)			(per annum)				
Vision and Security System Co., Ltd.									
6.	Bank	86	Monthly installment within 3 years and 2 months, from August 2010 to March 2013, with a grace period of 6 months	Assign the right over collection of CCTV rental fees. It shall be guaranteed by the Company and the subsidiary's shareholders	MLR-0.75	43,688	61,688	-	-
Samart Telcoms Public Co., Ltd.									
7.	Financial institute	15	Monthly installment within 10 years (from April 2010 to April 2020)	Mortgage a beach pool house	MLR-1.25	11,062	12,245	-	-
8.	Financial institute	21	Monthly installments for 3 years (from October 2010 to September 2012)	-	Effective rate	5,564	12,678	-	-
Samart Comtech Co., Ltd.									
9.	Financial institute	45	Monthly installment within 3 years and 8 months (from February 2009 to February 2012)	Samart Telcoms Public Co., Ltd.	MLR	1,405	14,205	-	-

(Unit: Thousand Baht)

No.	Lender	Credit facilities	Significant terms and conditions of loan agreement			Consolidated financial statement		Separate financial statement	
			Repayment term	Collateral	Interest rate	2011	2010	2011	2010
		(Million Baht)			(per annum)				
Samart Communications Services Co., Ltd.									
10.	Bank	755	Monthly installment within 5 years, from March 2011 to February 2016 with a grace period of 3 months	Assign the right over collection of 60% of services fee but not less than Baht 19 million under a service agreement regarding the efficiency enhancement of MOENet project and it shall be guaranteed by Samart Telcoms Plc.	MLR-1.25	731,314	-	-	-
11.	Bank	190	Monthly installment within 5 year and 3 months (from November 2010 to February 2016)	Assign the right over collection of 70% of service fee under a lease agreement regarding safety network system of Mabtapud Industrial Estate and it shall be guaranteed by Samart Telcoms Plc.	MLR-1	154,307	-	-	-
Samart I-Mobile Co., Ltd.									
12.	Bank	12	Monthly installment within 10 years (from April 2010 to March 2020)	Mortgage a condominium and acquire insurance policy for mortgaged construction and assign the beneficiary right under insurance policy to the bank	MLR-1.25	9,771	10,751	-	-
Total loans from financial institutions						2,093,262	1,075,318	413,211	234,871
Less : current portion						(629,259)	(496,581)	(1,149)	(221,763)
Long term loans - net of current portion						1,464,003	578,737	412,062	13,108

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Liabilities under finance lease agreements	38,947	30,804	11,180	223
Less: Deferred interest expense	(4,371)	(1,109)	(1,432)	(8)
	34,576	29,695	9,748	215
Less: Portion due within one year	(7,666)	(26,358)	(1,374)	(171)
Liabilities under finance lease agreements - net of current portion	26,910	3,337	8,374	44

The Company and subsidiaries have entered into the finance lease agreements with leasing companies for rental of equipment and motor vehicles for use in their 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 2011, 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	9,157	29,790	38,947
Deferred interest expenses	(1,491)	(2,880)	(4,371)
Present value of future minimum lease payments	7,666	26,910	34,576

(Unit: Thousand Baht)

	Separate financial statements		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	1,804	9,376	11,180
Deferred interest expenses	(430)	(1,002)	(1,432)
Present value of future minimum lease payments	1,374	8,374	9,748

28. Other current liabilities

Other current liabilities as at 31 December 2011 and 2010 consist of:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
VAT payables	17,293	22,917	2,144	-
Deposits	28,930	12,110	140	3,202
Others	223,155	209,456	1,702	1,401
Total	269,378	244,483	3,986	4,603

29. Provision for long-term employee benefits

Movement in the provision for long-term employee benefits for the years ended 31 December 2011 and 2010 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Provision for long-term employee benefits at beginning of year	81,716	71,971	22,126	19,646
Current service cost	14,700	7,271	4,163	1,675
Interest cost	5,977	2,941	2,193	805
Cash paid for long-term employee benefits	(12,574)	(467)	(8,265)	-
Provision for long-term employee benefits at end of year	89,819	81,716	20,217	22,126

Long-term employee benefit expenses included in the profit or loss for the year ended 31 December 2011 and 2010 amounted to Baht 21 million and Baht 10 million, respectively (separate financial statements: Baht 6 million and Baht 2 million, respectively).

Principal assumptions at the valuation date were as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	4.1	4.1	4.1	4.1
Future salary increase rate (depending on age of employees)	4.0 - 6.0	4.0 - 6.0	4.0 - 6.0	4.0 - 6.0
Staff turnover rate	0 - 20	0 - 20	0 - 20	0 - 20

30. 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.

The schedule for receipt of payment for information technology services after cancelling the charges is as follows:

(Unit: Thousand Baht)

Installment	Receipt schedule	Amount	Total
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
			521,169

The outstanding balances of advance received IT service fees from subsidiary companies as at 31 December 2011 and 2010 are as follows:

(Unit: Thousand Baht)

	Separate financial statements	
	2011	2010
Advanced received for IT service fee	122,400	122,400
Less: IT service fee with partially cancelled	(3,163)	(3,163)
Accumulated amortisation	(119,237)	(116,957)
Net	-	2,280

31. Share capital and warrants

31.1 Exercised warrants of the first project

Up to 31 December 2011, the Company's directors, the Company and subsidiaries' employees 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. The last exercise period was on 9 August 2011, at which no warrant was exercised. A summary of exercised warrants of the first project is as follows:

(Unit: Unit)

The approved number of warrants by the Securities and Exchange Commission and Shareholders		
1. Total number of exercised warrants		3,741,302
2. Number of unexercised and can celled warrants		
- Warrants to be cancelled due to resignation of employees after the fifth year allocation	22,080	
- Expired warrants	2,372	24,452
Total		3,765,754

Outstanding balance of unexercised and cancelled warrants due to resignation of employees and expired warrants are 24,452 warrants or equivalents to 244,520 reserved shares, has to be cancelled. Nevertheless, as the Company issued units of warrants of the second project in 2008, it partially reduced its registered shares eapital by amount equal to the cancelled number of warrants due to resignation of employees of 146,600 shares. Thus, the Company is required to further decrease its registered capital by cancelling 97,920 reserved shares, when the next meeting of Shareholder is held.

31.2 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 2011, the Company's directors, the Company and subsidiaries' employees had exercised their rights of the second project to convert 9,125,500 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
	(Thousand Units)	(Thousand Units)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	
Total for the second quarter of 2009 to the fourth quarter of 2010	3,803	3,803	3,803	16,921	20,724	18 March 2011 16 June 2011 19 July 2011 15 December 2011
The first quarter of 2011	75	75	75	334	409	
The second quarter of 2011	5,088	5,088	5,088	22,641	27,729	
The third quarter of 2011	110	110	110	490	600	
The fourth quarter of 2011	50	50	50	222	272	
Total for the year 2011	5,323	5,323	5,323	23,687	29,010	
Total	9,126	9,126	9,126	40,608	49,734	

Movements of warrants for the year ended 31 December 2011 are summarised below.

(Number of unit: Thousand units)

Warrants issuance to	Balance as at 31 December 2010	Exercised during the year	Balance as at 31 December 2011
Directors	15,200	(3,325)	11,875
Employees	10,998	(1,998)	9,000
Total	26,198	(5,323)	20,875

32. 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: Thousand Baht)

	Consolidated/ Separate financial statements
Surplus on revaluation of property, plant and equipment of the Company	
Balance as at 31 December 2010	173,431
Less : Transfer surplus on disposed property, plant and equipment	(386)
Amortise to transfer to retained earnings for the year	(4,391)
Balance as at 31 December 2011	168,654

(Unit: Thousand Baht)

	Consolidated financial statements
Surplus on revaluation of land, building and improvement of subsidiaries	
Balance as at 31 December 2010	203,486
Less : Adjustment of surplus on revaluation according to the portion of shareholding	(1,646)
Balance as at 31 December 2011	201,840

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

33. Treasury 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 percent 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	
	2011	2010
Cost of treasury shares (Thousand Baht)	88,260	88,260
Number of treasury shares (Thousand shares)	16,066	16,066
Average price per share (Baht)	5.49	5.49
Percentage of treasury shares to the Company's shares in issue	1.63	1.64

The Company had set aside approximately Baht 88 million (2010: Approximately Baht 88 million) to a treasury shares reserve account according to the Securities and Exchange Commission'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 30 September 2009 to 29 March 2012.

During the year 2010, the Company disposed of 22 million treasury shares, applying the prevailing market price at the disposal date, at a total price of Baht 153 million. The Company includes the excess of the resale price over the carrying amount of treasury shares of Baht 31 million in "Share premium" in the shareholders' equity.

34. Earnings per share

34.1 Basic earnings per shares

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

Weighted average number of ordinary shares

As at 31 December 2011 and 2010, the weighted average number of ordinary shares in the consolidated and separate financial statements are calculated as follow:

(Unit: Thousand shares)

	Consolidated / Separate financial statements	
	2011	2010
Balance brought forward (net of treasury shares)	964,241	938,905
Add: Weighted average number of treasury shares re-issued during the year	-	9,901
Add: Weighted average number of ordinary shares in issue during the year	2,882	889
Weighted average number of ordinary shares	967,123	949,695

34.2 Diluted earnings per share

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

Reconciliation of diluted earnings per share

	Consolidated financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2011	2010	2011	2010	2011	2010
	(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)
Basic earnings per share		(Restated)				(Restated)
Profit attributable to equity holders of the Company	837,785	623,037	967,123	949,695	0.86	0.66
Effect of dilutive potential ordinary shares						
Warrants to the directors and employees of the Company and subsidiaries 20,874,500 warrants (2010: 26,198,760 warrants)			8,491	4,955		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	837,785	623,037	975,614	954,650	0.86	0.65

	Separate financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2011	2010	2011	2010	2011	2010
	(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)
Basic earnings per share		(Restated)				(Restated)
Profit attributable to equity holders of the Company	337,155	257,366	967,123	949,695	0.35	0.27
Effect of dilutive potential ordinary shares						
Warrants to the directors and employees of the Company and subsidiaries 20,874,500 warrants (2010: 26,198,760 warrants)			8,491	4,955		
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	337,155	257,366	975,614	954,650	0.35	0.27

35. 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 profit 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.

36. Dividend payment

	Approved by	Total dividends	Dividend per share	Paid on
		(Million Baht)	(Baht)	
2010				
Dividends declared on 2009 operating result	Annual General Meeting of the shareholders on 27 April 2010	235	0.25	11 December 2009 18 May 2010 21 January 2011
Less: Interim dividend on earnings for the period as from January to September 2009	A meeting of Board of Directors on 13 November 2009	(75)	(0.08)	
Dividends from 2009 earnings paid in 2010		160	0.17	
Interim dividend on earnings for the period as from January to September 2010	A meeting of Board of Directors on 24 December 2010	144	0.15	
Total dividend paid for the year 2010		304	0.32	
2011				
Dividends declared on 2010 operating result	Annual General Meeting of the shareholders on 21 April 2011	385	0.40	21 January 2011 12 May 2011 14 September 2011
Less: Interim dividend on earnings for the period as from January to September 2010	A meeting of Board of Directors on 24 December 2010	(144)	(0.15)	
Dividends from 2010 earnings paid in 2011		241	0.25	
Interim dividend on earnings for the period as from January to June 2011	A meeting of Board of Directors on 15 August 2011	213	0.22	
Total dividend paid for the year 2011		454	0.47	

37. Other income/other expenses

37.1 Details of other income for the years ended 31 December 2011 and 2010 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Management fee income	-	-	281,338	237,328
Selling support income	24,421	67,416	-	-
Interest income	11,173	9,621	25,160	23,453
Gain on exchange	22,513	25,026	-	13,707
Gain on sale of property, plant and equipment and assets held for future projects	13,867	3,200	5,366	2,045
Gain on change in value of short-term investments in trading securities	-	-	10	-

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Reversal on allowance of impairment of deferred right to use of communications equipment	-	78,000	-	-
Gain on sales of investments	701	105,612	-	54,968
Income from reversal of provision for doubtful accounts and bad debt received	18,697	-	-	4
Dividend income	252	2,704	311,612	178,000
IT service fee from subsidiary companies	-	-	95,688	114,268
Others	105,775	47,090	96,039	77,009
Total	197,399	338,669	815,213	700,782

37.2 Details of other expenses for the years ended 31 December 2011 and 2010 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Loss on exchange	-	-	19,370	-
Loss on disposal of investments in trading securities (Note 9)	1,088	1,201	-	4,578
Loss on change in value of short-term investments in trading securities (Note 9)	18,926	15,035	1,358	2,761
Loss on impairment of investments in subsidiary companies	-	-	12,976	34,334
Allowance for doubtful debt	-	48,449	-	-
Others	27,549	68,008	4,270	7,080
Total	47,563	132,693	37,974	48,753

38. Expenses by nature

Significant expenses by nature for the years ended 31 December 2011 and 2010 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Salaries, wages and other employee benefits	1,591,075	1,281,899	136,830	103,546
Promotion and advertising expenses	576,459	834,718	6,520	6,882
Changes in inventories of finished goods and work in progress	387,198	(206,672)	-	-
Depreciation	968,594	842,824	97,295	88,816
Rental expenses	196,882	169,185	42,102	32,037
Raw materials and consumables used	52,619	71,055	-	-
Loss on change in value of short-term investments in trading securities (Note 9)	18,926	15,035	1,358	2,761
Amortisation expenses	112,116	76,148	12,522	12,522
Raw materials and equipment for projects used	6,780,631	3,680,468	-	-
Purchase finished goods for sales	3,979,647	4,315,634	-	-

In addition, the Company and its subsidiaries have expenses that are other expenses by nature, but which are not included in the above; such as training expenses and other expenses.

39. Provident fund

The Company, subsidiaries companies 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 percent to 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 2011 and 2010, the Company and its subsidiary companies contributed amounted to approximately Baht 36 million and Baht 33 million (The Company only: Baht 6 million and Baht 5 million), respectively.

40. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statement	
	2011	2010	2011	2010
Interest expense on:				
Bank loans, overdrafts and trust receipts	366,499	297,488	45,925	49,269
Loans from related parties	-	-	13,067	7,146
Liabilities under finance leases	1,532	2,572	205	20
Total interest expenses	368,031	300,060	59,197	56,435
Bank charges	22,910	21,318	853	134
Total finance cost	390,941	321,378	60,050	56,569

41. Corporate income tax

Income tax is provided for in the accounts based on the taxable profits at the rate of 30 percent determined in accordance with tax legislation (2010: 25 percent, the Company has been granted tax benefits, which authorizes the reduction of the corporate income tax rate from regular rate of 30 percent to 25 percent for the first Baht 300 million of net profit under Administrative Decree No. 475 B.E.2551, for a period of 3 consecutive accounting years, starting from 2008 to 2010.), after 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 in Thailand are subject to corporate income tax at the rate of 30 percent of net profit after adjusting certain expenses and provisions which are disallowed for tax computation purposes.

The subsidiaries have been granted promotional privileges approved by the Board of Investment under the Thai Investment Promotion Act B.E. 2520. Subject to certain imposed condition, the privileges include an exemption from corporate income tax on net income from promoted operations for a period 8 years commencing as from the date of first earning operating income.

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

42. Promotional privileges

42.1 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 239 million for the year ended 31 December 2011 (2010: Baht 248 million) were revenues from BOI promoted activities.

- 42.2** Subsidiaries have been granted promotional privileges under the Investment Promotion Act B.E. 2520 by the Board of Investment under certain significant conditions. Significant privileges of Samart Telcom Public Co., Ltd. are as follows:

Details	Smarterware Co., Ltd.	Samart eD Tech Co., Ltd.
1. Certificate No.	1152(7)/2551	1713(7)/2553
2. Promotional privileges for	Software	Software
3. The significant privileges are:		
3.1 Exemption from corporate income tax on net income from promoted operations for a period of 8 years commencing as from the date of first earning operating income. Furthermore, accumulated losses incurred during the corporate income tax exemption period, the subsidiary is allowed to utilise the losses as a deduction against net income for a period of 5 years after the expiry of the tax exemption period, whether from any one year or from several years.	Commencing until 29 April 2017	Commencing until 21 June 2019
3.2 Exemption from income tax on dividends paid from the income of the promoted operations for which corporate income tax is exempted, throughout the corporate income tax exemption.	Granted	Granted
3.3 Exemption from import duty on imported machinery for use in production as approved by the Board.	Ended on 19 August 2010	Throughout the period of promoted
4. Date of first earning operating income	2 July 2009	22 June 2011

Revenues of Smarterware Co., Ltd. and Samart eD Tech Co., Ltd. for the years are software development services which could be divided between BOI promoted activities and Non-BOI promoted activities.

(Unit: Thousand Baht)

	2011	2010
BOI promoted	89,487	37,422
Non-BOI promoted	7,678	12,711
Total service income	97,165	50,133

43. 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 2011 and 2010 is as follows:

43.1 The results of operations separated by type of business.

(Unit: Million Baht)

	For the years ended 31 December															
	Hong Kong		Cambodia		Thailand											
	International				International		Local -Portfolio		I-Mobile Multimedia		Samart Solution		Eliminated		Consolidated	
	Holding		Mobile Phone Services													
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Sales and services income																(Restated)
- Third parties	1,055	960	1	1	-	-	1,712	1,393	6,912	7,978	10,086	5,587	-	-	19,766	15,919
- Related parties	-	-	-	-	1	1	356	122	9	9	19	27	(384)	(158)	1	1
Total sales and services income	1,055	960	1	1	1	1	2,068	1,515	6,921	7,987	10,105	5,614	(384)	(158)	19,767	15,920
Cost of sales and services	480	452	-	-	-	-	1,754	1,318	5,594	6,366	8,553	4,608	(394)	(139)	15,987	12,605
Gross profit	575	508	1	1	1	1	314	197	1,327	1,621	1,552	1,006	10	(19)	3,780	3,315
Unallocated income (expenses):																
Other income															197	338
Selling expenses															(1,018)	(1,351)
Administrative expenses															(1,113)	(919)
Other expenses															(48)	(133)
Finance cost															(391)	(321)
Corporate income tax															(295)	(132)
Non-controlling interests of the subsidiaries															(276)	(174)
Profit for the year															836	623

43.2 Assets separated by business segment are as follows:

(Unit: Million Baht)

	As at 31 December															
	Hong Kong		Cambodia		Thailand											
	International				International		Local -Portfolio		I-Mobile Multimedia		Samart Solution		Eliminated		Consolidated	
	Holding		Mobile Phone Services													
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Assets																
Trade accounts receivable - net	114	95	-	-	-	1	615	147	3,307	2,964	1,263	794	(189)	(17)	5,110	3,984
Inventories - net	2	2	-	-	-	-	173	174	722	874	622	687	-	-	1,519	1,737
Property, plant and equipment - net	777	788	3	3	-	-	972	1,056	547	646	1,865	1,148	-	-	4,164	3,641
Deferred right to the use of communication equipment - net	-	-	-	-	-	-	-	-	-	-	-	265	-	-	-	265
Others	773	607	8	7	97	3	6,487	5,774	1,124	950	5,005	1,604	(5,936)	(5,043)	7,558	3,902
Total assets	1,666	1,492	11	10	97	4	8,247	7,151	5,700	5,434	8,755	4,498	(6,125)	(5,060)	18,351	13,529

Transfer prices between business segments are as set out in Note 12 to the financial statements.

44. Bank guarantees

As at 31 December 2011, there were outstanding bank guarantees issued by the banks on behalf of the Company and its subsidiaries of approximately Baht 3,181 million (2010: Baht 1,617 million). Separate financial statements: Baht 1 million (2010: Baht 2 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	3,157	-
Guarantee electricity use, and others	24	1
	3,181	1

45. Related parties guarantees

Generally, these guarantees are effective for guarantor as long as the underlying obligations have not been discharged by the guaranteed party. Guarantee fees are charged by the Company and subsidiaries. Related parties guarantees are summarised below.

45.1 As at 31 December 2011, 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.	665
Vision and Security System Co., Ltd.	532
One to One Contacts Co., Ltd.	358
Kampot Power Plant Co., Ltd.	286
Suvarnabhumi Environment Care Co., Ltd.	192
Samart RadiTech Co., Ltd.	95
	2,128

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

45.2 As at 31 December 2011, Samart Telcoms Public Co., Ltd. and its subsidiaries have the following commitment to banks and a leasing company as a result of their guarantees of credit facilities and rental of equipment.

45.2.1 Samart Telcoms Public Co., Ltd. was guarantor of loans and credit facilities of its subsidiary company from banks and a leasing company amounting to Baht 22,233 million.

45.2.2 Samart Telcoms Public Co., Ltd. was guarantor of credit facility of Oasis Consulting Co., Ltd., its subsidiary company, from bank amounting to Baht 10 million in which Samart Telcoms Public Co., Ltd. guarantee for 70 percent of the credit facility.

45.2.3 Loans and credit facilities of Samart Telcoms Public Co., Ltd. amounting to Baht 400 million are cross guaranteed by Samart Telcoms Public Co., Ltd. and four subsidiary companies, comprising Samart Communication Services Co., Ltd., Samart Broadband Services Co., Ltd., Posnet Co., Ltd. and Thai Trade Net Co., Ltd. The amounts of such guarantees are proportionate to the amount of credit used but capped at Baht 80 million for each company.

A Generally, the guarantees are effective for as long as the underlying obligations have not been discharged by Samart Telcoms Public Co., Ltd. on its subsidiary companies Guarantee fees are charged by Samart Telcoms Public Co., Ltd. and its subsidiary companies.

45.3 As at 31 December 2011, 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.	152
Samart Mobile Services Co., Ltd.	55
Samart Multimedia Co., Ltd.	117
I-Mobile Inter trade Co., Ltd.	20
Pt. Samart I-Mobile Indonesia	159
Samart Multimedia Co., Ltd. and Samart Interactive Media Co., Ltd. (joint use the same facilities with Samart I-Mobile Public Co., Ltd.)	10
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.)	1,766
Samart I-Mobile (Hong Kong) Ltd. (joint use the same facilities with Samart I-Mobile Public Co., Ltd.)	2,985
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
Brain Source Co., Ltd. (joint use the same facilities with Samart I-Mobile Public Co., Ltd.)	150
Samart Multimedia Co., Ltd. (joint use the same facilities with Samart I-Mobile Public Co., Ltd.)	140
I-Moblile Plus Co., Ltd.	10
I-Sport Co., Ltd.	5

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

45.4 As at 31 December 2011, 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	1,157
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	34
Samart I-Mobile Public Co., Ltd., I-Mobile International Co., Ltd., Samart Mobile Services Co., Ltd., and Samart I-Mobile (Hong Kong) Ltd.,	1,000	197
Samart I-Mobile Public Co., Ltd. and I-Mobile Plus Co., Ltd.	6	6

The credit facility of Baht 2,985 million mentioned above in Note 45.3, 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.

45.5 As at 31 December 2011, 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 subsidiaries, Vision and Security System Co., Ltd. and Samart U-Trans Co., Ltd. also have cross-guaranteed credit facilities of Baht 20 million and Baht 10 million, respectively.

45.6 As at 31 December 2011, 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.

45.7 As at 31 December 2011, the Company and Suvarnabhumi Environment Care Co., Ltd., have cross-guaranteed the credit facility of Baht 20 million granted by a commercial bank to such subsidiary.

46. Commitments and contingent liabilities

As at 31 December 2011, the Company and its subsidiaries have commitments and contingent liabilities other than those disclosed in other notes as follows:

46.1 Operating lease commitments

The Company and its subsidiaries have entered into 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 2011, 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	165	79	9	52
Malaysian Ringgit	1	1	-	-
Hong Kong dollar	1	1	-	-

46.2 Commitments in uncalled portions of investments

As at 31 December 2011, the Company and its subsidiaries have outstanding commitment totaling in respect of uncalled portions of their investments as follows:

	Amount
The local subsidiary companies	Baht 318 million
The overseas subsidiary companies	Malaysian Ringgit 3 million
	USD 3 million

46.3 Other commitments

a) Samart Telcoms Public Co., Ltd., a subsidiary company, entered into transponder lease agreements with domestic and foreign contractual partners. Under the agreements, the subsidiary company had commitment to pay rental fees to its contractual partners in monthly installments, totally approximately USD 0.5 million per month. The agreements are expiring during 2011 to 2014.

b) Samart Telcoms Public Co., Ltd., a subsidiary company, entered into an agreement with the National Broadcasting and Telecommunications 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 Broadcasting and Telecommunications Commission, and to pay the service fee at the rate of 9% of revenue before expenses per annum as stipulated under the contract term of agreement.

However, on 10 August 2011, the Board of the National Broadcasting and Telecommunications Commission passed a resolution approving the issue to the Company of a 5-year, Type two telecommunication business license without own telecommunications network (Very Small Aperture Terminal (VSAT) service). The license is effective from the date of termination of the old contract to provide local audio and visual data communications via satellite services (13 September 2011). The subsidiary company is obliged to comply with various conditions, which included a commitment to hand over the telecommunications equipment used in provision of the data communication via satellite service to the National Broadcasting and Telecommunications Commission within 11 December 2011, and to pay an annual service fee. Although, as at 31 December 2011, the subsidiary company is still in the process of handing over the telecommunications equipment, the subsidiary company's management believes that no penalty will be charged for late delivery, and so no provision for such a penalty has been recorded in the books of account.

- c) 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., 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.
- d) 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.
- e) 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 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, USD 5.5 million has been executed and remaining USD 0.2 million.
- f) 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.

- g) On 26 October 2006, Samart Communication Services Co., Ltd., a subsidiary company, entered into an agreement with a company 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. Since the subsidiary could not accomplish 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 subsidiary's management believes that the negotiation with the counterparty will be successful therefore as at 31 December 2011 the subsidiary has not set up provision for fine from the project delay.
- h) On 30 August 2004, Samart Infonet Co., Ltd., a subsidiary company, entered into an agreement with the Communications Authority of Thailand whereby the subsidiary was provided with circuit services connecting it to an electronic data interchange via the internet, for a period of 3 years, to end on 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 with the requirement of service fee of approximately Baht 0.6 million per month. Under the agreement the subsidiary company can continue to utilise the service for an indefinite time, therefore all conditions as stipulated in the agreement shall be applied until the subsidiary notifies that it is ceasing use of the service.
- i) The Samart Engineering Co., Ltd, a subsidiary company, has entered into nine satellite channels rental service agreements with two private companies. The 9 agreements will expire in the year 2012. As at 31 December 2011, the subsidiary company is obliged to pay the service fee of USD 1 million and Baht 12 million.
- j) 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 3G mobile phone network services through the Wideband Code-Division Multiple Access (WCDMA) system.

In addition, as discussed in Note 16.3.2 to the financial statements, during the year the subsidiary company transferred the right and duties under a memorandum of understanding to I-Mobile Plus Co., Ltd., another subsidiary company. The subsidiary company is obliged to comply with certain conditions and pay fees for the testing project as stated in the memorandum of understanding.

- k) Samart Infonet Co. Ltd., a subsidiary company, entered into a one-year contract with True Internet Gateway Co. Ltd. related to the provision of services to an internet exchange center. This contract will expire on 31 March 2012. The subsidiary is obliged to comply with the conditions stipulated in the contract and pay a service fee totaling approximately Baht 0.4 million per month.

- l) Samart Communication Services Co. Ltd., a subsidiary company, entered into equipment and service purchase agreement with many local companies for TOT 3G nationwide Network project. The subsidiary is obligated to comply with the conditions and pay for equipment and service fee totaling approximately Euro 0.6 million and Baht 2,832 million.

46.4 Litigation

- a) 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 million. The subsidiary company already recognised revenue and received payment under such agreement of Baht 26 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 and contingent liabilities in the financial statements.

Subsequently, on 19 March 2010, the subsidiary company has lodged a countersuit with the court for the case of cheques amounting to Baht 14 million. The case is currently in progress of being heard by the court.

- b) The Company had been involved in provision of financial support and installation of telecommunication network system to the 13th the Bangkok - Asian Games Organizing Committee (BAGOC) in 1997, for instance by supporting on installation design of telecommunication network system including its equipment and providing financial support at Baht 190 million. However, the Company had encountered with financial difficulties during the massive economic downturn of the country in 1997 which had long term and continuous impacts to the Company. Therefore, the Company has negotiated to cancel such financial support because the Company has waived its rights to use many benefits made under the agreements during the competition games and the Committee further provided such benefits to other sponsors already. Hence, the Company was not liable for such financial support any longer.

During the fourth quarter of 2010, BAGOC has submitted the matter in dispute to the Arbitration Institute requesting the Company to make payment of approximately Baht 332 million (Baht 190 million plus interest).

Kanung & Partners Law Offices whom has been hired by the Company to be the consultant and responsible for this case has opined that the Company should not be responsible for this claim for damages since the claimant has submitted the matter in dispute to the Arbitration Institute after the dispute period has passed 10 years, so the statute of limitations has already been expired. Therefore, no provision has been made against the contingent liabilities in the account.

46.5 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, respectively, paid to I-Mobile International Co., Ltd., another subsidiary company, in relation to the 2007 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. In addition, the IRD issued another letter in December 2009 to request further information regarding the consultancy fees and management fees for the year 2006, 2007 and 2008.

Subsequently, on 17 May 2011, the Inland Revenue Department of Hong Kong sent the subsidiary company a letter relating to the result of examination of the above issue, advising that no taxation adjustment is required.

47. Financial instruments

47.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "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. In addition, they have a large customer base. The Company and its subsidiaries do not anticipate material losses from their debt collection. The maximum exposure to credit risk is limited to the carrying amount of receivables, loans and other receivables as stated in the statement of financial position.

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 2011 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.

(Units: Million Baht)

	Consolidated financial statements					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	Over 1 - 5 years				
	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(% p.a.)
Financial Assets						
Cash and cash equivalents	-	-	1,055	14	1,069	0.01 - 2.70
Short-term investments - trading securities	-	-	-	3	3	-
Trade and other accounts receivable	-	-	-	5,145	5,145	-
Short-term loans	-	-	14	5	19	2.35
Finance leases receivable	48	9	-	-	57	5.25
Restricted bank deposits	-	-	129	-	129	0.10 - 2.10
Total	48	9	1,198	5,167	6,422	

(Units: Million Baht)

	Consolidated financial statements					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	Over 1 - 5 years				
	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(% p.a.)
Financial liabilities						
Bank overdrafts	-	-	124	-	124	6.125 - 7.900
Short-term loans from financial institutions	328	-	4,632	-	4,960	4.15 - 8.25
Trust receipt						
- Baht	955	-	284	-	1,239	1.93 - 7.00
- US Dollar	123	-	-	-	123	1.62 - 1.94
Trade and other accounts payable	-	-	-	2,994	2,994	-
Long-term loans from financial institutions	-	-	2,093	-	2,093	1.7959 - 7.250
Liabilities under finance lease agreements	8	27	-	-	35	2.950 - 7.375
Total	1,414	27	7,133	2,994	11,568	

(Units: Million Baht)

	Separate financial statements					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	Over 1 - 5 years				
	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(% p.a.)
Financial Assets						
Cash and cash equivalents	-	-	31	-	31	0.05 - 1.50
Short-term investments - trading securities	-	-	-	1	1	
Trade and other accounts receivable	-	-	-	95	95	
Short-term loans	-	-	181	-	181	8.25
Total	-	-	212	96	308	

(Units: Million Baht)

	Separate financial statements					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	Over 1 - 5 years				
	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(% p.a.)
Financial liabilities						
Short-term loans from financial institution	165	-	-	-	165	5.35 - 6.25
Trade and other accounts payable	-	-	-	62	62	
Short-term loans	-	-	99	-	99	3.10 - 3.20
Long-term loans from related parties	-	-	535	-	535	2.33303 - 2.44705
Long-term loans from financial institutions	-	-	413	-	413	6.250 - 6.375
Liabilities under finance lease agreements	1	9	-	-	10	2.95 - 4.75
Total	166	9	1,047	62	1,284	

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 2011, 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	Financial liabilities	Exchange rate as at 31 December 2011	
	(Million)	(Million)	(Baht per unit of foreign currency)	
			Buying rate	Selling rate
US dollar	8.69	61.39	31.5505	31.8319
Euro	-	12.19	-	41.3397

Forward exchange contracts

The outstanding balance of forward exchange contracts as at 31 December 2011 of the subsidiaries are summarised below.

Subsidiaries in Thailand

Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
	(Million)	(Million)	(Baht per unit of foreign currency)		
US dollar	5.30	15.93	31.3449 - 31.9299	30.1100 - 31.3800	January-July 2012
Euro	8.08	-	41.1330 - 41.4678	-	January-May 2012

Subsidiaries in Malaysia

Foreign currency	Consolidated financial statements	Contractual exchange rate	Contractual maturity date
	(Million)	(Malaysian ringgit per 1 foreign currency unit)	
Amount bought			
US dollar	1.82	3.1752	March 2012

Currency option contracts

As at 31 December 2011, Samart I-Mobile Public Co., Ltd., a subsidiary company has currency option contracts as summarised below.

	Currency	Sold amount	Strike rate	Delivery date
		(Million)	(Baht per unit of foreign currency)	
Sell put option	US dollar	5	30.90 - 31.05	April - June 2012

If, on the maturity date, the reference exchange rate is lower than strike rate, the subsidiary company is obligated to buy US dollar at strike rate.

As at 31 December 2011, fair value of sell put option contract is lower than trade date of Baht 0.27 million.

47.2 Fair values of financial instruments

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

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.

48. 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.

The Group manages its capital position with reference to its debt-to-equity ratio.

As at 31 December 2011, the Group's debt-to-equity ratio was 2.06:1 (2010: 1.45:1) and the Company's debt-to-equity ratio was 0.40:1 (2010: 0.39:1).

49. Reclassification

To comply with the Notification of the Department of Business Development relating to the financial statement presentation as described in Note 2 and as the result of the adoption of revised and new accounting standards and change in accounting policy as described in Note 5, certain amounts in the financial statements for the year ended 31 December 2010 have been reclassified to conform to the current year's classification, without any effect to the previously reported profit or shareholder's equity.

In addition, the Company and its subsidiaries have reclassification other than those comply with the Notification of the Department of Business Development as above. The detail are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
The statement of financial position				
Other current assets	770,582	621,518	-	-
Withholding tax deducted at source	6,385	155,449	-	-
Statement of income				
Revenues				
Other income	335,577	345,808	-	-
Expenses				
Cost of sales	9,322,926	9,295,465	-	-
Selling expenses	1,346,469	1,336,931	-	-
Administrative expenses	916,756	851,392	301,088	278,515
Management's remuneration	-	74,902	-	22,573
Other expenses	132,693	170,386	-	-

The reclassifications had not effect to previously reported profit or shareholders' equity.

50. Approval of financial statements

These financial statements were authorized for issue by the authorized Directors on 23 February 2012.

Remuneration of the Auditors

1) Audit Fee

Audit Fee in 2011 comprised of following details:

- Audit Fee for accounting period ended December 31, 2011 of the Company was Baht 2,300,000 of which excluded other miscellaneous payment of Baht 88,874 (i.e. auditors' traveling expenses, photo copy expenses).
- Audit Fee for accounting period ended December 31, 2011 of the subsidiaries that has the same auditor as the Company were Baht 9,923,000 of which excluded other miscellaneous payment of Baht 666,465 (i.e. auditors' traveling expenses, photo copy expenses).
- Opening Balance Audit Fee of the new acquired subsidiary in 2011 at Baht 30,000.

2) Non-Audit Fee

Non-Audit Fee in 2011 comprised of following details:

- Brain Source Co., Ltd., an indirect subsidiary with stakeholding 59.58%, 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, 2011 at Baht 120,000.
- Smarterware Co., Ltd., an indirect subsidiary with stakeholding 71.02%, 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, 2011 at Baht 70,000.
- Samart Telcoms Pcl., a direct subsidiary with stakeholding 71.02%, paid fee to Ernst & Young Office Limited for the audit report on service income Baht 20,000.
- Samart Ed-Tech Co., Ltd., an indirect subsidiary with stakeholding 71.02%, 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, 2011 at Baht 70,000.

The Board of Directors and Management of Samart Corporation Public Company Limited

The Board of Directors of Samart Corporation Public Company Limited as of December 31, 2011

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	73	- Ph.D (Civil Eng.), Northwestern University, Chicago, USA - M.Eng. (Civil), Asian Institute of Technology Bangkok - B.Eng. (Civil), Chulalongkorn University, Bangkok - National Defence course (Class 32), National Defence College of Thailand Training courses from Thai Institute of Directors Association (IOD) : - Director Accreditation Program (DAP) - Finance for Non-Finance Director	-	-	2008-Present 2008-Present 2007-Present 2007-Present 2006-Present 2002-Present 1999-Present 1994-Present 2003-Present Present Present 2005-Oct. 2011 2004-2010 2006-2008 2005-2008 2005-2008 1997-2008	Chairman/Audit Committee Member Chairman of the Nominating & Compensation Committee Chairman Chairman Chairman Chairman Director Independent Director Advisor Advisor Advisor Director, Assessment Committee Independent Director Director Director Director/Audit Committee Member Chairman	Samart Corporation Pcl. Samart Corporation Pcl. Thai Industrial gases Pcl. Chuchawal-Royal has Koning Co., Ltd. C. T. Land Co., Ltd. The University Council King Mongkut's University of Technology Thonburi West Coast Engineering Co., Ltd. Sahaviriya Steel Industries Pcl. PTT Pcl. PTT Chemical Pcl. PTT Exploration and Production Pcl. The Comptroller General's Department, Ministry of Finance Bangkok Polyethylene Pcl. PTT Exploration and Production Pcl. PTT Chemical Pcl. Vinythai Pcl. TMB Asset Management Co., Ltd.
2. Mr. Pradang Prichayangkun - Vice Chairman - Independent Director - Chairman of the Audit Committee - Corporate Governance Committee Member - Nominating & Compensation Committee Member	77	- Bachelor Degree of Law, Thammasat University - National Defence course (Class 31), National Defence College of Thailand - Financial reporting to comply with new accounting standard, The Stock Exchange of Thailand Training courses from Thai Institute of Directors Association (IOD) : - Director Certification Program (DCP) - Audit Certification Program (ACP)	0.02	-	2008-Present 2008-Present 2008-Present 2007-Present 1997-2008 2005-2008 2005-2008	Vice Chairman/Chairman of Audit Committee Corporate Governance Committee Member Nominating & Compensation Committee Member Director Chairman/Chairman of the Audit Committee Corporate Governance Committee Nominating & Compensation Committee Member	Samart Corporation Pcl. Samart Corporation Pcl. Samart Corporation Pcl. Carpass Information Services Co., Ltd. Samart Telcoms Pcl. Samart Telcoms Pcl. Samart Telcoms Pcl.

Remark : * Includes holding by spouse and minor children
% of total number of voting rights

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	75	- 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)	0.07	-	1999-Present	Director	Samart Corporation Pcl.
					1999-Present	Audit Committee Member	Samart Corporation Pcl.
					2008- Present	Nominating & Compensation Committee Member	Samart Corporation Pcl.
					2008-Present	Chairman of the Corporate Governance Committee	Samart Corporation Pcl.
					2005-2008	Chairman of the Nominating & Compensation Committee	Samart Telcoms Pcl.
					2005-2008	Chairman of the Nominating & Compensation Committee/ Corporate Governance Committee Member	Samart Corporation Pcl.
					Former	Budget Director Level 11	Bureau of the Budget Thailand
4. Mr. Prinya Waiwatana - Independent Director - Corporate Governance Committee Member	64	- Bachelor Degree in Accounting, Chulalongkorn University Training courses from Thai Institute of Directors Association (IOD) : - Director Accreditation Program (DAP) - Audit Committee Program (ACP) - Director Certification Program (DCP) - Monitoring the System of Internal Control and Risk Management (MIR) - Role of Compensation Committee (RCC)	-	-	Former	Budget Director for Security Affairs	Bureau of the Budget Thailand
					Former	Budget Analyst Level 7	Bureau of the Budget Thailand
					Former	First Grade Budget Officer Public Service Division	Bureau of the Budget Thailand
					2010-Present	Director	Samart Corporation Pcl.
					2010-Present	Corporate Governance Committee Member	Samart Corporation Pcl.
					2010-Present	Independent Director	Ira Capital Pcl.
					2006-Present	Partner and Manager	P & Associates Office
					2005-Present	Independent Director/ Audit Committee Member/ Compensation Committee Member	Thai steel cable Pcl.
					2007-Mar. 2011	Independent Director/ Audit Committee Member/ Compensation Committee Member	Ascon Construction Pcl.

Remark : * Includes holding by spouse and minor children
% of total number of voting rights

Name-Surname/Position	Age	Education	Shareholding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
5. Mrs. Siripen Vilailuck - Director	72	- Director Certification Program (DCP), Thai Institute of Directors Association (IOD)	0.56	Mr. Charoenrath's Mr. Watchai's and Mr. Thananan's mother	1993-Present 1975-Present 1993-Present 2008-May 2008	Director Director Director Nominating & Compensation Committee Member	Samart Corporation Pcl. Samart Engineering Co., Ltd. Vilailuck International Holding Co., Ltd. Samart Corporation Pcl.
6. Mr. Charoenrath Vilailuck - Authorized Director - Executive Chairman & CEO - Chairman of the Risk Management Committee	52	- 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 Training courses from Thai Institute of Directors Association (IOD) : - Director Certification Program (DCP) - Director Accreditation Program (DAP)	14.37	Mrs. Siripen's son and Mr. Watchai's and Mr. Thananan's elder brother	1995-Present 1993-Present 2008-Present 2005-Present 1995-Present 1993-Present Present 2006-2008	Executive Chairman & CEO Director Chairman of the Risk Management Committee Director Director Director Director Vice Chairman of the Risk Management Committee	Samart Corporation Pcl. Samart Corporation Pcl. Samart Corporation Pcl. Samart I-Mobile Pcl. Samart Telcoms Pcl. Vilailuck International Holding Co., Ltd. Subsidiaries and Affiliated Companies (as details in Directors and Management in subsidiaries and affiliated companies) Samart Corporation Pcl.
7. Mr. Watchai Vilailuck - Authorized Director - President - Chief Operating Member of Risk Management Committee	49	- 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 - Leadership Program (Class 11), Capital Market Academy (CMA) - The Programme for Senior Executives on Justice Administration Batch 15, National Justice Academy	14.40	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	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	Samart Corporation Pcl. Samart Corporation Pcl. Samart Corporation Pcl. Samart I-Mobile Pcl. Samart I-Mobile Pcl. Samart Telcoms Pcl. Samart Telcoms Pcl. Vilailuck International Holding Co., Ltd. Subsidiaries and Affiliated Companies (as details in Directors and Management in subsidiaries and affiliated companies)

Remark : * Includes holding by spouse and minor children
% of total number of voting rights

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	61	- Master of Accounting, Thammasat University - Bachelor Degree in Accounting, Thammasat University Training courses from Thai Institute of Directors Association (IOD) : - Director Certification Program (DCP) - Finance for Non-Finance Directors Program	0.14	-	2000-Present	Executive Vice Chairman	Samart Corporation Pcl.
					1996-Present	Director	Samart Corporation Pcl.
					2005-Present	Corporate Governance Committee Member	Samart Corporation Pcl.
					2004-Present	Risk Management Committee Member	Samart Corporation Pcl.
					2005-Present	Risk Management Committee Member	Samart I-Mobile Pcl.
					2008-Present	Nominating & Compensation Committee Member	Samart I-Mobile Pcl.
					1998-Present Present	Director Director	Samart Telcoms Pcl. Subsidiaries and Affiliated Companies (as details in Directors and Management in subsidiaries and affiliated companies)
9. Mr. Pairote Varophas - Authorized Director - Executive Vice Chairman - Risk Management Committee Member	60	- 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	0.03	-	Present	Speaker	Thai Institute of Directors Association (IOD)
					2004-Oct. 2011	Director	Ascon Construction Pcl.
					2005-2008	Corporate Governance Committee Member	Samart I-Mobile Pcl.
					2006-2007	Nominating & Compensation Committee Member	Samart Corporation Pcl.
					2003-Present	Director/Executive Vice Chairman	Samart Corporation Pcl.
					2004-Present	Acting Chief Operating Officer-ICT Solutions & Services LOB	Samart Corporation Pcl.
					2004-Present	Risk Management Committee Member	Samart Corporation Pcl.
					2003-Present	Director/Executive Vice Chairman	Samart Telcoms Pcl.
					2005-Present	Chairman of the Risk Management Committee	Samart Telcoms Pcl.
					2008-Present	Corporate Governance Committee Member	Samart Telcoms Pcl.
					2008-Present	Corporate Governance Committee Member	Samart I-Mobile Pcl.
					2002-Present	Independent Director and Audit Committee Member	Trinity Wattana Pcl.
					Present	Director	Subsidiaries and Affiliated Companies (as details in Directors and Management in subsidiaries and affiliated companies)
					2005-Present	Chairman	Siam Appraisal and services Co., Ltd.
					2005-2008	Nominating & Compensation Committee Member	Samart Telcoms Pcl.

Remark : * Includes holding by spouse and minor children
% of total number of voting rights

Executives & Management of Samart Corporation Public Company Limited as of December 31, 2011

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	52	- 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 Training courses from Thai Institute of Directors Association (IOD) : - Director Certification Program (DCP) - Director Accreditation Program (DAP)	14.37	Mrs. Siripen's son and Mr. Watchai's and Mr. Thananan's elder brother	1995-Present 1993-Present 2008-Present 2005-Present 1995-Present 1993-Present Present 2006-2008	Executive Chairman & CEO Director Chairman of the Risk Management Committee Director Director Director Director Vice Chairman of the Risk Management Committee	Samart Corporation Pcl. Samart Corporation Pcl. Samart Corporation Pcl. Samart I-Mobile Pcl. Samart Telcoms Pcl. Vilailuck International Holding Co., Ltd. Subsidiaries and Affiliated Companies (as details in Directors and Management in subsidiaries and affiliated companies) Samart Corporation Pcl.
2. Mr. Watchai Vilailuck - Authorized Director - President - Chief Operating Member of Risk Management Committee	49	- 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 - Leadership Program (Class 11), Capital Market Academy (CMA) - The Programme for Senior Executives on Justice Administration Batch 15, National Justice Academy	14.40	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	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	Samart Corporation Pcl. Samart Corporation Pcl. Samart Corporation Pcl. Samart I-Mobile Pcl. Samart I-Mobile Pcl. Samart Telcoms Pcl. Samart Telcoms Pcl. Vilailuck International Holding Co., Ltd. Subsidiaries and Affiliated Companies (as details in Directors and Management in subsidiaries and affiliated companies)

Remark : * Includes holding by spouse and minor children
% of total number of voting rights

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	61	- Master of Accounting, Thammasat University - Bachelor Degree in Accounting, Thammasat University Training courses from Thai Institute of Directors Association (IOD) : - Director Certification Program (DCP) - Finance for Non-Finance Directors Program	0.14	-	2000-Present	Executive Vice Chairman	Samart Corporation Pcl.
					1996-Present	Director	Samart Corporation Pcl.
					2005-Present	Corporate Governance Committee Member	Samart Corporation Pcl.
					2004-Present	Risk Management Committee Member	Samart Corporation Pcl.
					2005-Present	Risk Management Committee Member	Samart I-Mobile Pcl.
					2008-Present	Nominating & Compensation Committee Member	Samart I-Mobile Pcl.
					1998-Present	Director	Samart Telcoms Pcl.
					Present	Director	Subsidiaries and Affiliated Companies (as details in Directors and Management in subsidiaries and affiliated companies)
4. Mr. Pairote Varophas - Authorized Director - Executive Vice Chairman - Risk Management Committee Member	60	- 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	0.03	-	2004-Oct. 2011	Speaker	Thai Institute of Directors Association (IOD)
					2005-2008	Director	Ascon Construction Pcl.
					2006-2007	Corporate Governance Committee Member	Samart I-Mobile Pcl.
						Nominating & Compensation Committee Member	Samart Corporation Pcl.
					2003-Present	Director/Executive Vice Chairman	Samart Corporation Pcl.
					2004-Present	Acting Chief Operating Officer-ICT Solutions & Services LOB	Samart Corporation Pcl.
					2004-Present	Risk Management Committee Member	Samart Corporation Pcl.
					2003-Present	Director/Executive Vice Chairman	Samart Telcoms Pcl.
					2005-Present	Chairman of the Risk Management Committee	Samart Telcoms Pcl.
					2008-Present	Corporate Governance Committee Member	Samart Telcoms Pcl.
					2008-Present	Corporate Governance Committee Member	Samart I-Mobile Pcl.
					2002-Present	Independent Director and Audit Committee Member	Trinity Wattana Pcl.
					Present	Director	Subsidiaries and Affiliated Companies (as details in Directors and Management in subsidiaries and affiliated companies)
					2005-Present	Chairman	Siam Appraisal and services Co., Ltd.
					2006-2008	Nominating & Compensation Committee Member	Samart Telcoms Pcl.

Remark : * Includes holding by spouse and minor children
% of total number of voting rights

Name-Surname/Position	Age	Education	Shareholding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
5. Mr. Thananan Vilailuck - Executive Director - President of Mobile Multimedia LOB	45	- Master of Engineering, University of Florida, USA - Bachelor Degree in Engineering, Kasetsart University - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD)	1.56	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 Apr. 2011-Present Present	Executive Director President of Mobile Multimedia LOB President Director/Executive Director Risk Management Committee Member Director Director Director	Samart Corporation Pcl. Samart Corporation Pcl. Samart I-Mobile Pcl. Samart I-Mobile Pcl. Samart I-Mobile Pcl. Vilailuck International Holding Co., Ltd. Siam Sport Syndicate Pcl. Subsidiaries and Affiliated Companies (as details in Directors and Management in subsidiaries and affiliated companies)
6. Mr. Pracha Phathayakorn - Executive Vice President	48	- Master of Business Administration with major in Finance and International Business, Sasin Graduate Institute of Business Administration - Bachelor Degree in Accounting, Chulalongkorn University - Investment Banking License, Association of Securities Companies Training courses from Thai Institute of Directors Association (IOD) : - Director Certification Program (DCP) - Monitoring the System of Internal Control and Risk Management (MIR) - Monitoring the Internal Audit Function (MIA) - Monitoring the Quality of Financial Reporting (MFR) - Audit Committee Program (ACP) - Director Accreditation Program (DAP)	-	-	May 2011-Present 2005-Nov. 2011 2005-Apr. 2011	Executive Vice President Independent Director and Audit Committee Member President	Samart Corporation Pcl. Eternity Grand Logistics Pcl. Paresa Corporation Co., Ltd.

Remark : * Includes holding by spouse and minor children
% of total number of voting rights

Directors and Managements in Subsidiaries, Affiliated Companies and Related Company as of December 31, 2011

Directors and Managements	Company	Subsidiaries																																		Affiliated Companies				Related Companies
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38		
	SC	SIM	SMS ⁽¹⁾	BUG ⁽¹⁾	SIAM ⁽²⁾	IMI ⁽¹⁾	SIMM ⁽³⁾	SIMI ⁽³⁾	SIMH ⁽³⁾	BS ⁽¹⁾	IMP ⁽¹⁾	IMIT ⁽³⁾	STC	SCS ⁽⁴⁾	SCT ⁽⁴⁾	SR&D	SBS ⁽⁴⁾	TTN ⁽⁴⁾	PN ⁽⁴⁾	SIF ⁽⁴⁾	STW ⁽⁴⁾	SAET ⁽⁴⁾	CATS ⁽⁶⁾	KPP ⁽⁶⁾	SU	SEC	OTO	VSS	SE	CIO ⁽⁶⁾	SIH	SRT	OTOPRO ⁽⁷⁾	I-SPORT ⁽²⁾	TAL ⁽²⁾	CS	OASIS ⁽⁴⁾	VIH		
1. Dr. Tongchat Hongladaromp	x																																							
2. Mr. Pradang Prichayangkun	/																																							
3. Mr. Seri Suksathaporn	/																																							
4. Mrs. Siripen Vilailuck	/																												/									/		
5. Mr. Charoenrath Vilailuck	//	/	x			x					x	x	//	x	x	x	x	x	x		x	x	/	x	x	x	x		x	x	x	x	x		x	x	x	x		
6. Mr. Watchai Vilailuck	//	//	/	x	x	/	x	x	x	x	/	/	//	/	/		/	/	/	x	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/		
7. Mr. Sirichai Rasameechan	//		/	/	/					/			//			/	/	/	/						/	/	/	/	/	/	/	/	/	/			/			
8. Mr. Pairote Varophas	//												//	/			/	/	/	/	/	/				/				/	/	/	/			/				
9. Mr. Prinya Waiwatana	/																										/													
10. Mr. Thananan Vilailuck	///	//	/	/	/	/	/	/	/	/	/	/											/						/	/					/		/			
11. Mr. Pracha Phathayakorn	///																							/												/		/		

Remark : 1) x = Chairman, / = Director, // = Executive Director, /// = Managements

2) Companies Symbol;

- | | | | |
|---|---|--|--|
| 1. SC = Samart 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 |
| 9. SIMH = Samart I-Mobile (Hong Kong) Co., Ltd. | 10. BS = Brain Source Co., Ltd. | 11. IMP = I-Mobile Plus 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 = Smarterware Co., Ltd. | 22. SAET = Samart Ed-Tech Co., Ltd. | 23. CATS = Cambodia Air Traffic Services Co., Ltd. | 24. KPP = Kampot Power Plant Co., Ltd. |
| 25. SU = Samart U-Trans Co., Ltd. | 26. SEC = Suvarnabhum Environment Care Co., Ltd. | 27. OTO = One To One Contacts Co., Ltd. | 28. VSS = Vision and Security System Co., Ltd. |
| 29. SE = Samart Engineering Co., Ltd. | 30. CIO = Contact-In-One Co., Ltd. | 31. SIH = Samart Inter Holding Co., Ltd. | 32. SRT = Samart Raditech Co., Ltd. |
| 33. OTOPRO = One To One Professional Co., Ltd. | 34. I-SPORT = I-Sport Co., Ltd. | 35. TAL = Take A Look Co., Ltd. | 36. CS = Cambodia Samart Co., Ltd. |
| 37. OASIS = Oasis Consulting Co., Ltd. | 38. VIH = Vilailuck International Holding Co., Ltd. | | |

3) ⁽¹⁾ Held by SIM

⁽⁵⁾ Held by SE

⁽²⁾ Held by BUG

⁽⁶⁾ Held by SIH

⁽³⁾ Held by IMI

⁽⁷⁾ Held by OTO

⁽⁴⁾ Held by STC

Board of Directors & Committees

Directors of Sub-Committees	Board of Director	Executive Board	Audit Committee	Risk Management Committee	Corporate Governance Committee	Nomination and Compensation Committee
1. Dr. Tongchat Hongladaromp	x		/			x
2. Mr. Pradang Prichayangkun	/		x		/	/
3. Mr. Seri Suksathaporn	/		/		x	/
4. Mrs. Siripen Vilailuck	/					
5. Mr. Charoenrath Vilailuck	/	x		x		
6. Mr. Watchai Vilailuck	/	/		/		
7. Mr. Sirichai Rasameechan	/	/		/	/	
8. Mr. Pairote Varophas	/	/		/		
9. Mr. Prinya Waiwatana	/				/	
10. Mr. Lai Ki Tong				/		
11. Mr. Thananan Vilailuck		/		/		
12. Mr. Sommai Damnoenkiat				/		
13. Mrs. Sukanya Vanichjakvong				/		
14. Mr. Jong Diloksombat				/		
15. Mr. Prasitchai Veerayuttwilai				/		
16. Mr. Pracha Phathayakorn				/		

Remark : x = Chairman, / = Director, Committee Member

Major Subsidiaries' Directors

Name of Directors	Subsidiaries		
	Samart I-Mobile Pcl.	Samart Telcoms Pcl.	Samart Communication Services Co., Ltd.
1. Mr. Charoenrath Vilailuck	/	//	x
2. Mr. Watchai Vilailuck	//	//	/
3. Mr. Sirichai Rasameechan		//	
4. Mr. Pairote Varophas		//	/
5. Prof. Suphachai Phisitvanich	x		
6. Dr. Chotivid Chayavadhanangkur	/		
7. Mr. Kunthit Arunyanonda	/		
8. Mr. Sombut Uthaisang		x	
9. General Sumpun Boonyanun		/	
10. Ms. Rapeepan Luangaramrut		/	
11. Mr. Vichai Pokasamrit		/	
12. Mr. Kajornvut Tayanukorn		/	
13. Mr. Thananan Vilailuck	//		
14. Mr. Jong Diloksombat	//		
15. Mr. Pornchai Krivichian			/
16. Mr. Azwan Khan Bin Osman Khan	/		
17. Mr. Donald James Rae	/		

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	:	985,629,410 shares
Par Value	:	Baht 1 per share

Other References

Company registrar	:	Thailand Securities and Depository Co., Ltd. 62, The Stock Exchange of Thailand Building, 7 th floor, Ratchadaphisek Road, Klongtoey, Bangkok 10110
Telephone	:	0-2229-2000 ext. 2877 Direct Line 0-2229-2877
Fax.	:	0-2264-5642, 0-2654-5645
Auditor	:	Ms. Siriwan Suratepin Certified Public Accountant C.P.A. license No. 4604 Ernst & Young Office Limited. 33 rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek road, Klongtoey, Bangkok 10110
Telephone	:	0-2264-0777
Fax.	:	0-2264-0789-90





SAMART CORPORATION PUBLIC COMPANY LIMITED

99/1 moo 4, 35 fl., Software Park,
Chaengwattana Rd., Klong Gluar Sub-district,
Pak-kred District, Nonthaburi Province, 11120

Tel : **(662) 502 6000**

www.samartcorp.com